**Social security and divorce in Japan**

**Abstract**

The purpose of this paper is to explain variations in the divorce rates across prefectures in Japan over the 20-year period between 1982 and 2002. This paper examines the various factors which may affect divorce rates including: the effects of the generosity of social welfare; the income of females relative to males; the female employment rate; the vacancy rate; a shift to no-fault divorce; and social stigma. The generosity of a particular prefecture in approving the livelihood protection benefits (LPBs) has a statistically negative impact on the divorce rate. Social stigma has negative impacts both on the divorce rate and the generosity of social security benefits. Political conservatism has a negative impact on the proportion of needy people who receive LPB. The findings of this paper imply that in order to become eligible for the social security benefits, married couples may be more likely to dissolve their marriage in those prefectures where the provision of the LPB is not so generous.

**Keywords**: Divorce; Panel data; Stigma; Welfare

**Introduction**

As in many other developed countries, the Japanese divorce rate has gradually increased. One of the interesting aspects of Japanese divorces is that there is great deal of diversity in divorce rates across regions and prefectures in Japan. An examination of the divorce rates across prefectures over time shows that particular prefectures (for example, Fukuoka and Hokkaido) consistently appear to have high divorce rates. A key question for economists is whether these regional differences are caused by differences in culture across regions or are caused by differences in economic conditions or a mixture of the two. None of the existing empirical studies for Japan cited earlier have examined regional differences in divorce rates across Japan. The purpose of this paper is to examine what causes the regional variations in the divorce rates in Japan. This paper particularly looks into the relationship between the divorce rate, and the income of females relative to males, the female employment rate, the business cycle and the accessibility of social security benefits. In Japan, it is often claimed that in order to become eligible for livelihood protection benefits (LPBs), couples with low income intentionally dissolve their marriage even though they do not have problems with their marriage. However, there is little empirical evidence to support such a claim. This paper seeks to uncover whether regional differences in divorce rates can be partly explained by regional differences in the generosity of accessibility to social security benefits.

**Livelihood protection law**

The legal framework for assistance to the poor and needy in Japan is provided by the national livelihood protection law. It is a system designed to help the needy maintain a minimum standard of living and to provide incentives for them to become self-supporting as soon as possible. In this paper, the ratio of the number of households with an income under 2 million yen to the number of households who are receiving likelihood protection benefits is used to measure the generosity of the accessibility to social security.

**Model**

For the sake of argument, we take as a “model” married couple the case where the husband works, and the wife is a housewife. In this case, changes in the husband’s income would affect wealth in both states in the same way suggesting that they would not affect the likelihood of divorce. In contrast, assuming the wife only works in the divorced state means an increase in the wife’s expected income from working in the case of divorce would increase the likelihood of divorce. In a similar way, an increase in the probability of being able to work when the wife wants to work would lead to an increase in the likelihood of divorce. For married couples where both partners work, these effects will not be so strong.

[T](#bookmark41)his paper estimates the following model:

**Data**

This paper uses Japanese prefectural panel data for the following years; 1982,1987,1992,1997, and 2002. The data for the number of low-income households is categorical, and it is not possible to control for price changes over a long time period. As a result, only data from 1982 was used.

For the purpose of measuring the generosity of accessibility to social security benefits, socsec is constructed as the ratio of the number of households receiving livelihood protection benefits to the number of households whose annual income is below 2 million yen.

**Results**

The estimated coefficient of the log of the female employment rate has a negative sign and is significant. This finding is perhaps a little surprising since it is often argued that increases in the work opportunities for non-working married women lead to an increase rather than a decrease in the divorce rate. The estimated coefficient of the stigma variable is negative and significant in all specifications. The sign of this estimated coefficient is consistent with our expectations. Strong community ties appear to play an important role in the divorce decision-making process.

Another reason for the negative correlation between the generosity of the LPB and the divorce rates is that in order to become eligible for the LPB, married couples are more likely to get divorced in the prefectures where the ratios of the households certified for the LPB to the low-income households are low - the prefectures where the provision of the PLB is strict.

**Conclusion**

This paper has examined the various factors which may affect the divorce rates in Japan at the prefectural level. Even though the livelihood protection benefit is a national system, there exist non-trivial variations in take up rates across prefectures. Previous studies in the United States suggest that there is positive or no correlation between divorce and the generosity of the social welfare system. In contrast, an increase in the generosity of accessibility to livelihood protection benefits in a particular prefecture has a negative impact on the divorce rate. It is also found that the variations in the generosity of accessibility to livelihood protection benefit across regions are affected by political conservatism and stigma. The results also suggest that some of the regional variation in divorce rates can be partially explained by economic factors such as increases in the income of females relative to males and reductions in the job vacancy rate lead to significant increases in the divorce rate.