

# IMPACTS OF DIVORCE LAW CHANGES IN BRAZIL AND THE “EXTINCTION” OF JUDICIAL SEPARATION // Antônio J. Maristrello<sup>1</sup> and Pedro H. Butelli<sup>2</sup>

## Keywords

divorce / judicial separation / impact evaluation

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## Abstract

This paper explores the connections between the most recent divorce-related law change, the Constitutional Amendment n.66 (CA66), and its impacts on individual decisions in this regard in Brazil, while analyzing how immediate the behavioral repercussions are for this type of law change and how judicial separation is affected by the fact that it is no longer a prerequisite for divorce. We have found that divorce and marriage rates increased significantly while separations decreased, showing that the law was strongly effective in less than 6 months and that judicial separation seemed to be chosen almost exclusively because of its status as an obligation.

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# IMPACTOS DA MUDANÇA NA LEI DO DIVÓRCIO NO BRASIL E A “EXTINÇÃO” DA SEPARAÇÃO JUDICIAL // Antônio J. Maristrello Porto e Pedro H. Butelli

## Palavras-chave

divórcio / separação judicial / avaliação de impacto

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## Resumo

Este trabalho explora as conexões entre a mais recente mudança legislativa referente ao divórcio – a Emenda Constitucional n.66 – e seus impactos nas decisões individuais a esse respeito. Para tanto, analisa-se, por um lado, quão imediata são as repercussões comportamentais para esse tipo de mudança legislativa e, por outro, como a separação judicial é afetada pelo fato que ela não mais é um pré-requisito para o divórcio. Os resultados mostram que as taxas de divórcio e de casamento aumentaram significativamente, enquanto a separação judicial decresceu. Isso mostra que a lei foi bastante efetiva em menos de seis meses e que a separação judicial parecia ser utilizada quase que exclusivamente por seu status de obrigatória.

## 1 Introduction

Similarly to what was done by Garoupa and Coelho (2006), we aim to shed light on how the decreasing cost of divorce by the exclusion of one of its prerequisites affects individuals' decisions on marriage and its dissolution through either divorce or judicial separation, while learning how quickly these changes cause the observed effects. Analyzing a recent law change that occurred in Brazil in July 2010, we verify how divorce, separation and marriage rates were directly affected by the law. We used a linear regression with time and space fixed effects, which should help us get rid of the effects of any unobservable characteristics in the population. These could affect our estimates of the isolated impact of the studied law but unfortunately, such data are not available.

In order for us to comprehend this relationship we need to control for factors other than the law change itself that might influence decisions regarding marriage. This control will allow us to better understand if changes on divorce rates, for example, were indeed caused by divorce-related legal reform or if other factors have influenced them.

We begin by briefly describing the most important reasons behind the decision to form (and dissolve) marriage and for that we will use the authors Rasul and Matourchek (2008, p. 60). Firstly, there are the Hedonic factors, which are the emotional benefits that couples gain with marriage. They can be seen as being represented by the utility derived from the relationship: if the amount of utility from marriage is reduced, the incentives to divorce will increase, if we believe that the opportunity cost<sup>3</sup> of being in a committed relationship is independent to how beneficial the current relationship is. In other words, if the benefit of being single or in a relationship with someone other than your spouse is higher than the utility

<sup>3</sup> Indeed, “[s]ince people face tradeoffs, making decisions requires comparing the costs and benefits of various courses of action.” In this sense, “the opportunity cost of an item is what you give up to get that item. When making any decision, as when it comes to attending a university, decision makers should be aware of the opportunity costs that accompany each possible action”. In deciding to marry, all other possible actions restricted by making that decision should be considered as part of the opportunity cost of getting married.

gained from marriage, divorce will become a more attractive alternative. These utility gains are notably hard to measure, but this should not pose a problem to us since we are willing to accept that the emotional gains from marriage are not directly affected by the legal change, i.e. the change in the law regarding divorce is exogenous to the feelings of married couples in a way that it is unaffected by and does not change the love that couples feel for each other. With this assumption, we are basically saying that in the months surrounding the time the law came into force, there was no sudden, widespread change in the hedonic factors in a specific direction, i.e., people didn't start loving or despising their spouses more. Some couples liked each other more, some less, but for the average couple, the love they feel for each other remained the same, or at least the change was exogenous to our treatment. This is important because it allows us to assert that the impact we estimate for the law change wasn't due to unobserved variations in couples' feelings caused by the law we're analyzing.

The economic factors, as put by Stevenson and Wolfers (2007), are the ones that materialize through production and consumption complementarities<sup>4</sup> and through the insurance against economic shocks that members of a couple can provide to each other. The production complementarities represent the specialization of each individual in the job market and in the production of household goods and services, such as one individual taking care of their kids and his/her spouse working in a regular job and being the financial provider, which could make them more productive together than separated. Consumption complementarities are the benefits to one individual that come from the externalities generated by the consumption of goods by their spouses. Also, marriage can be interpreted as insurance, represented by the diversification of the couple's activities and assets and by the overall financial support that one individual gives the other.

According to Rowthorn (2002, p. 144), the marriage

<sup>4</sup> Complementary goods or services are those whose use is associated with the use of another good or service, so that the demand for one is accompanied by a demand for the other. If the price of one good falls and its demand increases, generally the demand for its complementary good will also increase.

contract also serves as a signaling device, where individuals reveal to each other their commitment, which is private information. This signaling becomes less costly with the decreasing costs of getting married and divorced, both of which would work in the way of increasing marriages. The smaller the cost of divorce, the weaker will marriage work as a signaling device, since it is a decision that is now easier to reverse.

Other than the variables that influence the decision to marry, it is necessary to analyze the factors that affect the divorce decision, which is complex enough to be difficult for researchers to assess in a statistically rigorous way. Infidelity, tediousness and other sentimental factors are hard (if not impossible) to observe and measure in a way that would allow us to use the econometric methods that would reinforce the causality link sought in this paper. However, some variables such as current economic conditions or the couple's characteristics are variables that we can observe and may have a direct impact on divorce decisions. A couple that is becoming increasingly emotionally incompatible may decide to stay together for financial reasons<sup>5</sup> which would disappear as soon as the economy gets better, allowing them to part their ways.

Religion may also affect those decisions, with religious individuals deciding on divorce and marriage in significantly different ways than non-religious individuals; for instance: the former being less prone to divorce than the latter, since they may be constrained by religious motives other than the other ones mentioned in this section.

A person's education<sup>6</sup> is also a variable that must be controlled for, since it affects their economic independence from their partners and therefore their divorce and marriage decisions. Education also might correlate with certain characteristics such as risk-averseness, which could make individuals postpone marriage until reaching financial security. Controlling for these variables and all the factors cited above, we would be closer to isolating the impact of legal change on divorce rates.

5 The cost of the legal process can be an economic factor that influences the decision to carry on with divorce.

6 Education here refers to the number of years of formal schooling.

In the next section, we describe the law changes that have occurred in Brazil since the beginning of the 20th century that are relevant to our study. In Section III we briefly show some descriptive statistics relative to divorce in order to justify our choice to analyze CA66, and all variables used in this study are explained in more detail in Section 2. Section 2.2 describes the empirical strategy used in this paper, with results presented in Section 3, while Section 4 concludes.

### 1.1 The Evolution Of Divorce Law In Brazil

We will focus on the evolution of divorce-related laws throughout the years, analyzing five important events regarding this theme in Brazil: The Civil Code of 1916; Law 6.515 of 1977; Law 1.841 of 1989; the Civil Code of 2002; Law 11.441 of 2007; and the Constitutional Amendment n.66 of 2010. It is not in the scope of this paper the detailed description of the judicial, legal, historic and social backgrounds that resulted in the specific legal changes, but we will provide a brief overview of the most important changes throughout recent history.

The start of the evolution is marked by a strong influence of the Catholic religion and the canon law. For this reason, the first events that we will write about did not provide for wedding dissolubility once it was considered a regulated agreement by rules of natural law.

According to the Civil Code of 1916, marital union could only be dissolved through death, annulment or friendly/litigious judicial separation<sup>7</sup>. The minimum requirements for friendly judicial separation were mutual consent and the couple had to be married for at least 2 years. In litigious judicial separation, at least one of the following must have occurred: adultery, insult, attempted homicide, or voluntary marital abandonment. However, even after judicial separation was granted, the marital bond was kept, impeding new marriages for both individuals.

7 Judicial separation was understood as a sentence that allowed the separation of the spouses and ended the matrimonial regime. It had similar effects to the dissolution of marriage, but did not end the marriage bond, which was still lifelong, preventing separated individuals to constitute a new marriage. Thus, the separation did not break the bond, but only the conjugal partnership. The bond was extinguished only with death.

Law 6.515 from 1977, known as the “Divorce Law”, and the Constitutional Amendment n.9 changed how divorce was treated in Brazil, allowing the dissolution of marital bonds while maintaining the impossibility of forming new ones. More specifically, the constitutional indissolubility of marriage was changed only with the approval of Constitutional Amendment n.9, 1977. The constitutional rules were changed to give us the following text: (“... marriage can only be dissolved in cases specified by law, provided that there is prior legal separation for more than three years” (emphasis added)). Though the inclusion of such a standard might be revolutionary, it is well recognized as a rule of limited effectiveness. It depended on infra-constitutional laws to take effect, and while such legislation was absent, the absence of divorce would be perpetuated.

Few months after Constitutional Amendment n. 9 was issued, Act 6.515 (the Divorce Act) emerged, which established separation and indirect divorce<sup>8</sup>. Indeed, the Divorce Act provided for the termination of the marital bond by divorce, which was previously non-existent, and established prior legal separation of at least three years as a necessary condition for it. The dissolution of marriage was characterized as indirect, because it depended on complying with the requirements of legal separation - the disruption of conjugal society. Moreover, the Divorce Act allowed each spouse to divorce only once.

Act 6.515 is also important for having solved some succession with respect to the rights of the natural son and the “illegitimate” one. Although the case law had already consolidated the full assimilation of both, the doctrine still debated whether the paragraph 1 of article 1605 of the Civil Code was in force. The Divorce Act had put an end to this discussion because it expressly repealed the paragraph, defining once and for all full equivalence between both children.

With the promulgation of the 1988 Constitution, new changes relative to divorce were promoted. The deadline for divorce by conversion, i.e. after the previous judicial separation, became one year. Addition-

ally, direct divorce was allowed, regardless of legal separation, as long as there was actual separation for at least two years.

Law 1.841 of 1989 increased the change that started in 1977 allowing new marital bonds for individuals who got divorced. Consequently, it opened the possibility of successive divorces<sup>9</sup>.

The Civil Code of 2002<sup>10</sup> brought other new characteristics for the divorce institution in Brazil, creating a binary system of marriage dissolution through either judicial separation or divorce. The same types of divorce already treated in the Divorce Act were reproduced<sup>11</sup>, and the definition of who was at fault was no longer needed. Judicial separation, in turn, was divided into consensual (result of the mutual consent of both spouses) or litigious, i.e. due to the fault of one spouse or other causes that did not rely on guilt: disruption of ordinary family life for more than a year or severe mental disorder for more than two years. The Civil Code of 2002 (CC/02) reduced the term of experience in the wedding from two years to one, allowing quicker consensual separation. As for legal separation without fault, the two causes that underlie it remain (i) the disruption of ordinary life for over a year, with the impossibility of its reconstitution and (ii) serious mental illness, manifested after marriage for a minimum duration of two years. Another very important change was introduced by CC/02 in its article 1.580, allowing the period of one year of legal separation to start at the day the judicial decision that granted separation was made. Thus, it became unnecessary to await the final decision in order to initiate the calculation of the term. As a consequence of that, the real deadline for divorce was drastically reduced, given that since the beginning of the separation process the judge could grant an injunction and, therefore, the parties would not have to wait until the final decision for the beginning of the legal separation’s year.

9 This is the first legal change that could be analyzed with our database, that starts in 1984.

10 The Civil Code of 2002 came into force one year after its publication, on January 10th 2003.

11 Indirect and direct divorce are also in CC/02. Indirect divorce is given by the conversion of legal separation, after one year. In parallel, direct divorce becomes possible if the separation of spouses for more than two years is proven.

8 Direct divorce equals to actual separation, while indirect divorce relates to legal separation.

In 2007, Law 11.441 allowed both consensual divorce and consensual separation to be dealt with in the civil registry, so divorce, separation, inventory and division of assets would become extrajudicial affairs whenever the parties agreed on its terms. This meant that getting divorced became significantly faster and easier, both because of the lower financial costs and the decrease in the number of procedures involved. After this law, divorce could be resolved in 15 days depending on the number of assets involved. Before that, the average was 3 months. Processing costs were also reduced by 90%.

According to Pinto (2009), “Before Law 11.441 / 2007, separation and divorce could only be made by judges of the Family Court, and the process was slower. A divorce by consent took up to two months. Now, with the new law, it can be made on the same day. If inventory has no property involved, the procedure, which took months, now is done in five days. In all other cases, the procedure is performed within forty days”.

To Simão and Tartuce (2007), a positive aspect of the law was that it was no longer required for the couple to state the reasons for divorce if there was agreement between both parties.

One of the requirements for carrying out the extrajudicial procedure is the payment of the relevant registry office costs. The novelty introduced by Law 11,441 was reducing these costs once there is no incidence of procedural costs. Fully gratuitous fees were still expected for those considered “poor”.

The Constitutional Amendment n.66 (CA66) of 2010 changes the Article 226, §6º of the Brazilian Constitution and allows immediate divorce reinforcing individuals’ autonomies, suppressing the requisite of previous legal separation for more than 1 year or the proven factual separation for more than 2 years<sup>12</sup>,

12 A possible conclusion that legal separation was extinct was not a consensus. In fact, some argue that “the amendment of the Constitution, with the suppression of the requirements for divorce, did not revoke the institute of separation; on the contrary, both co-exist in the legal system.” Indeed, “it may be of the interest of the couple, before ending the marriage, to separate, albeit provisionally, until you decide on the advisability of divorce. The measure is salutary, because it preserves the institution of marriage and

making the dissolution of marriage even easier. For those who believe that legal separation was extinct, the only requirement to file for divorce became marriage itself. Being separated for a specific amount of time was no longer a requirement.

To Dias (2010), the requirements that existed before the CA66 made no sense. “Mandatory identification of a culprit in the separation act for its later transformation into divorce became an ordeal imposed on those who only wanted to be assured the right to leave a relationship. In fact there is only one reason for the separation: the end of love”.

This is the legal change that our work focuses on, mainly because of its direct change both on the cost of the divorce and on the necessity of separation. The impact of this law change on marriage rates is ambiguous, since it depends on possibly conflicting forces and it is notably hard to measure how these forces change with new regulation<sup>13</sup>.

In legal separation (now extinct), the existence of guilt impacted the custody of children. According to Lôbo (2010), today, the existence of guilt in divorce no longer has the same consequences. For example, child custody is not decided on this basis anymore, but in the best interest of the child.

## 2 Data

Our data is restricted by the availability of information on divorce provided by the Civil Registry Statistics (*Estatísticas de Registro Civil*), from the Brazilian Institute of Geography and Statistics (*Instituto Brasileiro de Geografia e Estatística*, IBGE), which is presented in yearly observations for each Brazilian state, from 1984 to 2014. The remaining data refers to marriages and separations, socioeconomic char-

allows the couple, at any time, to restore the union without the need for remarriage”.

13 For example, Law 1.841 from 1989 cancels a cost that has significant weight in the decision to marry, allowing individuals to marry more than once. The end of this irreversibility acts in two opposite ways: it reduces the status of the wedding as a “commitment device”, making it less attractive, while eliminating the concern that the decision to marry should be the best possible given that most of its consequences are no longer irreversible, which encourages marriage.

acteristics, and dummies indicating legal change. We now describe each variable used in the econometric models below.

The socioeconomic characteristics are taken from the National Household Sample Survey (*Pesquisa Nacional por Amostra de Domicílios*, PNAD), which are annual surveys conducted by IBGE on years that the Census is not applied. The information we use are GDP per capita, race, education, urbanization rates, income, and employment levels, from 1999 to 2014, using the Census for years that PNAD was not available.

The municipal GDP and all its related data (such as taxes paid by each city and the percentage of agricultural GDP, which is used as an indicator of the main economic activities in each city) was taken from IBGE's survey on municipal GDPs from 1999 to 2010, with an extrapolation to 2014 that uses the average rate of growth from 2006 to 2010. Information on religion was taken from the Census, gathering the proportion of individuals in each city who view themselves as Catholics<sup>14</sup>. We have chosen to use only information on Catholics since on average 70% of the population follows this religion and because of its close connection to marriage in Brazil, where religious (catholic) and civil marriages are often done concomitantly.

Data on schooling and women's employment is taken from the Census as municipal averages, interpolated between 2000 and 2010, and extrapolated to 2014. This is done since other sources of data such as PNAD wouldn't be enough to give us information on the municipal level. These variables are used to measure the average couple's educational attainment and women's participation in the labor force, both variables affecting women's financial independence among other factors that might influence marriage and divorce decisions.

Data on divorce, marriage and separation are provided by the Civil Registry Statistics from 1984 to 2014. We use the absolute number for divorces at the first

instance, marriages and separations. To build the rates of these variables per 1.000 people, we use the population of each state taken from PNAD. This data will be used mainly as dependent variables in our regressions, i.e, we are interested on the impact of legal change on these variables.

For the analysis on the correlation of divorce-related law change and divorce rates, we build dummy variables that indicate the years that each divorce-related law change came into force. For the 2010 change, for example, we will have a dummy that takes the value 0 for every year before (and including) 2009, and 1 for every year after 2009.

## 2.1 Data and Methodology

Observing the evolution of the rates of divorces, separations and marriages in Brazil, we can notice a coincidence of legal changes and sharp variations in some of those statistics that are consistent with our prediction of the law changes impacting individual decisions. First, we will analyze divorce statistics, followed by separation and marriages in Brazil, by state, from 1984 to 2014.

In 1989, the number of divorces by 1.000 inhabitants, what we call throughout this paper as the divorce rate, went from 0.25 to 0.48, an increase of 93%. This is the highest percentage increase throughout the time period of the *Estatísticas de Registro Civil* database, and it coincides with the permission of successive divorces created by Law 1.841 of 1989.

In 2011, we observed the second largest percentage increase in the divorce rate in Brazil, 51%. This increase coincides precisely with the year following the Constitutional Amendment No. 66 which came into force in July 2010. The third largest increase in the divorce rate in Brazil was 27% and occurred in 2010, the same year in which this amendment became effective from July 13th onwards. So, we consider this observed coincidence between the legislative changes relating to divorce and variations in divorce rates as a strong enough motivation for a more rigorous analysis of the legislative reforms and their causal impacts in the decision making of Brazilian couples. With respect to separation rates, it is expected that they decrease since divorce becomes less expensive, and

<sup>14</sup> This includes the following categories on IBGE's Demographic Census: Roman Catholic Apostolic (Charismatic, Pentecostal, Armenian and Ukrainian Catholics), Brazilian Catholic Apostolic, Orthodox Catholics, Orthodox Christians, and "Other Catholic Religions".



this is clearly observed in the years 2010 and 2011, representing the largest drops in the two series with 33 % and 88% decreases, respectively. The third biggest drop in the separation rate occurred in 1989 with a 15% decrease, again in a year that coincides with a legislative change that facilitated divorce. By analyzing the historical series of weddings and taking a closer look at its rate per 1,000 inhabitants at the end of the 1980s, especially in 1989, we notice a decrease in the rates of marriages that lasted until the 2000s. This is consistent with the idea that marriage serves as an instrument of commitment that loses some of its usefulness as its dissolution is made easier.

## 2.2 Empirical Strategy

The initial approach involves the evaluation of the correlation between the legal change on divorce law and the variation on divorce, marriage and separation rates. In this model, we will run a simple linear regression including fixed effects for each Brazilian state in order to get rid of any biases that might come from the existence of non-observable characteristics that are constant in time that might affect individual decision-making. In technical terms, we will use fixed effects to get rid of any influence that might come from time-fixed state heterogeneity, such as any state-specific cultural or social characteristics that don't change in the time frame studied in this period but might affect decisions across states.

After evaluating this correlation, we make an analysis of the impact of each divorce-related law change around the year that came into force, hoping to find no impact before and a positive (in module, depending on the which dependent variable we are looking at) impact after it. By doing this, we strengthen the argument that it was in fact the law change that caused the variation on the dependent variable being analyzed. We want to show in detail how each divorce-related law might have changed individual behavior that resulted in the change we observe on the aggregate variables.

We calculate a regression that will show the possible impact of divorce-related legal change on the rates of divorce, marriages and separation. The equation we will estimate is the following:

$$Y_{it} = \alpha_j + \theta_t + \beta_1 D_{it} + \beta_2 X_{it} + u_{it}$$

where  $i$  represents each municipality,  $t$  represents time and  $j$  represents each state, so  $\alpha_j$  represents state fixed effects, and  $\theta_t$  represents year fixed effects. The dependent variable  $Y_{it}$  indicates the divorce, separation or marriage rate in year  $t$ , state  $i$ ;  $D_{it}$  is a dummy variable that equals to 1 in case there was a divorce-related law change before  $t$  in state  $i$ , and 0 otherwise. The  $n$ -dimensional vector  $X_{it}$  gives us the average of the control variables in each state regarding religious practices, income, unemployment rates, and women's participation in the labor market, variables that will ensure we are considering changes in the dependent variables that might have come from variation on these control variables. This will help us interpret as the effect associated only with the legal change, and not with a sudden increase in income or women's participation on the labor market, for example. Finally,  $u_{it}$  is the random error term that is necessary in this kind of econometric exercise.

## 3 Results

The estimates for the impacts of the 2010 Law Change are statistically significant and relatively large for almost all models, with the exception of the impact estimated by the two-way effects model for marriages (on the 6th column of Table 1). The coefficient for divorce and separations have the expected signs: the increase in divorces is explained by the lower cost of marriage dissolution, and the fall in separation rates is due to the exclusion of it as a prerequisite for future divorce, making most couples understand judicial separation as a redundant step towards the complete termination of the marriage contract. This result is particularly important because it adds to the discussion of the desirability of separation as an option for couples who might not want to divorce straight away, showing that, in fact, people don't tend to choose separation as much as when there was a legal obligation to do so in order to file for divorce.

Divorces show a high positive and statistically significant impact regardless of the inclusion of fixed effects or not. In the full two-way fixed effects model, this impact amounts to a 62% increase over the 2009



divorce rate average. This is strong evidence that the law had significant impact on couples' behaviors who noticed that divorce procedures were now less costly and decided to act on it.

Separations suffered negative impacts ranging from 17% to 35% in the models that were analyzed, reinforcing what was intuitively expected. Since the requirement for temporary separation before filing for divorce was lifted, the only reason for couples to get legally separated (and not divorced) was (i) if they didn't know about the law change and expected the divorce costs to remain unchanged, which is only likely if the information on the law change wasn't efficiently transmitted to couples and/or the lawyers involved in these issues, or (ii) if they have cautiously opted for judicial separation before taking the final decision to get divorced, since the couple that regretted a decision to do the former wouldn't need to get remarried as if they would need to if they had chosen the latter. Our results show that these reasons to opt for separation weren't strong enough and the average couple decided to get divorced, showing that either separation isn't an attractive enough alternative to divorce, and/or information on the law change was successfully transmitted to them.

The estimated impact on marriage rates is positive for the models without any fixed effects meaning that, for those cases, the decreased cost of dissolving the marriage contract influenced the decision to marry more heavily than its weakening as signaling and commitment devices, even though the impact was relatively small at around 4.7% of the 2009 marriage rate average.

For both divorce and separation rates, almost all of the independent variables are statistically significant with religiosity being the exception for the two-way models. We have found a strong negative impact for Agricultural GDP, which means that municipalities in which agriculture represents a higher proportion of municipal GDP have significantly lower divorce, marriage and separation rates. This could be because those municipalities are more predominantly in rural rather than urban areas, so formal legal procedures aren't followed as strictly by couples in comparison to more developed municipalities, thus decreasing

the actual proportion of individuals who are legally married and thereby decreasing the divorce and separation rates that depend on the actual proportion of married individuals in a given populace. The municipal GDP per capita is positively related to the divorce rates, which means that, in general, richer, more productive municipalities tend to have more divorces per 1.000 inhabitants. This can be in part explained by the fact that part of the motivation to get (and stay) married comes from the fact that marriage can be seen as insurance against negative economic shocks, with one individual from the couple helping the other by smoothing these negative shocks in their incomes. With higher incomes, these individuals are, everything else constant, more financially independent and don't need someone else to maintain their basic financial stabilities.

#### 4 Conclusion

In this work, we analyzed a panel dataset to evaluate the impacts on divorce, separation and marriage rates of a divorce-related law change that, in 2010, reduced the cost of divorce in Brazil. The effects of this new law were estimated controlling for the effects of income, religion, women's participation on the labor market, municipal GDP per capita, education, and proportion of GDP that comes from agricultural activities, as well as state and time fixed effects, which protects our estimates from any unobserved variables that are fixed throughout time or space.

We came to the conclusion that, as expected, the law change positively affected divorce rates. Part of the impact was already felt in 2010, less than 6 months after the law came into force, and most of it was realized by 2011. Separation rates were negatively affected, which shows that couples, on average, do not take separation as a step towards divorce, reducing its status as a useful resource for couples who are not satisfied with their marriages. This means that separation was mostly sought after by divorcing couples who were legally obligated to do so, which imposed a cost on people's freedoms to dissolve an unhappy marriage, thus implying that the new law might indeed have represented a welfare improvement. Notice that part of the impact that was observed in 2010 is expected to be higher than the new long-term equi-

librium in new divorce filings because of the accumulated number of couples who had the intention to divorce but did not do so because of the requirements that were lifted by the law. Marriages increased only on the simplest models, with no state or time fixed effects. This doesn't allow us to determine with enough certainty the direction of the impact on this variable, but our analysis shows that there's possibility that the impact was positive, in the sense that couples are more willing to getting married now that it's easier to get divorced. Even with the weakening of the marriage institution as commitment and signaling devices, it seems that the decreasing cost of divorce made all other beneficial characteristics of marriage, such as its use as financial insurance, influence the decision of the average individual in Brazil.

As previously stated, this paper is an assessment of the short-term impacts of a law change that happened recently enough so that the supply of data on the issue is still relatively scarce. It will be necessary that this work be extended as soon as new civil registry data becomes available so as to assess the long term impact of this same law, which is expected to make absolute levels of divorce decrease in time relative to the values observed up to 2014, and stabilize on a level that is higher than the one seen before 2010. Another important extension to this paper might be a more detailed analysis of which variables made certain states or regions more or less sensitive to this law change. Characteristics such as income, employment status and educational level might influence the decision to divorce or marry someone. Other than those, it will be interesting to notice if couples with younger children (less than 2 years old, for example), tend to divorce less often than others, or if couples who are together for a longer time period also are less willing to divorce or separate. The data for this kind of information is available only on the municipality level, which might introduce significant problems to the precise estimation of our coefficients, but there might be part of these results that show statistical significance even with this level of data aggregation.

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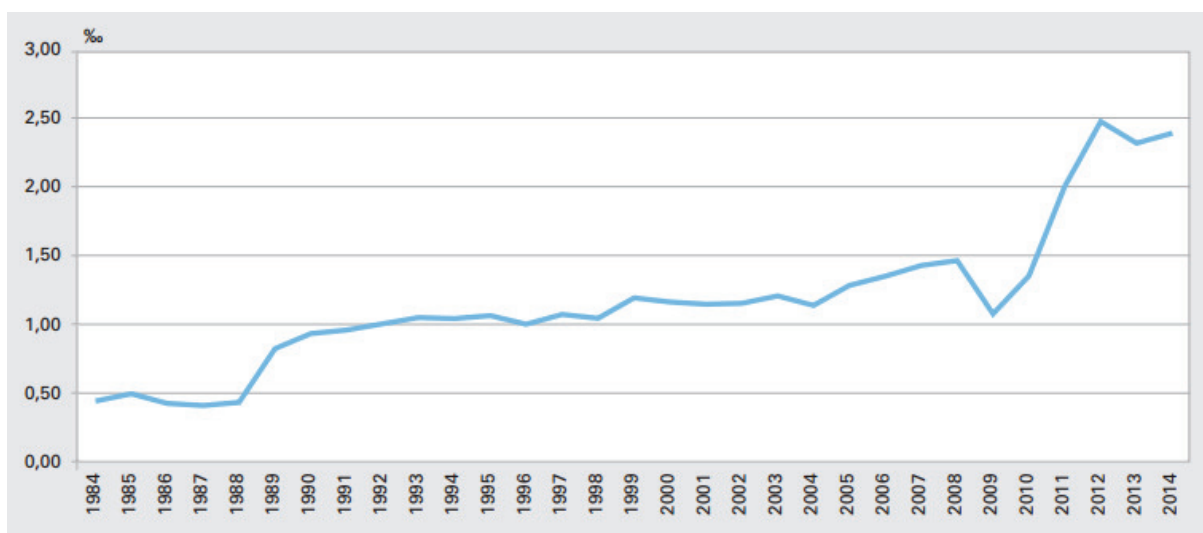
## 6 Appendix – Tables And Figures

Table 1. shows the results from our regressions on divorce, marriage and separation rates.

Control Variables	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	Divorces	Divorces	Divorces	Marriages	Marriages	Marriages	Separations	Separations	Separations
2010 Law Change	0.281*** (0.0175)	0.271*** (0.0175)	0.330*** (0.0290)	0.409*** (0.0467)	0.098 (0.0463)	0.108 (0.0897)	-0.410*** (0.040)	-0.229*** (0.031)	-0.237*** (0.0098)
Constant	0.541*** (0.0201)	1.401*** (0.141)	1.002*** (0.209)	3.990*** (0.280)	7.019*** (0.149)	7.141*** (0.219)	0.890*** (0.0345)	0.781*** (0.1009)	0.879*** (0.08)
Year Fixed Effects	No	No	Yes	No	No	Yes	No	No	Yes
State Fixed Effects	No	Yes	Yes	No	Yes	Yes	No	Yes	Yes
Observations	23,712	23,712	23,712	28,441	28,441	28,441	21,316	21,316	21,316
Number of Municipalities	4,312	4,312	4,312	4,888	4,888	4,888	4,503	4,503	4,503

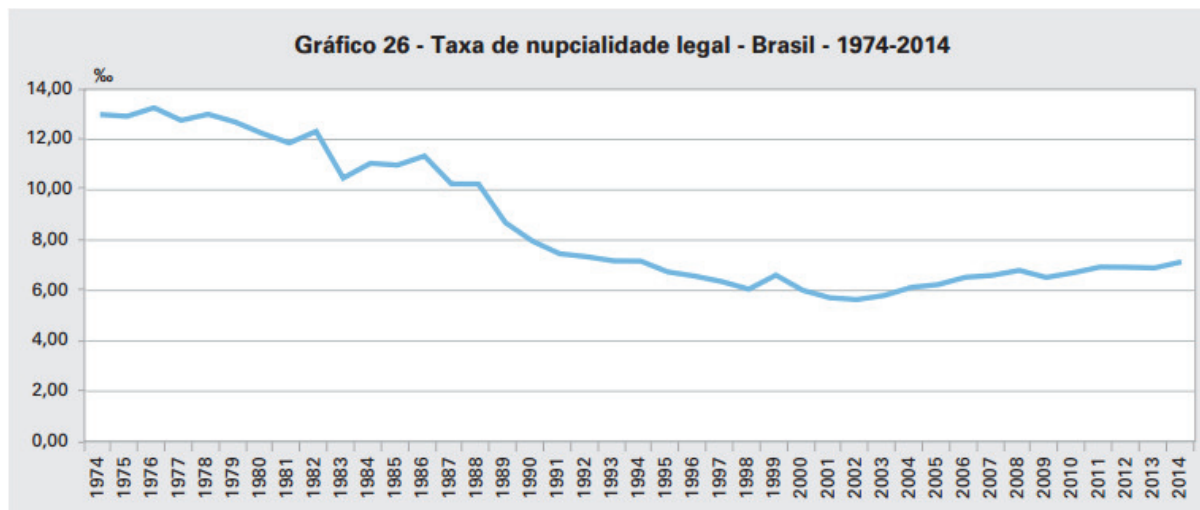
Table 1: Main results from the 2010 Law Change impact on Divorce, Marriage and Separation Rates.  
Standard errors in parentheses. \*\*\* p<0.01, \*\* p<0.05, \* p<0.1

Notice that the precision of our estimates decreases as we include year and state-fixed effects. This does not change our results for divorce or separation rates, as we can see on columns 3 and 9, that our p-values are less than 3%. Marriage rates show an increase with the law change when no fixed effects are included, but when state or year fixed effects are taken into account, our estimates become statistically insignificant, which weakens our results for marriage rates.



Fonte: IBGE, Diretoria de Pesquisas, Coordenação de População e Indicadores Sociais, Estatísticas do Registro Civil 1984-2014 e Gerência de Estudos e Análises da Dinâmica Demográfica.

Nota: Exclusiva a população de menos de 20 anos de idade e sem declaração de idade.



Fontes: 1. IBGE, Diretoria de Pesquisas, Coordenação de População e Indicadores Sociais, Estatísticas do Registro Civil 1974-2014 e Gerência de Estudos e Análises da Dinâmica Demográfica. 2. United Nations, Department of Economic and Social Affairs.

Notas: 1. Os dados retrospectivos de população utilizados no cálculo da taxa de nupcialidade legal, no período de 1974 a 1979, foram obtidos do banco World Population Prospects, the 2015 Revision, das Nações Unidas. A partir de 1980, foram utilizados os dados da Projeção da População por Sexo e Idade, do IBGE.

2. Exclui-se a população de menos de 15 anos de idade e sem declaração de idade.