

Applying a Multiple Equilibrium Framework to Divorce Risks in Germany

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Abstract: For many years now, divorce research has focused on the influence of women's new economic role. A number of studies show that divorce risks are associated with women's income. And, yet, there is also mounting evidence that the social gradient of divorce is being reversed. How does one reconcile such findings? In this paper we offer an alternative framework, based on multiple equilibrium models, that predicts that couple instability should be greatest where strong normative consensus is absent – i.e. in unstable equilibria. We should expect significantly lower divorce risks in either the traditional family equilibrium or in a (possibly) emerging gender-egalitarian one. One important upshot is that research on family dynamics should be more sensitive to non-linearities. Using the GSOEP waves 1986-2009, we apply discrete time event history analysis to West German couples and relate partnership durations to couple specialization. We focus particularly on inequity effects related to the division of domestic and market work.

Introduction

Studying demographic change is normally at a snail's pace. But in recent years, demographers are uncovering a remarkable u-turn on key dimensions of family life. The classical negative correlation between female employment and births is turning positive. A similar trend emerges also for couple formation and divorce. These trends seem at odds with the core predictions inherent in two important theoretical frameworks, namely Becker's (1977; 1991) New Home Economics and the 'post-modernism' variant of the Second Demographic Transition (SDT) thesis (van de Kaa, 2001).

Albeit argued very differently, both hypothesize a similar evolutionary scenario: a steady decline in fertility and marriage, and a concomitant rise in cohabitation and divorce. In Becker's framework, the returns to marriage depend on specialization. The opportunity costs of marriage will rise in tandem with gender-convergence in market productivities. At the micro-level we should accordingly expect that high-skilled, high-earning women are less likely to marry and have children (and also be more prone to divorce).¹ At the macro-level, increases in women's employment will induce falling fertility, lower marriage and higher divorce rates.

¹ A note of caution is warranted here since Becker does recognize that specialization is not the sole potential utility. Marriage may also be driven by a preference for consumption maximization.

The postmodernism variant of the SDT thesis predicts pretty much the same trend, but on the basis of a value-change argument. The basic proposition here is that citizens increasingly act on individualistic value preferences (such as self-realization) rather than on commonly shared norms and expectations.

We question the validity of the projected secular rise in couple volatility. Instead we believe that the observed rise in divorce, as well as the recent shift towards greater marital stability (at least among the higher educated), both reflect a dynamic inherent in the unfolding revolution of women's roles. As is well-established, women's exit from housewifery and their adoption of a more 'masculine' life course was not paralleled by any serious male adaptation within the domestic sphere (Gershuny et.al., 2005; Bianchi 2000; Bittman et.al., 2003; Esping-Andersen et.al., 2010). The failure of men to adjust fueled concepts such as the 'second-shift' (Hochschild, 1989); a number of studies pointed to the prevalence of 'doing gender' practices (Berk, 1985; Brines, 1994). The upshot is that greater gender parity in terms of paid work failed to carry over to private life. Indeed, 'doing gender' implies that couples reproduce conventional gender roles – especially when they are threatened. Such conditions represent inequity and are therefore likely to provoke marital tensions and conflict.

With the same logic we should, accordingly, expect that marital stability will increase when couples move towards more equitable domestic arrangements. The u-turn we observe in terms of falling divorce rates among the higher educated in countries like the Scandinavian coincides with a sudden burst in men's contribution to domestic tasks. In Denmark, their mean share of housework shot up from around 30 percent in the 1980s to 41 percent in 2001 -- with almost 30 percent of men contributing in excess of 50 percent (Esping-Andersen et.al, 2010). Our study, focusing on (West) Germany, is a first attempt to tease out whether the coincidence has any causal stature.

As we explain below, demographic behaviour in contemporary societies resembles very much a multiple equilibrium logic: the traditional male breadwinner model co-exists with a nascent gender egalitarian one and, as is inherent in multiple equilibrium settings, there is a potential large population situated in a 'normative limbo' (what economists term an unstable equilibrium).

Hence, as a new gender-symmetric equilibrium gains ground we should also expect that marriages become more stable. So far, the declining incidence of divorce is very much concentrated among the highly educated. These are, not incidentally, not only the vanguards of the female revolution but also of gender-egalitarian partnerships. As a new egalitarian equilibrium gains dominance beyond the confines of a narrow social stratum we should see divorce risks declining across the social pyramid.

Our Danish data on trends in couple sharing suggest that Denmark may be poised to enter this scenario. In this study, however, the focus is on (West) Germany where traditional couple specialization still is prevalent, notwithstanding female employment gains (Cooke, 2004; 2011).² This is why, in line with previous research, one would expect that German divorce risks remain lowest among traditional couples. And yet, as we shall see further on, Germany has experienced a trend towards greater gender-

² Cooke's (2011: Table 7A.2) estimates suggest that German men's contribution to housework (in 2001) is little more than 20 percent. Miranda (2011), using the same data, arrives at a somewhat higher share.

egalitarianism. The question is whether this has been strong enough to produce any significant effect on divorce propensities, at least within the social strata that have moved furthest in that direction.

The Changing Social Gradient of Divorce

Our concern with the social correlates of divorce echoes William Goode's (1962) classical prediction that modernization will democratize divorce risks. His thesis builds on two key factors: the cost of divorce and the class-specific propensity of marital strain. As long as the costs of divorce are high it will remain an upper-class affair; as they diminish it will increasingly spread to the lower classes – where, besides, marital strains are likely to be more prevalent. In fact, Harkonen and Dronker's (2006) analyses suggest that Goode's scenario is born out in a number of advanced countries. For Scandinavia, see also Hoem (1997) and Lyngstad (2004); for the UK, Chan and Halpin (2005); and for the US, see Raley and Bumpass (2003). The decline in US divorce rates since the 1990s is almost exclusively driven by greater marital stability among the highly educated (Martin, 2006).³

The Harkonen and Dronkers (2006) study, however, does not identify any reversal of the social gradient of divorce in Germany, Italy, the Netherlands, and Spain.⁴ But their data are from the FFS surveys and mainly reflect reality up to the 1990s. In fact, more recent data point to an increasingly negative divorce gradient both in Italy and Spain (Bernardi and Martinez-Pastor, 2010; Salvini and Vignoli, 2011) and in the Netherlands (De Graaf and Kalmijn, 2006). We shall see whether Germany, too, is converging with this trend.

A multiple equilibrium approach

How we make choices depends on individual attributes and preferences, on group membership characteristics, and on normative signals (Manski, 1993). An equilibrium exists when expectations and choices are driven by strong normative signals that are endogenously re-confirmed over time (Brock and Durlauf, 2001; Durlauf, 2001; Manski, 1993; Young and Burke, 2001). Consider the traditional male breadwinner model: women invested primarily in homemaker skills (and men in market skills) in anticipation of their future roles and, doing so, they reproduced the self-fulfilling prophesy of comparative advantage.

In theory, an equilibrium can only be stable if it is Pareto-optimal (no alternative arrangement would produce superior efficiency or more equity). Put differently, a normative order that is perceived as yielding unfair and-or inefficient outcomes will likely experience an exodus. What might trigger exodus from a stable equilibrium?

³ My own estimations for Denmark (based on the BFU panel data) show an odds-ratio for divorce among low educated women of 1.27 compared to .76 for high educated (over a ten-year period, 1996-2006).

⁴ For Germany, see also Diekmann and Klein (1991) and Blossfeld et.al. (1995). But note that both these studies, once again, use rather old data.

The dynamics of multiple equilibria are driven by exogenous and endogenous forces. Their emergence depends, in the first instance, on exogenous triggers that put into question the old way of doing things (e.g. conventional practices may be viewed as inefficient). But an alternative equilibrium will consolidate only if the external shock is followed by a self-reinforcing endogenous process of normative adaptation. The logic can be identified in the ongoing revolution of women's roles: initially spurred by exogenous factors, in particular birth control, new household technologies, and the growth of white collar jobs, women began to invest in marketable skills (Goldin, 1990). The redefinition of roles became self-reinforcing once lifelong employment gained normative status among women (and especially mothers). The second-order effect was the decline of the male breadwinner family. In Scandinavia the revolution is undoubtedly reaching maturity because it is universally expected that any given woman will, indeed, pursue a lifelong (and full-time) career. Where the revolution is less advanced, there is much more ambiguity about the proper role of women, part-time commitments are more likely to prevail, and lengthy birth-related career interruptions are typical (Esping-Andersen, 2009).⁵

How do multiple equilibria produce a new dominant equilibrium? The key here is that the endogenous momentum begins to accelerate (Fukao and Benabou, 1993). Initially, the embrace of a new normative regime will be hesitant and this is precisely why transition periods are likely to be associated with considerable indeterminacy, i.e. idiosyncrasies rather than commonly shared norms are the principal drivers of choice. But as a new equilibrium gains momentum, one should expect that norms increasingly dictate people's choices, producing in its wake rising behavioural homogeneity. The endogenous accelerator will most likely emerge via diffusion, a logic akin to the 'critical social-mass' effect that Breen and Cooke (2005) describe. The long-run trend that depicts prolonged inertia followed by a sudden burst in men's housework is consistent with the accelerating-momentum hypothesis.

Unstable equilibria will emerge in societies where citizens confront rival normative pulls (in our case, torn between traditional and new gender egalitarian norms). The concept is clearly a misnomer since they cannot be 'in equilibrium'; they lack any endogenously produced self-reinforcement. Their lack of clear normative signals is, in fact, what produces the appearance of heightened individualism.

And here we return to our original theoretical claim: namely that the individualization of choice that 'post-modern' theories depict as a secular trend is based on an incorrect extrapolation; in our framework, instead, it represents a transitory phase of normative flux. And, as will be recalled, a core assumption is that equilibria will only become stable if they are Pareto-optimal. Within unstable equilibria, in contrast, outcomes are likely to be neither equitable nor efficient - - and this is precisely why they fail to be endogenously self-reproducing. The widely recognized instances of women saddled with a 'double shift' (Hochschild, 1989) or of couples 'doing gender' (Berk, 1985; Brines, 1994) exemplify very well the Pareto sub-optimal aspects of unstable equilibria in family life.

⁵ Azariadis (2008) stresses the indeterminacy of expectations in multiple equilibria. ISSP data from 2002 illustrate such nation differences well. The percent women who favour the traditional male breadwinner family is less than 8 percent in Sweden but 23 percent in (West) Germany (Esping-Andersen, 2009: Table 1.6)

And this is where the approach should be relevant for demographic outcomes. Where normative certainty reigns we should expect fertility to match preferences, a stronger inclination to marry, and enhanced partner stability. Where people are uncertain of what to expect, they will hesitate to marry and have children. If couple relations produce Pareto sub-optimality, conflicts are likely to surface. This is, in our view, why divorce risks are significantly lower among traditional couples – and this should also be the case for gender-symmetric couples if, that is, an egalitarian equilibrium has gained foothold.

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Appendix Table 1. The male share of all with university-level education. West German averages of Lander shares.

	1986	1994	2000
20-30			
Mean	0,47	0,48	0,39
(Std. dev)	(0,09)	(0,10)	(0,11)
31-40			
Mean	0,57	0,55	0,60
(Std. dev)	(0,07)	(0,07)	(0,06)
41-50			
Mean	0,70	0,6	0,59
(Std. dev)	(0,06)	(0,08)	(0,05)