

The division of paid and unpaid labour in the shadow of divorce: The impact of the 2008 alimony reform in Germany

Dr. Stefanie Heyne, LMU Munich, stefanie.heyne@soziologie.uni-muenchen.de

Dr. Gundula Zoch, Leibniz Institute for Educational Trajectories, gundula.zoch@lifbi.de

Short Abstract

Despite increased female labour force participation the division of unpaid labour has remained highly gendered, especially among couples with children, with women outperforming higher shares of unpaid labour than men. This is often explained with reference to bargaining models according to which the partner who has lower bargaining power is forced to specialize in household and care work. However, previous research on the explanatory power of these models is inconclusive and direct tests of the models are rare. In this paper we use the alimony reform of 2008 in Germany as an exogeneous shock for the bargaining power within married couples. Since alimony payments in the case of divorce have been cut through this reform, the bargaining power of the main caregiver should be reduced.

Using longitudinal data from the German SOEP and applying fixed effects models we test whether the alimony reform has altered the gendered division of paid and unpaid labor after childbirth. By comparing married and cohabiting couples which are differently affected by the reform as well as observing couples before and after childbirth for several years we test different assumptions on the division of labor made by bargaining models and alternative approaches.

Keywords: gender division of labour; housework; maternal employment; alimony; parenthood; family policy; Germany

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Motivation and research question

Although female employment has increased tremendously in most western countries, women continue to leave their job or significantly reduce their working hours after childbirth while at the same time performing large shares of domestic work (e.g. for Germany Grunow et al 2012, Kühhirt 2012, Nitsche and Grunow 2016). From a life course perspective, this has a considerable impact in short term but also on mothers' long term economic positions. Longer employment interruptions and the predominance of part time employment among mothers lead not only to a loss in current income, but also tend to place women on a permanently lower career and income trajectory, resulting in wage and pension inequalities compared to men and childless women (e.g., Aisenbrey, Evertsson and Grunow, 2009; Budig, Misra and Boeckmann, 2015).

Germany is well known for its considerable long employment interruptions following childbirth and low maternal employment participation, particularly in West Germany (Aisenbrey, Evertsson and Grunow, 2009; Struffolino, Studer and Fasang, 2016). To increase maternal employment, the German state has implemented major policy reforms, including the expansion of childcare services since 2005, a parental leave reform in 2007, and an alimony reform in 2008. The latter significantly reduced alimony payments for children and their divorced caregivers, usually women, from previous marriages. Thus, alimony claims of formerly married and unmarried spouses and their children have been harmonized with the reform. Neo-classical economic theory (Becker 1981) and resource-bargaining perspectives (e.g. Lundberg and Pollak 1996) would therefore assume, that the alimony reform has not only increased employment for previously divorced women but also for women who are still married and could be affected by this new regulation. Hence, from a theoretical point of view, it can be assumed that the reform has changed the traditional division of paid and unpaid labour after childbirth among married couples.

This study is the first to examine whether the recent alimony reform in Germany has altered the previously observed re-traditionalization of the division of labour among couples after childbirth. It

contributes by testing widely applied bargaining approaches in the context of an alimony reform and, thus, extends the literature on the gendered division of unpaid and paid labour as well as on the impact of employment oriented family policy reforms.

Previous research and theoretical framework

Previous research shows that especially couples, where women had fewer labour market experience (Brines 1994; Cunningham 2007) or longer employment interruptions after birth (Schulz and Rost 2012; Schober and Zoch 2019), experienced a greater shift towards a gendered division of paid and domestic labour after childbirth. International comparative studies highlight family policies, such as parental leave entitlements for mothers and fathers, as the most important transfer mechanism that has a long-term impact on couples' division of paid and domestic work. Thereby, non-transferable daddy months seem to foster a more equal division of labour between the two partners (Bünning 2015; Kotsadam and Finseraas 2011; Schober und Zoch 2019). Accordingly, these policies alter the economic resources and bargaining power of mothers, reducing gendered inequalities in the division of paid and unpaid work. However, although research on the traditionalizing effects in Germany is limited, recent studies challenge the assumptions of the widely used micro-level approaches of the neo-classical economic theory (Becker 1981) and the resource-bargaining perspectives (e.g. Lundberg and Pollak 1996) to explain changes in the gender division of domestic work. Instead they point towards the importance of altered gender and parent identities (e.g. Schober and Zoch 2019).

According to a resource-bargaining perspective, the partner with lower relative earnings potential, i.e. usually the woman, is assumed to have a lower bargaining power and will therefore do more unfavourable housework and childcare instead of preferred gainful employment. However, in view of a reduced alimony claim after a divorce, women can no longer expect lifelong financial support from their spouse. Thus, specialising in unpaid work on the basis of their lower earning potential may therefore be more costly in the event of divorce than continuous labour force participation during marriage. Hence, it can be assumed that married women reduce their labour supply after the birth of a child after the alimony reform to a lesser extent than women with a birth before the reform. As a result, we expect the reform to have reduced the gendered division of domestic and paid labour after childbirth.

Data and Estimation Strategy

The study uses couple data from the German Socio Economic Panel study (SOEP) for the years 1992–2018. The SOEP is a representative household panel study with about 20,000 respondents from 11,000 households (Wagner et al. 2007). The SOEP provides an excellent database as it includes monthly data on employment and parental leave take-up, as well as information on the hours, each household member spent on paid work, housework and childcare on an average day of the week. The sample included all women and men aged 20 to 45 years in couples. Using fixed-effects models we estimate the effect of child birth on the division of paid and unpaid labour among married and cohabiting couples to investigate how mothers' and fathers' relative share of paid work, childcare and household work differs in the pre- and post-reform period. Comparing the division of labour of married and cohabiting couples before and after the reform allows us testing whether the reform has altered patterns of re-traditionalization after childbirth. Furthermore, we examine the role of educational attainment and career orientation before birth in greater detail, to test alternative approaches that aim to explain the division of labour in couples.

Preliminary Findings

Preliminary results suggested that that the alimony reform was associated with small changes in gender division of domestic and paid work after childbirth. We find that mothers with a childbirth after the alimony reform have only slightly increased their share of paid work, while their share of domestic work was only slightly decreased. However, part of the increase in labour force participation can be explained by the expansion of childcare. For fathers, only the share of childcare has increased slightly, but this is explained by a higher probability of parental leave. Thus, at first glance, the observed pattern provided limited support for a change in economic bargaining power of mothers.

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