

Divorce Rate and Economic Factors in Iran

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Abstract

This paper will study the relationship between divorce and Iran's economic-social variables. The results showed that there is a significance relation between income distribution and divorce such that the worse income distribution quality, the more divorces will occur. Among other results of these paper, the direct relationship between divorce rate and monthly expenditures of Iranian households and it's reverse relationship with income per capita and illiteracy rate.

Keywords: *Divorce, Income Distribution, Monthly Expenditures, Literacy Rate, Urbanism Rate.*

JEL Classification: J11, J12, D31

Introduction:

Divorce is related with marriage and family, and is a social innovation; it had been used as an instrument exposing failure through marriage. Divorce causes personal, domestic and social disintegration, and, in most cases, has greater banes for women compared to men. Studying historical trend of divorce phenomena, among contemporary societies, revealed that whatever we shift from feudal system to liberal and industrial society, the divorce possibility and frequency will increase. Iran is not an exception such that, according to official statistics of Organization of Registration and Record of Iran, more registered divorces had happened last

years and its trend was ascendant. Only in 2006, about 94000 cases, 258 cases per day, had been registered. Different factors affect divorce including economic, social, psychological and internal and external stressful factors. Through this paper we are going to study some economic factors' effects on divorce, and we want to recognize the relationship between Iran's social-economic factors and divorce, using empirical observations and econometrics, exclusively from economic point of view.

Literature Reviews

There is increasing interest toward studying economic factors' effect on family transformations; economic theories investigate divorce phenomena through economic point of view and from different dimensions. Some of these study effects of economic issues including inflation and unemployment on divorce, and other, analyze economic effects and results of divorce, another group have been studying women's economic independence and employment. But, Becker (1973), for the first time, in his paper had studied marriage and divorce from economic point of view; through this a simple model had been proposed, which depend on two main presumption: 1- everyone tries to find a spouse and maximize his/her welfare 2- an equilibrium exists in marriage market, which means that no one can exchange his/her spouse and choose better one. In Becker's paper (1973), the marriage revenue had been compared to un-marrying and being single, with respect to this, they obtained revenue, for each spouse, depends on their income, relative difference of their incomes and non-marketing variables including education and elegance.

In another research, Becker (1974) had completed his paper, suggesting issues including divorce.

Becker, lamder & Michael (1977) claimed that unexpected and prodigious events increase divorce risk; because such events change the marriage incomes.

In other studies, economists, using income shocks, had evaluated unexpected events on divorce, and most of them support Becker et al (1977) findings, from which we may point to Weiss and Willis (1997) and Hess (2004).

On the other hand, Becker et al(1997) argued that an increment of women's expected incomes will elevates their social and economic station , and, therefore, the women will depend on their spouses lesser, and ,due to increment of women income, the possibility of divorce will be higher. It is the discussion which is known in the literature reviews as 'effect of women's economic independence on marriage'.

Regarding this, Lombardo (1999) find that female labor increment will increase their independence and, therefore, the possibility of divorce will increase. Also, Grenstein (1990) and Spitze and South(1985) realized that there is a positive relationship between women's working hours and marriage instability. Oppenheimer (1997), also, argued that, at least, periodical intra-country data confirms that there is a significance relationship between women's economic independence and divorce risk increment.

Burgess et al (2003) had studied the importance of income for marriage and divorce among American youth, and, according to this paper, there is a significance difference between American women and men; also, this research showed that the higher income span of young men, the more possibility of marriage and the less possibility of divorce, and considering women the marriage possibility decrease and it has no effect on divorce.

Empirical evidences, generally, support a negative relationship between men's income and divorce; Hoffman and Ducan (1997) find that the probability of divorce, among families which the man has high income is lesser. Weiss and Willis (1997) find that positive rebounds in men's income will increase the possibility of divorce; also, considering this South and Spitz (1986) realized men's working hours is in reverse relationship with divorce.

There are many other researches which had studied effects of various economic variables on divorce ; for example, Nunley (2007) had investigated effects of inflation, unemployment, domestic gross production growth rate and women's education changes on America's divorce rate, since 1960s to forward; he concluded that inflation's effect on divorce rate is significant and positive, statistically.

Also, South (1985), had analyzed recession and economic boom, and saw that divorce will increase through recessions and will decrease through booms. The paper's results showed that recession periods induce stress into spouses, and boom and expansion periods will create more incomes by the partners. Trent and south, also, using regression analyze for data from sixty-six countries, showed that is correlated positively to economic development and women's percentage of labor population.

Thus, the literature reviews shows that there is significant relation between divorce and various economic variables. This paper aims to study effects of social-economic variables including family's income and expense on number of occurred divorces in the society.

Data and econometric model

Our time series data include information regarding 33 intervals since 1974 until 2006; and the data had been provided from statistical annals of many years, time series database central bank of Islamic Republic of Iran, time series database of IRAN's Statistic Center, organization of registration and records and etc.

The measure of Income distribution statement, in this paper, is Gini coefficient, which is among important indices of income distribution inequality measurement. Index score will fall between 0 (represents a society, income distribution of which is fully equal) and 1 (represent a society, income distribution of which is unequal).

Other control variables, which had been used through this indication, are: Iranian household's monthly expenses E, literacy rate B, urbanism rate T and Income per capita I.

Regarding E variable, by household's expenses we mean the net expenses, which is the monetary value of products or services by the household for using by the members or giving to other people as gift; the related data to this variable had been provided from the results of Iranian income and expenses measurement by the Statistic Center organization of Iran.

Empirical results

Used model, for investigating Gini coefficient and other economic and demographic variables on divorce, had been specified and evaluated as follow:

$$D_t = C + \beta_1 Gin + \beta_2 I + \beta_3 E + \beta_4 T + \beta_5 B$$

D: indicates the number of occurred divorces per ten-thousands.

Gin: indicates the Gini coefficient.

I : per capita income by thousand Toman.

E: indicates Iranian household monthly expenses by thousand Toman.

T: indicates the urbanism rate and equals to urban population/country population ratio

B: is the literacy rate.

The results of evaluation are as follow :

$$D=2.6 + 13Gin-0.007I+0.01E+19.4T-0.14B$$

R-squared	0.894501
Durbin Watson stat	1.197754
(F-statistic)	0.000000

Evaluated coefficients from the model show that there is direct relationship between Gini coefficient and divorce rate such that the more Gini coefficient is with the more occurred divorces per ten-thousands. Gini coefficient is a measure indicating the inequality level of income distribution, and higher levels show more inequality of income distribution; therefore the resulted coefficient shows that by increasing the inequality of income distribution, the number of divorces will increase.

Evaluated I coefficient is a negative number which indicates the negative relationship between per capita income and divorce rate; it means the increasing of per capita income will result in decrement of divorce number.

The relationship between R and E is positive which indicate this fact that increasing the monthly expenses of Iranian households will lead to more divorces.

Also, the evaluated T coefficient shows that there is direct relationship between urbanism rate and divorce rate. It means that the more migration by rural population to cities and other reasons, which result in increment of urban population compared to country population, the more divorces will occur.

And finally, there is a negative relationship between literacy and divorce rate; means that increasing of literate population leads to divorce rate decrement.

Conclusion:

In this paper we aimed to find a relationship between income distribution and occurred divorces in Iran. With respect to statistical data in Iran, we had used Gini coefficient measure indicating the inequality of income distribution; also some other control variables had been used through this research including Iranian Household's monthly expenses, per capita income, literacy rate and urbanism rate. The results show that there is significant relationship between income distribution and divorce such that increment of income distribution inequality will lead to higher divorce rate i.e. number of occurred divorces per ten-thousands population; also, the results show that Iranian household's monthly expenses urbanism increment will increase the divorce rate and increasing the per capita income and literacy, it will decrease.

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