Legislative Changes and their Impact on Divorce, Separation and Marriage Rates in Brazil

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Introduction

This paper explores the connections between a divorce-related law change and its impacts on divorce, marriage and separation decisions in Brazil. We do this assessment by evaluating the impact of the most recent of these laws, the Constitutional Amendment n.66 (CA66). By doing this, we aim to check this law's overall impact and its immediate efficiency which might be affected by the lack of information on the law change and its promoted facilitation of the divorce process. In Section 1, we explain the background behind the decision to marry and divorce, alongside some of our intuition. In Section 2 we describe the law changes that occurred in Brazil since the beginning of the 20th century that are relevant to our study. In Section 3 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 4. Section 5 describes the empirical strategy used in this paper, with results presented in Section 6, while Section 7 concludes.

1 The Decision to Marry and to Divorce

It is important to notice that changes in divorce rates that coincided with legal reforms relating to marriage and divorce are not sufficient to let us infer that there is causality between divorce-related law changes and variation in divorce, marriage and separation rates. In order for us to comprehend this relationship we need to control for other factors 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 these changes. We begin this paper with a literature review that will help understand which factors that are not law-related influence agents on their decisions regarding marriage and divorce, helping us justify our choices of independent variables in the statistical models. First, we treat **hedonic factors**, followed by **economic motives**, **commitment** and **signaling devices**. Finally, we discuss **religious motives**.

The **hedonic factors** are the emotional benefits that couples gain with marriage. They can be seen as being represented by the utility derived from the relationship[1]. If the amount of utility from marriage is reduced, the incentives to divorce will increase, since the opportunity cost[2] of being in a committed relationship does not depend on how beneficial the current relationship is. In other words, if the benefit of being with someone other than its spouse is higher than the utility gained from marriage, divorce will become a more attractive alternative. Hedonic gains are notably hard to measure, but this should not pose us a problem since we are willing to accept that the emotional gains from marriage are not affected by legal change, i.e, the change in the law regarding divorce is exogenous to the feelings of married couples in a way that it does not change or is affected by the love that couples feel for each other. In a similar way, we assume that changes in other variables that explain marriage such as income, education, religion, etc, are exogenous to this hedonic factor, such that changes in these variables will not, *ceteris paribus*, change the emotional strength of a relationship.

Keep in mind that this does not mean that these variables will not affect marriage and divorce decisions: couples can still decide to divorce if their income increases or decreases, because that would change their overall well-being and dependency that one individual had for the other. However, this decision to divorce would be motivated by factors other than emotional ones, which are not specifically and directly affected by this income change. In other words: a higher income eliminated one restriction that made a couple stay together (economic dependency), which made them break up even if the love (or lack of love) for each other remained unaffected by this income

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[1] RASUL, Imran e MATOUSCHEK, Niko. The Economics of the Marriage Contract: Theories and Evidence. In The Journal of Law and Economics. Rasul e Matouschek, p.60 (2008).

[2] 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. MANKIW, N. Gregory. "Introdução à Economia – Princípios de Micro e Macroeconomia". 2nd edition. Rio de Janeiro: Elsevier, 2001.

change.

The **economic factors**, as put by Stevenson and Wolfers (2007), are the ones that materialize through production and consumption complementarities[3] 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. The 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.

The marriage contract also serves as a **signaling device**[4], where one individual reveals its commitment and devotion to the other, which is private information, in a credible way. This signaling becomes less costly with both the decreasing costs of getting married and of getting divorced, which would work in the way of increasing marriages. Note that the smaller the cost of divorce, the weaker will marriage work as a signaling device, since it will be 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. The decision to divorce is complex and hard to assess in a rigorous statistical way. Infidelity, monotony, 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 that we seek.

However, some variables such as current **economic conditions** or the

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[3]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.

[4]ROWTHORN, Robert. "Marriage as a signal". In: DNES, Antony W.; WOWTHORN, Robert (edit.). The law and economics of marriage and divorce. Cambridge: Cambridge Press, 2002. p. 144.

couple's socioeconomic conditions 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[5], which would disappear as soon as the economy gets better, allowing them to part their ways.

Religion might also affect decisions, with religious individuals deciding on divorce and marriage in significantly different ways than non-religious individuals, for example, the first being less prone to divorce than the latter, since they may be constrained by religious motives other than economic and hedonic ones[6].

A person's **education**[7] is also a variable that must be controlled for, since it affects their economic independence from their partners, affecting divorce and marriage decisions. Education also might correlate with certain characteristics such as risk-averseness, which could make individuals postpone marriage until financially stable[8].

Controlling by these variables and all the factors cited above, we would be closer to isolating the impact of legal change on divorce rates.

2 The Evolution of Divorce Laws in Brazil

It is not in the scope of this paper the detailed description of the judicial, legal, historic and social background that resulted in the legal change in Brazil. We will focus on the evolution of the change of laws throughout the years, analyzing five important events regarding divorce in Brazil: The Civil Code of 1916, Law 6.515 of 1977, Law 1.841 of 1989, the Civil Code of 2002,

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

[6]MONTE, Julio César do, e MADALOZZO, Regina. "Escolhas Econômicas e o Divórcio no Brasil". Available in http://conhecimento.insper.edu.br/wp-content/uploads/2011/08/Microsoft-Word-Div%C3%B3rcio-no-Brasil.pdf. Accessed on March 4, 2013.

[7]Education, here, refers to the number of years of formal schooling.

[8]MONTE, Julio César do, e MADALOZZO, Regina. "Escolhas Econômicas e o Divórcio no Brasil". Available in http://conhecimento.insper.edu.br/wp-content/uploads/2011/08/Microsoft-Word-Div%C3%B3rcio-no-Brasil.pdf. Accessed on March 4, 2013.

Law 11.441 of 2007 and the Constitutional Amendment n.66 of 2010.

According to the Civil Code of 1916, marital union could only be dissolved through death, annulment or friendly/litigious judicial separation[9]. 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 these must have occurred: adultery, insult, homicide attempt, or voluntary marital abandonment. However, even after judicial separation was granted, the marital bond was kept, impeding new marriages from both individuals.

The 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 bond, but maintaining the impossibility of forming a new one[10]. 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 its characterization as a rule of limited effectiveness. It depended on infra-constitutional law to take effect, and while absent such legislation, the absence of divorce would be perpetuated.

Few months after the issue of Constitutional Amendment n.9, emerged Act 6.515 (the Divorce Act), which established separation and indirect divorce[11]. Indeed, the Divorce Act now provides for the termination of the mar-

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[9]It was understood as judicial separation 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 with 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. SON, Adalberto Borges. The New Panorama of Divorce in Brazil: The End of Judicial Separation [?]. Available in http://www.ambito-juridico.com.br/site/index.php?n_link=revista_artigos_leitura&artigo_id=9667. Accessed on March 5, 2013.

[10]FILHO, Adalberto Borges. "O Novo Panorama do Divórcio no Brasil: O Fim da Separação Judicial". Available in http://www.ambito-juridico.com.br/site/index.php?n_link=revista_artigos_leitura&artigo_id=9667. Accessed in March 5th, 2013.

[11]Direct divorce equals to actual separation, while indirect divorce related to legal separation.

ital bond by divorce, which was previously non-existent, establishing 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[12]. Moreover, the Divorce Act only allowed each spouse to divorce only once[13]. 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. Additionally, direct divorce was allowed, regardless of legal separation, as long as there was actual separation for at least two years[14].

The 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[15].

The Civil Code of 2002[16] 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[17], 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: rupture of common life for more than a year or severe mental disorder for more than two years[18]. 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

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[12]FILHO, Adalberto Borges. Ibid.

[13]*Idem*

[14]*Idem*

[15]This is the first legal change that can be analyzed with our database, that starts in 1984.

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

[17]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. OLIVEIRA, Euclid Benedict. Marriage, separation and divorce in the new Civil Code. Available in http://www.familiaesucessoes.com.br/?p=888. Accessed on March 5, 2013.

[18]*Idem*

(i) the disruption of ordinary life for over a year, with the impossibility of its reconstitution and (ii) serious mental illness, manifested after marriage and with duration of more than two years[19]. 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 no longer necessary to wait for the final decision in order to initiate the calculation of the term, a necessary condition for divorce. 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.

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 easier, both because of the lower financial costs and the decrease in the number of procedures involved therefore making the whole process faster.

The Constitutional Amendment n.66 (CA66) of 2010 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[20], making the dissolution of marriage even easier. 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

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[19] *Idem*

[20] 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 coexist in the legal system." Indeed, "it may 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 allows the couple, at any time, to restore the union without the need for remarriage". MARQUES, Nemércio Rodrigues. "A Emenda Constitucional n. 66 e a Separação Judicial". Available in: http://jus.com.br/revista/texto/17350/a-emenda-constitucional-no-66-e-a-separacao-judicial#ixzz2MhQYIMSg. Accessed on March 5, 2013.

these forces change with new regulation[21].

3   Descriptive Statistics

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, 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 2011.

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 in all the time series of the Estatísticas de Registro Civil database, which 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 clue to motivate a more rigorous analysis of the legislative reforms and its causal impacts in the decision making of Brazilian couples regarding marriage and divorce.

With respect to separation rates, it is expected that they decrease since divorce becomes less expensive, and this is clearly observed in the years 2010 and 2011, representing the largest drops in the two separation rates series with 33 % and 88% decreases, respectively. The third biggest drop in the

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[21]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.

rate of separation 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.

The graphs on Appendix A show every state's divorce, separation and marriage rates from 2005 to 2011. Notice that the rates tend to increase in every region in 2010 and 2011, and at least at first glance we can see an increase in divorce rates in every region after the 2010 change came into force. In section 6 we will check if socioeconomic variables are responsible for this trend or if it indeed was caused mostly by the legal change.

4   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 2011.

The remaining data refers to marriages and separations, socioeconomic characteristics, and dummies indicating legal change. We now describe each variable used in the econometric models below.

4.1   Socioeconomic Characteristics

The socioeconomic characteristics are taken from the National Survey by Domiciles Sample (Pesquisa Nacional por Amostra de Domicílios, PNAD). PNADs are annual surveys conducted by IBGE. It is not conducted in the years that the Census is applied. The information we use are GDP per capita, race, education, urbanization rates, income, and employment levels, from 1984 to 2011, using the Census for years that PNAD was not available.

In 1994, when both the Census and PNAD are not available, we make an interpolation of the data from 1993 and 1995.

The municipal GDP and all its related data (such as taxes payed 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 2011 that uses the average rate of growth from 2008 to 2010. Information on religion was taken from the Census, gathering the proportion of individuals in each city who view themselves as catholics[22]. 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 employment is taken from the Census as municipal averages, interpolated between 2000 and 2010, and extrapolated to 2011. 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.

4.2 Civil Registry

Data on divorce, marriage and separation are provided by the Civil Registry Statistics from 1984 to 2011. 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.

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[22]This includes the following categories on IBGE's Demographic Census: Roman Catholic Apostolics (Charismatic, Pentecostal, Armenian and Ukrainian Catholics), Brazilian Catholic Apostolics, Orthodox Catholics, Orthodox Christians, and "Other Catholic Religions".

4.3 Treatment Indicators

For the first 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. In the lag analysis, the dummies will indicate every year close to the one where the change occurred, so as to allow us to compare divorce time series before and after the legislative divorce-related change.

5 Empirical Strategy

The initial approach involves the evaluation of the correlation between the legal change on divorce law and the variation on divorce 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 divorce decisions. In technical terms, we will use fixed effects to get rid of any influence that might come from time-fixed state heterogeneity.

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 on the change we observe on the aggregate variables.

5.1 Fixed Effects Approach

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

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

where i represents each municipality, t represents time and j represents each state, so α_j represents state fixed effects, constant in time. The dependent variable Y_{it} indicates the divorce 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 vector X_{it} gives us the average of 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 β_1 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 a random error term.

6   Empirical Results

Our results can be found on Table 1, below this section. We notice that the dummy that indicates the law change is statistically significant for changes in marriages and divorces regardless of the inclusion of fixed effects, as well as for separation rates if fixed effects are not included. All coefficient signs are as expected: 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 couples see 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 for separation when there is not a legal obligation to do so in order to file for divorce.

The predicted impact on marriage rates is ambiguous, with a non-statistically

significant result that points in the direction of a positive impact of the law, meaning that the decreased cost of dissolving the marriage contract influenced the decision to marry more heavily than its weakening as signaling and commitment devices. For divorce and separation rates both, almost all of the independent variables are statistically significant, with religiosity being the exception in the fixed effects models. We have found a negative coefficient for education, which means that municipalities where its inhabitants have more formal education tend to have lower divorce rates. However, the coefficient's size is small enough for us to agree that this variation is not economically significant enough for it to be discussed in depth in this article. The average income of a municipality is positively related to the divorce rate, meaning that places where people have higher incomes tend to have higher divorce rates. This can be 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.

Control Variables	(1) Divorces	(2) Divorces (FE)	(3) Marriages	(4) Marriages (FE)	(5) Separations	(6) Separations (FE)
GDP per capita	2.21e-09***	1.14e-09***	1.34e-08***	7.26e-09***	1.67e-09***	8.67e-11
	(4.25e-10)	(4.31e-10)	(1.95e-09)	(1.98e-09)	(3.46e-10)	(3.50e-10)
% Agricultural GDP	-0.000482***	-0.000538***	-0.000939***	-0.000759***	-0.000402***	-0.000488***
	(4.43e-05)	(4.66e-05)	(0.000219)	(0.000231)	(3.60e-05)	(3.77e-05)
Woman's Employment	0.00109***	0.000419**	0.00403***	-0.000364	0.00217***	0.000725***
	(0.000126)	(0.000163)	(0.000568)	(0.000744)	(0.000103)	(0.000131)
Years of Education	-9.60e-06*	-2.03e-05***	5.94e-05**	2.65e-05	-6.57e-06	-1.49e-05***
	(5.72e-06)	(5.74e-06)	(2.51e-05)	(2.51e-05)	(4.70e-06)	(4.68e-06)
% Catholic	-0.000823***	-0.000166	-0.00186***	0.000699	-0.000198***	0.000372***
	(8.86e-05)	(0.000105)	(0.000416)	(0.000493)	(7.22e-05)	(8.49e-05)
Average Income	2.63e-07***	2.50e-07***	-3.63e-07	-7.02e-07***	2.45e-07***	2.42e-07***
	(4.80e-08)	(4.81e-08)	(2.31e-07)	(2.32e-07)	(3.86e-08)	(3.85e-08)
2010 Law Change	0.000448***	0.000597***	-0.000439*	0.000471*	-0.000338***	-8.31e-05
	(5.92e-05)	(6.35e-05)	(0.000262)	(0.000283)	(4.86e-05)	(5.15e-05)
Constant	0.000829***	0.00113***	0.00460***	0.00468***	3.54e-05	0.000169
	(9.23e-05)	(0.000139)	(0.000432)	(0.000652)	(7.45e-05)	(0.000112)
Obs	28,936	28,936	34,242	34,242	26,947	26,947

Table 1: Main Results. *** p<0.01, ** p<0.05, * p<0.1

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7 Conclusion

In this work, we analyzed a panel database to evaluate the impacts on divorce, separation and marriage rates of a divorce-related law change that happened in Brazil in 2010 that reduced the cost of divorce.. The effects of this new law were estimated controlling by 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 fixed effects.

We came to the conclusion that the law change positively affected the divorce rates, which shows that a significant portion of the population did not lack information on the recently decreased cost of divorce. Corroborating this is the fact that separation rates were negatively affected, which also shows that couples, on average, do not take separation as a step towards divorce, which reduces separations' status as a useful resource for couples who are not satisfied with their marriages. This means that separation was only used because divorcing couples 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 indeed represented a welfare improvement. This result corroborates predictions such as the one made by Luis Cláudio Chaves[23], who noted that judicial separations would decrease significantly after this law came into force.

As previously stated, this paper is an early assessment of the immediate impacts of a law change that happened recently enough so that the supply of data on the issue is still relatively scarce. It is important 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 and stabilize on a level that is higher than the one seen before 2010. Another important extension to this paper might be the analysis of which variables made certain states or regions more or less sensitive to this law change.

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[23]Published in "Estado de Minas", a newspaper, in July 18th, 2010. Luís Cláudio Chaves was, in 2014, the president of the Order of Attorneys of Brazil at Minas Gerais (OAB/MG)

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Appendix A - Graphs

This appendix shows the graphs of divorce, separation and marriages per 1.000 inhabitants of each state. Notice that divorce rates have a clear positive trend since 2010, when CA66 was in effect for roughly 6 months. Effects of CA66 on marriage rates are ambiguous, not allowing us to come to any conclusion by this data alone. Separations, as expected, fall sharply with the law change.

Divorce Rates per State
SE region

Divorce Rates per State
SO region

Divorce Rates per State
CW region

Divorce Rates per State
NO region

21

Separation Rates per State
SE region

Separation Rates per State
SO region

Separation Rates per State
CW region

Separation Rates per State
NO region

Separation Rates per State
NE region

Marriage Rates
Brazil

25

Marriage Rates per State
SE region

Marriage Rates per State
SO region

26

Marriage Rates per State
CW region

Marriage Rates per State
NO region

Marriage Rates per State

NE region

28