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Effects of the joint custody law in Italy^{*}

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Abstract

We study the effect of a 2006 reform to Italian family law that made joint custody the default for separating couples. The reform boosted joint legal custody by about 65 percentage points. Our research design uses difference-in-differences to estimate reform effects on the likelihood of a contested settlement and transfers between separating parents. The analysis is based on Italian individual-level administrative data, which cover the entire population. The joint custody default appears to have increased dispute rates markedly, without affecting transfers. We consider possible explanations for these results.

JEL Classification Numbers: K36, J12, J16

Keywords: joint custody, separation, contested settlement, transfers, difference-in-differences.

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1. Introduction

Joint custody was first introduced in the US in Indiana in 1973 and since then it has been extended to most US states (Brinig and Buckley, 1998). In Europe, joint custody was first introduced in Sweden in 1976 (Jantera-Jareborg, 2003), and has since spread across the continent¹. Rather than awarding sole custody to one parent (traditionally the mother) and limited visiting rights to the other (the father), joint custody is intended to preserve the parental role and status of both parents after separation, enabling continued involvement and ensuring the best interest of the child. Under joint custody, the child is expected to spend time with each parent (joint physical custody) and parents need to agree on important decisions regarding the children (joint legal custody).

After a long period in which joint custody was uncommon, a 2006 reform made joint custody the default in Italian family law. The law states that it is a right of the child to have a balanced and lasting relationship with both parents. At the same time, the reform innovated on a number of post-separation financial provisions (related to child support and the designation of the family home) with the aim of achieving the objective set forth by the law, i.e. granting the child a sound relationship with both parents.

The main contribution of this study is to analyze the immediate effects of joint custody at the time of separation. We look at the separation settlements as ratified in courts. These settlements play a crucial role for longer-term post-separation outcomes, as they regulate rights and duties of both parents for a lengthy period. Our paper extends the knowledge of the effect of joint custody in a country that is very different from the US where most of the literature is concentrated (exceptions are represented by Halla and Hölzl, 2007 and Böheim et al. 2016, which look at the 2001 reform of joint custody in Austria).

We use a difference-in-differences (DID) empirical strategy to gauge the effect of the 2006 Italian reform on dispute rates and financial transfers between mothers and fathers. In particular, we exploit the fact that only women with dependent children are potentially affected by the reform (we also consider other outcomes, for instance child support, for which no sensible control group is available; in these cases we employ a Before/After strategy). Data are collected by the offices that support the work of the judges (*Cancellerie*) for the entire population of separating couples from 2000 to 2010. The data allow us to study a number of post-separation financial arrangements, such as the assignment of the family home. Unfortunately the amount of time each parent is allowed to spend with the children, an important part of the judgment, is not collected in our data. Nevertheless, as the reform prescribes that custodial length mirrors child support, we may infer something about visitation durations by looking at financial outcomes. In addition to the main outcomes that the reform aimed to change, we consider other possible outcomes such as alimonies, which are not directly affected by the reform but are nevertheless part of the judge's decision. We also analyze the extent to which dispute rates have been impacted by the introduction of joint custody.

In the case of Italy judges have considerable discretion in the application of family law. Therefore, separation settlements can be very different from those that the parties might have agreed in the absence of binding legal decisions. Discretion is a consequence of the principle of the 'best interest of the child', which inspires many national regulations. Our findings show that the reform has boosted joint legal custody

¹ It was introduced in Norway in 1981 (Sverdrup and Lodrup, 2003), in the UK and Wales in 1991 (Office for National Statistics, 2001), in France in 1993 (and subsequently modified in 2002) (Statistisches Bundesamt, Fachserie 10, R2.2, 2003), in Germany in 1997 (Dethloff and Martiny, 2003), in the Netherlands in 1998 and subsequently modified in 2009 (Tromp, 2013), in Austria in 2001 (Roth, 2003), in Belgium in 1995 (for joint legal custody) and in 2006 (for joint physical custody) (Soderman et al. 2013), and in Spain in 2005 (Picono Novales 2012).

assignments and dispute rates markedly, without affecting transfers. These results can be explained by the fact that the reform was clear concerning the formal (legal) assignment of joint custody but it was less clear on other aspects, such as the amount of time each parent spends with the child and the transfer involved in post-dissolution arrangements. As for these aspects, the law established the new principles while leaving plenty of implementation power to the judges. It is likely that discretion has been used to moderate the new principles.²

The paper is structured as follows. Section 2 discusses the related literature and the theoretical framework, while Section 3 describes the reform. Section 4 illustrates the data and the variables used throughout the paper, as well as the post-separation outcomes under study. Section 5 outlines the identification strategy. The results are presented in Section 6, which also discusses the shortcomings of the data, potential threats to our identification strategy and alternative interpretations of our results. Section 7 concludes.

2. Theoretical framework and related literature

How are separation settlements affected by the introduction of joint custody as a default arrangement for separating couples? Suppose that separation settlements only reflect the will of the parties involved. Bargaining models suggest that joint custody will strengthen the bargaining position of the party who stands to gain more from the move (Manser and Brown 1980; McElroy and Horney 1981), which is likely to be the man if joint custody replaces a sole custody regime based on a maternal-custody assumption. Post-separation financial provisions should then reflect the re-balancing of bargaining power.³

However, separation settlements might be very different from those agreed by the parties. When it comes to custody, judicial discretion is maximized. As argued by Maidment (1984), Mason (1994), and Maccoby and Mnookin (1997), a key principle is that of the ‘best interest of the child’. This principle is quite vague – as indicated by Böheim et al (2012, p. 2) – who claim “it gives excessive discretion to judges to impose their own value judgment about which parent might better serve the child’s interests.” Moreover the decisions related to custody are very often linked to judges’ personal attitudes toward the role of women in child rearing and, more generally, the gender divide (Barlett and Stack, 1986). Note that in many national regulations, there is an option to separate by mutual consent. Halla and Holzl (2007), using a bargaining

² Our study is the first one to document on a large scale what has happened in the courts since the introduction of the reform. To the best of our knowledge, there is only one other paper, Lavadera et al. (2012), that examines the effect of the enactment of the joint custody law on a very small sample of families in Italy (they examined 100 judgments on contested separations and 100 judgments on separations by mutual consent in the Court of Rome, 50 before the reform and 50 after the reform, respectively for each type of separation). The results based on this subsample are nonetheless similar to what we document with reference to the universe of separating couples: according to Lavadera et al. (2012), after the introduction of the joint custody law, there were significant changes in sole legal child custody arrangements. More interestingly they collected data on parental visits, a variable that we do not have in our dataset. They find that the visit schedule for the nonresidential parent changed very little (for instance, 12 out of 50 of the non-custodial parents increased their visiting rights from one to two days a week but this occurrence is limited only to contested separations).

³ Divorce-threat-bargaining (Manser and Brown 1980, McElroy and Horney 1981) and collective models (Browning and Chiappori 1998, Chiappori, Fortin and Lacroix 2002) also provide clear predictions concerning the effect of family-law reforms on household labor supply, with men allocating more time to household work and less to market work, and the opposite for women. This is the same prediction found in Grossbard-Shechtman (1995) who shows that laws which affect divorce settlements, like the no-fault divorce, can change the equilibrium outcomes in the marriage market by reducing the demand for spousal labor by men and increasing women’s labor market participation. Results in Altindag et al. (2015) are largely consistent with these models.

model over custody at the time of divorce, show that some parents who would struggle to reach an agreement in a sole custody regime, can find an agreement after a joint custody reform. However, failing to reach an agreement under the option of mutual consent leads to a trial that maximizes the power of the judiciary to settle matters. The likely upshot from the latter represents the outside option for mutual-consent bargaining (Cooter, Marks and Mnookin, 1982). Therefore, mutual-consent separation settlements are also unlikely to reflect parties' will. With reference to family dissolution, Mnookin and Kornhauser (1979) describe in detail how a couple's bargaining is affected by the judge's preferences.⁴

By focusing on judicial outcomes, we concentrate on the immediate effects of joint custody. Separation settlements are crucial for post-separation outcomes, as they regulate the rights and duties of both parents for a lengthy period. However, the literature has neglected these aspects (with the relevant exception of Halla and Hölzl, 2007, which makes use of Austrian court records) to focus on the longer-term behavior of children and parents. Findings related to the effects of joint custody on divorce settlements and child welfare have been mixed (see Halla 2015 for a recent survey). Bauserman (2002) documents that joint custody favors children's behavioral and emotional adjustments. Teng Wah (2009) shows that children from separated families are better-off in terms of years of education and increased probability of high school graduation. Conversely, children growing up in a joint custody situation are found to experience worse labor market outcomes (Maiti 2015) and less parental involvement (Huang et al. 2003). More relevant to our investigation, some authors point to an increase in fathers' willingness to pay child support (Allen et al. 2011; Brinig and Buckley 1998), and greater private transfers among joint custody families (Del Boca and Ribero 1998). Finally, joint custody is associated with increased labor force participation rates among married mothers (Nunley and Seals 2011), an increase in marriage rates (Brinig and Buckley 1998; Halla 2013) and fertility rates (Halla 2013; Böheim et al. 2016), and a decline of male suicides and domestic violence (Halla, 2013). On related grounds, Altindag et al. (2015) show that custody reform encourages a reallocation of time within the marriage, with mothers increasing the time devoted to work in the market and fathers increasing the time allocated to work in the home.⁵

3. The joint custody reform in Italy

Despite the strong opposition of the Catholic Church and some political parties, unilateral divorce was introduced in Italy in December 1970 (Law n. 898 – "*Disciplina dei casi di scioglimento del matrimonio*"). At that time, sole custody was the most common form of arrangement for children. In 1974, the opponents of divorce promoted a referendum to abolish the divorce law introduced 4 years earlier but they were defeated. In the following years, the divorce law only underwent minor changes.⁶ It was several decades until a big change in a divorce related issue took place, namely Law 54/2006, which changed the default arrangement from sole custody to joint custody of dependent children. Law 54/2006, known as the "Joint Custody" law, was passed by the Italian Parliament in February 2006 and became effective in March 2006.

⁴ Gennaioli and Shleifer (2008) provide a model of judicial discretion. In their analysis, discretion is due to both judges' policy preferences and their aversion to reversal on appeal. In the latter case judges are induced to replicate previous courts decisions not overruled by the Court of Appeal. Ichino et al (2002) explicitly refer to the political orientation of the judges involved in firing dispute resolutions when explaining the differences between Northern and Southern courts in Italy.

⁵ Differently from Altindag et al. (2015), Halla (2013) finds that joint custody reduces female labor market participation in middle-aged spouses. The differences between Halla (2013) and Altindag et al. (2015) can be explained by the different sample selection and estimation procedure.

⁶ For instance, with the aim of shortening the time to get a divorce judgment, Law 74/1987 allowed the judge to give a decree without necessarily issuing at the same time a financial judgment and/or deciding upon child custody.

It recognizes (art. 1) “the right for a child to have balanced and lasting relations with both parents; to receive care, education and upbringing from both of them; to keep relationships with ascendants and relatives from both parental branches”.⁷ This provision, which intends to regulate both legal custody and physical custody, reflects the statement of the United Nation Convention on the Rights of the Child, adopted on November 20th, 1989.

Before the reform, the judge was asked to choose “the” custodial parent, unless both parents suggest a different form of custody arrangement. In the latter case, after verifying that the parents satisfy some conditions like proximity of the two homes, absence of young children, lack of conflicts among them, the judge could consider the possibility of assigning joint custody to the parents. As a matter of fact, it was enough for a parent's lawyer to present an aggressive and hostile report on the other parent to make the judge exclude the joint custody arrangement. For this reason, joint custody was not often granted before the reform because of both the consolidated jurisprudential tradition that used to assign sole custody to the mother and the several prerequisites mentioned above that were required to assign joint custody. Therefore, the results documented in this paper can be read as the impact on post-separation financial outcomes of the move from the availability of joint custody as residual option to joint custody being the intended default.

In the five years of data available before the introduction of the joint custody law, the fraction of sole maternal custody over the total separations with minors was just below 85% (see Section 4), while only about 3% of children lived with their father and the remaining 12% of families shared joint custody. Figure 1 documents the fractions of legal custody assignments (over the total judgments for separations with minors) to mother, father and both parents over the 2000-2010 period.⁸ In March 2006 we observe a sharp drop in the share of sole legal custody to mother, while there is a jump in the share of joint custody assignment, which mirrors the maternal custody drop. The share of sole custody father is almost negligible over the whole period.

[Fig 1]

The introduction of the law was largely unexpected because the reform was met by strong opposition in the Parliament. Although a first draft of the joint custody law was submitted to the Parliament as early as 1994, it was only endorsed in February 2006. The bill was signed in an overnight parliamentary meeting and the law passed without unanimity.⁹ This means that the possibility of announcement effects that might have anticipated the implementation of the reform may be excluded.

The new law provisions can be summarized as follows. As standard rule, the judge assigns joint legal custody to both parents; in case specific circumstances occur which make sole custody preferable in the child's interest, they have to be explicitly documented. This means that the judge's discretion to assign sole legal custody is quite limited. The legal assignment of joint custody is followed by two types of decisions referring to the substance of the custody. First, the time spent by each parent with the child must be

⁷ For an exhaustive description of the law see Maglietta (2006) and Gaglione and Malfettani (2008).

⁸ There is also a small number of children assigned to a party other than parents. Cases of non-parental custody, however, are negligible (about 0.4%) and eliminating them from the sample does not change the results of our exercise.

⁹ Maglietta (2006) provides an historical account of the reasons behind the opposition to the law on joint custody. He mentions both vested interests, related to the fact that the custody implies relevant wealth effects, and ideological reasons, related to the view on the role of women in society.

determined such that the child has balanced and lasting relationships with both parents, as prescribed by the law. Basically, fathers are allowed to spend more time with their children. Second, post-separation transfers must also be defined consistently with the aim of the law. In particular, the law provision according to which both parents have joint responsibilities to provide care, education and upbringing goes hand-in-hand with shared financial responsibility for the two parents. This means taking into account “the financial needs of the child, the respective income and wealth positions of the parents, the actual time spent with the child and the extent of domestic care provided by each parent.” On these substantive aspects, the judge has huge discretion on how to apply the rules to the facts of each case. As we show in Section 6, this flexibility plays a crucial role for courts’ decisions.

As for the financial provisions, two aspects have been substantially revised after the reform.

The *family home* is assigned by the judge to one of the separating spouses by taking into account the “interest of the child(ren)” (paragraph 2 of the Statute). This provides a clear departure from the past, as the home was always assigned to the custodial parent, that is, the mother in the overwhelming majority of the cases (in our data almost 70% of mothers kept the family home in the pre-reform period).¹⁰ Note that the decision on who keeps the family home is very relevant, as in Italy the wealth invested in the home represents almost 60% of net family wealth (Bank of Italy, 2011) and the expenditures related to housing amount to 25% of family income in case of tenants (Bank of Italy, 2012).

The law introduces a change from *indirect support* (non-targeted financial support) from the non-custodial parent (usually the father) to the custodial parent (usually the mother), to direct support, through which both parents are bound to provide financial support to the child(ren), each for some types of goods and services. This is meant to address the agency-cost problem arising from the fact that, in case of non-targeted financial support, the non-custodial parent cannot perfectly monitor how his financial transfers are spent, and therefore assumes that some money will be misspent (Mnookin and Kornhauser 1979, Weiss and Willis 1985). This reduces the incentives for the non-custodial parent to contribute to the support of the child(ren) (Brinig and Buckley, 1998).

Other aspects of the post-separation transfers were left unchanged. Among those, alimonies (regulated by the Law 898/1970 art.5) were not part of the bill approved on March 2006.

4. Data and empirical issues

Our analysis uses unique and high-quality administrative data drawn from all the separations and divorces proceedings registered at the 165 civil courts in Italy between 2000 and 2010. A separation/divorce record consists of transcripts of proceedings, the financial settlements decided by the judge and socio-economic information on the whole family. The papers are filed at the registry office where the separation/divorce takes place and sent to the Italian National Institute of Statistics (ISTAT) every three months.

In the empirical analysis we focus on separating couples because the relevant decisions on family issues are usually taken at separation decree and they are confirmed with minor changes at divorce decree in the vast

¹⁰ As reported by Gaglione and Malfettani (2008) in cases of equal sharing of the time spent with the child, the judge is requested to make a decision among the following alternatives: a) home to the parent economically more vulnerable; b) home to the parent who is considered more suitable to live with the child(ren), c) home unassigned: both the parents will alternately live with the child(ren) in the family home.

majority of cases. To be precise, in Italy decisions on custody are made at the time of separation, which is a preliminary legal step to get a divorce. As in other countries, separating couples might find an agreement on the aspects related to the post-separation regime (both custody and financial arrangements) and submit the agreement to the court. These are called uncontested or mutual consent separations. If an agreement is not reached the judge takes a decision. These are called contested or non-mutual consent separations. A proceeding involving a contested separation takes on average much longer than those involving an uncontested separation (873 vs 143 days). Moreover a requirement of a minimum period of three years from separation is needed to proceed with the divorce. At divorce, separated partners can ask to change the decisions made at separation, but it is necessary that the conditions at separation are no longer valid. More specifically, the financial conditions of one of the two partners or child(ren)'s preferences on preferred custodial parent must have significantly changed. Anecdotal evidence suggests that in Italy a relevant share of separated couples never request a divorce and in case they do, the divorce decision takes so long after separation that custody issues are no longer relevant (as the minors become adults).¹¹

The data contain information on: a. *the features of the legal proceeding* – that is, when the proceeding started, the date of the decision, the location of the court, the legal grounds on which the separation started and then is conferred (uncontested vs contested), the spouse who filed the application for separation, and whether any party hired a lawyer; b. *post-dissolution measures* – obligations of providing alimony and child support, their amounts, the right to keep the family home; c. *child demographics* – the gender, age and legal custody arrangement of each child living at home; and, d., *other demographics* – the date of marriage, nuptial rite (civil vs religious), type of marital agreement (joint or separate management of family wealth), and spouses' demographics (date and place of birth, residence, nationality and status before the current marriage, education, employment status, occupation, sector of activity).

The information in a, b, and c are collected directly from the separation proceedings and are therefore very reliable, especially regarding the economic aspects. The socio-demographic information in d is collected from the separating spouses or their lawyers, if not contained in the court proceedings.

In the empirical section we estimate the impact of the joint custody reform on several outcomes:

1. Custody Assignment, measured as the probability that the mother gets sole legal custody over the child.
2. Family Home, measured as the probability that the woman gets the right to keep the family home.
3. Likelihood of Indirect Child Support, measured as the probability that the father is obliged to provide money (indirect support) for child maintenance to the mother.
4. Amount of Indirect Child Support, measured as the amount of money that the father is obliged to provide (indirect support) to the mother.¹²

These are the outcomes for which the law prescribes a change with respect to the past. Data about the time each parent is allowed to spend with the child are unfortunately not available.¹³ Therefore, we focus

¹¹ Our computation from the divorce files show that the average marriage duration at divorce is 17.6 years and the average time elapsed between separation and divorce is 6.3 years. These figures suggest that at divorce children are likely old enough to not be involved in child custody issues. Unfortunately, we do not know how many separated couples actually filed for divorce since it is not possible to link the divorce file with the separation file. This might be a selected group of the population which is different from the group of separated couples who never divorce. As a result, the analysis of the divorcees is more problematic and for this reason we prefer to focus on separating couples.

¹² We have excluded the very few cases of women paying alimony and child support to husbands.

on outcomes that reflect financial transfers, which can also be informative with respect to visitation periods as the custodial length is likely correlated with child support arrangements.

We expect a negative impact of the reform on these outcomes. As explained in Section 3, the law clearly prescribes the judges to assign joint legal custody. Moreover, it sets forth new principles according to which both the probability that the woman gets the right to keep the family home and the occurrence of non-targeted financial support should be reduced.

We also look at mandatory (non-targeted) transfers between parties. We focus on two outcomes related to maintenance:

5. Likelihood of Alimony, measured as the probability that the husband is obliged to provide money for the maintenance of the wife.

6. Amount of Alimony, measured as the amount of money that the husband is obliged to provide for the maintenance of the wife.

The law does not prescribe a change with respect to the past for these outcomes. However, since they matter for overall post-separation arrangements, they might reinforce or attenuate the impact of the reform on outcomes 2, 3 or 4 above.

Finally, we evaluate the extent to which joint custody affects litigiousness and who takes the decision to end the relationship, and consider:

7. Likelihood of Contested Separations, measured as the share of separations with no mutual consent.

8. Applicant's Gender, measured as the fraction of women filing the application for separation.¹⁴

These are the outcomes that might capture second-round impacts of the introduction of the reform. For instance, Halla and Hölzl (2007) document that in Austria joint custody has enabled more parents to separate by mutual consent. As for the applicant's gender, as suggested by the bargaining models (Manser and Brown 1980, McElroy and Horney 1981), one would expect that the expectations of each separating partner on post-dissolution rights and responsibilities might have an impact on the odds of requesting a separation.

Our sample (which excludes observations with missing values on explanatory variables) consists of 495,333 separating couples with dependent children at time of separation and 374,303 childless couples or couples with no children under 18 years at separation. The first group is affected by the reform (the so-called treated), while the second group is not affected (the so-called controls). Table 1 reports summary statistics for the outcomes, by the timing of the reform and by treatment status. The table suggests that the reform hardly changed the outcomes under study, except for the share of sole legal custody assignments. Clearly, a more rigorous empirical analysis, as reported in Section 6, is needed to confirm this descriptive evidence. Appendix Table A1 presents the descriptive statistics for the variables used as controls. Note that for a high

¹³ The administrative data only provide information on the time the noncustodial parent spends with the child(ren) under sole custody. No information is collected for joint custody cases.

¹⁴ In the Italian system we can have one filer even in case of mutual consent separation. A married person has the right to end the marriage: no particular motivation is needed. Then, the lawyer of the partner who wants to separate applies (files the application) to separate. At that point the judge calls for a preliminary meeting with the separating couple to understand whether the other party provides her/his consent regarding the separation (in presence of children, the judge also tries to discourage the couple from proceeding).

number of dimensions (for instance, education and labor market status) the treated and controls seem to be highly comparable.¹⁵

[Table A1]

5. Identification strategy

To estimate the causal effect of the joint custody reform on the outcomes listed in Section 4 we use a difference-in-differences (DID) approach (see, for instance, Angrist and Pischke, 2009) that compares the changes in the outcomes for separating parents with minors (for whom the new rules apply after March 2006) with changes in the outcomes for separating parents with no minors (for whom the new rules do not apply and therefore the reform should have no impact).¹⁶

With the register data, we employ a difference-in-differences approach to estimate reform effects on post-separation financial arrangements between separating parents, the likelihood of contested separation, and applicant's gender using the following regression model:

$$(1) \quad Y_{ijt} = \alpha_0 + \alpha_1 POST_t + \alpha_2 TREAT_i + \alpha_3 (POST_t * TREAT_i) + \alpha_4 X_{it} + \eta_t + \gamma_j + \varepsilon_{ijt}$$

where Y_{ijt} is the outcome of interest (for instance, family home assigned to the mother), for couple i decided by court j in period t ; the dummy $POST_t$ takes the value one from March 2006 onwards and zero otherwise; the dummy $TREAT_i$ is equal to one for treated couples (those with at least one dependent minor) and zero otherwise; X_{it} is a vector of additional covariates (which includes controls for individual demographic characteristics, history of the marriage, labor market status and marriage characteristics). Time differences are controlled for by the vector η_t , which contains a set of time dummies, and spatial differences by the vector γ_j , which contains a set of court dummies. Court fixed effects are included in order to take into account possible territorial heterogeneity in the application of the reform, which might derive, for instance, because judicial inefficiency has a strong local component (Carmignani and Giacomelli, 2009). Finally ε_{ijt} is an i.i.d. error term with $E[\varepsilon_{ijt} | TREAT_i] = 0$. The standard errors are clustered at the court level to take into account potential correlation in financial arrangements among individuals asking for separation at the same court.¹⁷

The coefficient α_1 captures the effect on Y_{ijt} of the simple passing of time, from before the reform to after it, for both groups of treated and controls. The coefficient α_2 captures the effect on Y_{ijt} of having children irrespective of the time period, i.e. it represents permanent differences between the treated and the controls. The interaction coefficient α_3 is the effect of interest because it captures the differential impact of the 2006 reform on separating couples with children compared to separating couples without dependent children.

¹⁵ The monetary variables have been deflated by the Consumer Price Index (base 2010).

¹⁶ A similar strategy is used by Böheim et al. (2012). They also make use of a second control group made only of households with the youngest child 18 years or older (therefore, they rule out childless families). We have replicated all our estimates by using this additional control group (which shrinks our control sample greatly) with results very similar to those documented in Section 6 (available upon request).

¹⁷ We also allow for clustering at the court by year level to adjust the standard errors for autocorrelation as explained by Bertrand et al. (2004). The results (available on request) are very similar to the ones depicted in Section 6.

For some of the outcomes, namely custody assignment, probability of indirect child support and amount of indirect child support, there is no sensible control group, as the outcomes are observed only for couples with children. For these outcomes we simply estimate a before-after effect for the treated group, as reflected in the dummy $POST_t$ in equation (1) for a sample that includes only the treated. These results are admittedly less reliable than those referring to the DID, as they might confound time trends as part of the treatment, and therefore must be interpreted with caution.

One would expect a negative sign for the coefficient α_3 (α_1 for before-after estimates) when we consider the outcomes 1-4 (custody assignment, family home, likelihood and amount of indirect child support) involved in the law provisions, and a zero coefficient α_3 for the outcomes 5 (likelihood of receiving alimony) and 6 (amount of alimony), not directly touched by the reform. As for the outcomes 7 (likelihood of contested separations) and 8 (applicant's gender), the expected sign of the coefficient of interest is more difficult to determine. For instance, if joint custody alters the bargaining power within the family favoring the fathers, one would expect a decrease of the fraction of women filing the application for a separation. If the courts' decisions after the reform more closely reflect the will of the separating partners, one could expect a negative impact on the share of contested separations, like in Halla and Höltz (2007).

The plausibility of the DID identification framework relies on the assumption that the treated group would have had a similar trend in the outcomes with respect to the control group in the absence of the joint custody reform. Although this assumption is not testable, looking at the pre-treatment trends can be informative about its plausibility. Figure 2 plots the trend in the outcomes for which it is possible to apply the DID approach, distinguishing between pre- and post-treatment periods and by treatment status.¹⁸ The trends look, with two exceptions, comparable for the two groups during the entire pre-treatment period. Only for the outcomes referring to the assignment of the family home and applicant's gender there is no clear parallel time trend in the pre-reform period, imposing some caution in interpreting these results.¹⁹ We can derive some hints on the effects of the reform by examining the post-treatment trends. In case of the outcomes "applicant's gender" and "home to the mother", no differences in the trends seem to emerge between the two groups (except that the rates are higher for the treated group). There is definitely an increase in the rate of disputed separations among the treated group and a decline in the likelihood of receiving alimony and its amount in the control group. Whether these descriptive findings remain in a regression analysis where we also control for the characteristics of the individuals is the argument of the next section.

[Fig. 2]

6. Results

In this Section we present evidence on the impact of the joint custody law on our set of separation settlements, both covered and uncovered by the new law provisions. We also study the impact on contested separations and applicant's gender. We first show the results obtained applying the DID

¹⁸ In the graphs we have excluded the first three months of the year 2006 in order that 2006 contains only separations taking place after the reform.

¹⁹ We agree that the outcomes "applicant's gender" and "home to the mother" do not seem to exhibit parallel trends in Fig. 2. However this is due to the linearity we have imposed to fit the data. If we use a more flexible (quadratic) specification, treated and controls show a similar pattern graphically. For these outcomes we also estimate for the presence of a trend and a quadratic trend over the pre-treatment period and test whether they are different between treated and control groups. These interactions are never statistically significantly different from zero, suggesting that when imposing a trend flexible enough, the two groups exhibit a parallel trend.

estimation procedure and then on the results obtained with the Before/After approach. We then comment on the shortcomings of the data, potential threats to our identification strategy and alternative interpretations of our results.

6.1 The impact of the joint custody reform

Panel A in Table 2 reports the difference-in-differences estimates for the probability that the woman gets the right to keep the *family home*. We expected the impact of the reform on this outcome to be negative. This does not seem to be the case. The likelihood that a woman with children keeps the family home after the reform ($POST_t * TREAT_i$ coefficient) increases by about 1 percentage point with respect to a childless woman. This estimate is stable across the specifications from Column 1 to Column 5, which increasingly include additional covariates.²⁰ Column 1 is the more parsimonious specification which includes only time and court fixed effects in addition to the variables $POST_t$, $TREAT_i$, and $POST_t * TREAT_i$. Column 2 includes civil status before the current marriage (single, divorced or widowed), age, nationality and level of education (low education, high school diploma and university achievement) and a dummy for foreign-born individuals (irrespective of the nationality) for both partners. Column 3 adds the length of marriage and the number of children present in the household. Column 4 includes labor market characteristics for both partners: labor market status (employed, unemployed, out of the labor force), occupation (entrepreneur, self-employed, white-collar, blue-collar) and sector of activity (agriculture, manufacturing, services, public sector, other). The labor market covariates proxy for the (unobserved) income and wealth status of the separating couple. Finally, Column 5 adds controls for whether the wedding was religious and the types of marital financial agreement (joint or separate management of the family wealth). These inclusions seem to be warranted. Religious weddings might capture some deep feelings related to the pursuance of a marriage, irrespective of the circumstances. Marital financial settlement might pick up additional incentives to stay in or move out of a relationship. For instance, in case of joint management, the wealth loss (gain) for the wealthier (poorer) party is amplified.

On average, over the period 2000-2010, the presence of children substantially increases the probability of a mother keeping the most valuable family asset, namely the family home, compared to separating couples with no (dependent) children. The estimates for the coefficient $TREAT_i$ in Table 2 suggest that the effect is over 20 percentage points even after controlling for the proxies of the income status of the two partners (see, for instance, the comparison between column 3 and column 4). The coefficient on $POST_t$ tells us that the probability that a childless woman (or a woman with no dependent children) is assigned the family home decreases by 1.2 percentage points after the reform. However, if we add the coefficients $POST_t$ and $POST_t * TREAT_i$ we find no change in the likelihood that mothers keep the family home.

Although *alimony* was not directly part of the reform, alimony and child support are fungible: both involve periodic monetary payments and, indeed, are often paid together by the non-custodial parent (Mnookin and Kornhauser, 1979). Therefore, to the extent that alimony changes as a result of the reform, its impact should be considered as part of the post-separation financial consequences of the change in custody law. Panel B and Panel C in Table 2 show the difference-in-differences estimates for the impact of the reform on the likelihood and amount of alimony, respectively. We find that the probability that the husband is obliged to provide financial support to the wife in presence of dependent children after the reform increases by over 3 percentage points with respect to childless couples (Panel B of Table 2). This is a considerable jump, as it corresponds to the estimated coefficient for $TREAT_i$. The amount related to the maintenance of mothers with minor children decreases by about 20 euros per month with respect to childless mothers (see

²⁰ To save space, we do not report the estimates for the covariates. They are available upon request.

Panel C of Table 2), which is 6% of the average amount for alimony for separating couples with minors before the reform, as shown in Table 1. However, this effect is only marginally significant when the most complete set of controls is included (column 5).

Panel D of Table 2 documents an increase in the fraction of *contested separations* by 1.2 percentage points (coefficient $POST_i * TREAT_i$) in couples with dependent children after the reform with respect to childless couples, while the overtime differential average for couples with minors with respect to those without kids (coefficient $TREAT_i$) is around 2 percentage points. This result is at odds with what Halla and Hölzl (2007) found for the case of Austria, where the introduction of joint custody seems to have enabled parents to reach an agreement that was otherwise not feasible in the sole custody regime, thus increasing the fraction of uncontested separations. A possible interpretation of this difference is related to the little degree to which the principles introduced by the reform have been translated into actual court decisions, rather than to the principles per se (see Section 6.2). Therefore, the increase in contested separations we observe might not be related to the principles of the law, which are very similar in Italy and Austria, but to the courts' implementation.

Panel E of Table 2 depicts the impact of the reform on the gender composition of the applicant for separations (the outcome is a dummy=1 for the applicant being female). This outcome might be an example of how the reform changed the incentives for family dissolution for each spouse. To the extent that the reform increases the probability that one gender gets financial benefits, one would expect a positive impact of the reform on the fraction of that group requesting a separation. As a matter of fact, our results document that after the introduction of the law there has been an increase in the fraction of women requesting separation of about 1.5 percentage points if they are mothers of minors. Also the fraction of women requesting a separation (as measured by the period average) in the case of couples with minors is 5.6 percentage points higher than couples without minors (Column 5). This result is compatible with what is found by Halla and Hölzl (2007), who show that joint custody reform has increased the relative power of mother's lawyers and therefore women tend to make the first move in decisions concerning separation.

[Table 2]

The effect of the joint custody law on the *legal assignment of custody* is strongly in line with what was prescribed by the reform. As explained in Section 3, the reform was unambiguous in this respect: after March 2006 joint custody became the default for separating couple with minors and sole custody can be assigned by judges only under very specific circumstances that have to be well documented in a written judgment. Table 3 provides the (pre-post) estimates of the likelihood that a mother receives sole legal custody of the first child for our sample of 445,798 treated couples with minors that separated over the 2000-2010 period.^{21,22} For this outcome (and in general for the three outcomes presented in Table 3) the

²¹ In presence of more than one child, the custody assignment is the same for all children in the overwhelming majority of the cases. For robustness, we also used as outcome the likelihood that a mother receives sole legal custody over the youngest child, with results very similar to those presented in Table 3.

²² The dependent variable in Panel A of Table 3 is equal to one in the case of maternal sole custody, and zero otherwise. But the zero-otherwise-case comprises three very distinct situations: paternal sole custody, custody to a third person and joint custody. However, paternal sole custody and custody to a third person are rare events (2.9% and 0.4% of the cases in our sample, respectively). As expected, dropping these cases does not change the results. As a further check, we also consider a multinomial model to analyze the categorical variable "type of arrangement" with four categories: sole custody to mother, sole custody to father, custody to a third person and joint custody, the latter used as a reference category. This table conveys the same message of Table 3: after the reform all custody arrangements different from joint custody decrease.

DID approach is not applicable because the outcome is recorded only for the treated group, namely the couples with dependent children. The point estimate for the coefficient $POST_t$ in equation (1) suggests that in the aftermath of the reform there was a substantial drop (slightly below 25 percentage points and highly significant) of the likelihood that a judge decides in favor of sole maternal custody and this coefficient is stable across the specifications. In other words, the change prescribed by the reform has actually been implemented in courts.

As mentioned in Section 3, the joint custody reform provides for a move from indirect support to direct support. This means that both parents are financially obligated to support the child, each for some types of goods and services. Therefore, one would expect that both *the likelihood that a father is obliged to provide transfers to the wife for child support* and *the amount of money provided* decrease substantially. The results in Panel B and Panel C of Table 3 tell us that this story is only partly true. Panel B of Table 3 shows that the probability that the father is obliged to provide a sum of money to the mother for child support decreases after the reform although very modestly. The estimated effect is slightly below 3 percentage points, while the fraction of husbands obliged to provide indirect support in the years before the reform was equal to 87% (see Table 1). Moreover, the amount of money for child support (Panel C of Table 3) remains unchanged with respect to the pre-reform situation (the coefficient is not statistically significant).

[Table 3]

The evidence provided so far refers to all separations, both those with a prior mutual consent (*uncontested*) and those with no mutual consent (*contested*). However, it could be interesting to analyze whether the type of separation might influence our outcomes. Table 4 displays the difference-in-differences (before-after) estimates as computed in Table 2 (Table 3) adding the type of separation as a control variable. As the couples that fail to find an agreement can be very different from the couples that decide to split by mutual consent, this variable is potentially endogenous and we need to find a valid instrument to draw credible inference. Table 4 reports the 2SLS estimates of the effect of joint custody on separation settlements obtained by instrumenting uncontested separations by the use of mediation services. This variable turns out to be a good instrument for the probability of an uncontested separation, as shown by the F-test reported in the last row of the table. The results show that the type of separation is an important determinant for many post-separation arrangements. In particular, an uncontested separation makes it less likely that a mother keeps the family home but increases the likelihood that she is awarded sole custody and receives alimony, as well as increasing the probability that the wife asks for separation. Concerning the effect of interest ($POST_t * TREAT_i$ in columns 1-4 and $POST_t$ in columns 5-7), the likelihood that a mother gets the family home and receives alimony doubles with respect to the situation where the type of separation is not controlled for, while the probability that a mother asks for a separation turns from positive to negative. Moreover, the likelihood of getting sole custody halves and the amount of transfers for child support becomes positive and significant (it was not significant in Table 3). Overall, after controlling for the type of separation, settlements seem to be more favorable to mothers.²³

[Table 4]

The results documented so far can be easily summarized. First, the legal assignment of joint custody was applied by courts. Second, the provisions of the law regarding the substantive aspects of the joint custody - for which the law left discretion to judges, namely the assignment of the family home and the likelihood

²³ In the working-paper version of our study (de Blasio and Vuri, 2013), we provide results splitting the sample along the contested-uncontested dimension and find similar findings.

and amount of child support, hardly changed after the reform. Third, the judge decisions on alimony, which are not covered by the new law provisions, changed, favoring the mothers at the expense of the fathers. Fourth, after taking into account the type of separation, the post separation settlements seem less favorable to husbands.

6.2 Discussion of the results

We documented what happened in terms of post-separation financial settlements after the introduction of the joint custody law as default arrangement. Our data are however silent on a key judge's decision: the amount of time each parent is allowed to spend with the child(ren). Note that to the extent that the financial arrangements also reflect "the actual time spent with the child and the extent of domestic care provided by each parent", as required by the law (see Section 3), it is reasonable to argue that the court decisions did not innovate with respect to the past also with regard to the time each parent is allowed to spend with the child(ren).²⁴

Selection might be an important threat to our identification strategy. If the results are driven by a change in the composition of the couples that decide to separate after the approval of the joint custody law, there might be a problem of selection in our estimates. We argue that this does not represent an issue in our case. On technical grounds, we control for a very high number of observables (individual characteristics, history of the marriage, labor market, type of marriage). Therefore, compositional changes, which might have occurred because of the reform, are differentiated away. Clearly, there could be unobservable traits that might have changed; however, note that our point estimates remain remarkably stable across specifications with increasing numbers of controls. As explained by Altonji et al. (2005) the amount of selection on the observables provides useful hints on the amount of selection on the unobservables, thus reassuring us that unobservable selection is not an issue. We have also replicated all the results by using the restricted sample of marriages formed before the reform. As Halla (2013) pointed out, to the extent the reform modifies the incentives to separate, it might also affect the selection into marriage. The results we obtain using the restricted sample (available upon request) do not differ from those presented in the text. On more general grounds, the absence of selection issues is in line with the evidence we have documented so far: the reform changed the financial transfers marginally with respect to the pre-reform period. As additional check we also consider nationwide separation, birth and marriage rates over a long time span²⁵ and we observe no discontinuity around 2006, the year in which the law on joint custody was introduced.

The evidence presented so far could point only to a partial acceptance of the judiciary to the implementation of the new principles endorsed by the reform. This is particularly evident with reference to the substantive aspects of the reform, where plenty of implementation power has been left to the judges, while the formal aspect of the law, the legal assignment of custody, was strictly applied, as no discretion has been envisaged in that case. The results for alimony (for which the law does not prescribe any change) suggest a similar interpretation: judges who are not favorable to provide indirect child support, but feel

²⁴ This is also supported by plenty of anecdotal evidence. See, for instance: <http://www.avvenire.it/Cronaca/Pagine/affido-condiviso-purtroppo-teoria.aspx>.

²⁵ The sources are (a) <http://www.istat.it/it/archivio/126552>, for separation rates; (b) <http://www.istat.it/it/archivio/51645>, for birth rates; (c) <http://demo.istat.it/altridati/matrimoni/>, for marriage rates.

that they nevertheless have to obey the principles of the law, might use alimony to counterbalance the reduction in indirect support received by the custodial parent.²⁶

A potential counterargument to our reading is that we might be erroneously attributing to judges what is instead a voluntary outcome of the bargaining between splitting partners approaching the separation. For instance, our findings could be consistent with the circumstance that Italian men do not want joint custody of their children and pay their ex-wives to avoid this scenario. We believe that this counterargument is not supported by our regression results (other than by plenty of anecdotal evidence regarding the disappointment of Italian fathers on how joint custody is implemented in courts; see, for instance, Zavattiero, 2012). If what we observe is the result of a voluntary deal, then we should witness a decrease in litigiousness, while Table 2 shows that this is not the case. Note also that Table 4 suggests that contested separations (the outside option for mutual-consent bargaining) are less favorable to men. Therefore, the bargaining under the mutual-consent case seems to be constrained.

Another potential explanation of our results and in contrast to the results for other countries is provided by the “Work-in-Household (WiHo)” theory proposed by Grossbard, S. (2015). As widely documented, Italian women are involved with financially remunerated domestic work and childcare (WiHo) more than in other countries (Gimenez-Nadal and Sevilla Sanz, 2014). If women still raise children more than their husbands, WiHo does not necessarily decrease after separation. Consequently women may still continue to obtain child support and alimony. The same might not hold for Austria where men might not have as much of a demand for WiHo supplied by the mothers of their children.²⁷ The lack of demand of WiHo in Austria might induce women to raise children alone since under joint custody fathers might be less willing to pay for their ex-wives' maternal WiHo.

7. Conclusions

We examine the effects of the 2006 reform to Italian family law, which made joint custody the default for separating couples, on post-separation settlements. Variation in exposure to the custody reform across different groups of the families provides a quasi-experimental setting to explore this issue.

We find that the reform strongly boosted joint legal custody. The reform appears to have increased dispute rates markedly, without affecting transfers. The evidence presented in this paper suggests that a partial acceptance of the judiciary of the new principles endorsed by the law might help to explain the findings.

Our results are easily reconciled with the view that in Italy family justice is a female-dominated business, which might explain why judgment is performed in a gender-biased way insofar as female judges give more weight to deep feelings regarding gender issues. Consistent with our results, Halla and Holtz (2007) have documented that in Austria female judges are biased against joint custody (for a similar view referring to Italy's judges for family law, see Maglietta, 2006).

²⁶ In the working-paper version of our study (de Blasio and Vuri, 2013) we also present regression results from specifications that include court by time fixed effects. These estimates, which are intended to control for time-variant confounding differences in court efficiency, are very similar to the ones presented above.

²⁷ Consistent with this view, Austria has one of the highest rates of out of couple motherhood in Europe, while Italy has one of the lowest (Ekert-Jaffe and Grossbard 2008).

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Figure 1: Custody arrangement types (over total separations with minors)

Source: Istat - Dataset on separations, 2000-2010. Notes: The first three months of 2006 have been excluded in order to have only post-reform separations in 2006. Before the reform the legal arrangements envisaged a sole custody regime; only in special cases did the law allow the judge to assign different types of arrangements (alternate or combined custody). After the reform, joint custody becomes the intended default.

Figure 2: Trends for selected outcomes

Source: Istat - Dataset on separations, 2000-2010. Notes: The first three months of 2006 have been excluded in order to have only post-reform separations in 2006.

Table 1. Descriptive statistics for the outcomes

	Treated					Controls				
	Before	# obs.	After	# obs.	TOT	Before	# obs.	After	# obs.	TOT
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Sole Custody to Mother	0,83	249084	0,22	196714	445798	-	-	-	-	-
Family Home to Mother	0,69	273458	0,69	221875	495333	0,43	207074	0,41	167229	374303
Likelihood of Indirect Child Support	0,87	273458	0,87	221875	495333	-	-	-	-	-
Amount of Indirect Child Support	401,18 (437,39)	238821	473,86 (410,64)	192870	431691	-	-	-	-	-
Likelihood of Alimony	0,22	273458	0,24	221875	495333	0,18	207074	0,18	167229	374303
Amount of Alimony	352,50 (619,15)	62053	418,87 (642,69)	55098	117151	475,01 (858,45)	39058	560,65 (927,07)	31083	70141
Contested Separation	0,14	273458	0,15	221875	495333	0,12	207074	0,12	167229	374303
Applicant's Gender	0,21	273458	0,23	221875	495333	0,15	207074	0,12	167229	374303

Source: Istat - Dataset on separations, 2000-2010.

Table 2. DID Estimates of the Impact of Joint Custody on Selected Outcomes for Separated Couples

	(1)	(2)	(3)	(4)	(5)
Panel A: Family Home to the Mother					
POST (α_1)	-0.011*	-0.013*	-0.012*	-0.012*	-0.012*
	(0.005)	(0.005)	(0.005)	(0.005)	(0.005)
TREAT (α_2)	0.261**	0.273**	0.208**	0.206**	0.206**
	(0.006)	(0.006)	(0.006)	(0.005)	(0.005)
POST*TREAT(α_3)	0.011**	0.012**	0.011**	0.010*	0.010*
	(0.004)	(0.004)	(0.004)	(0.004)	(0.004)
Observations	869.636	869.636	869.636	869.636	869.636
R ²	0.083	0.104	0.106	0.109	0.110
Panel B: Likelihood of Alimony					
POST (α_1)	-0.018**	-0.022**	-0.022**	-0.024**	-0.024**
	(0.005)	(0.004)	(0.004)	(0.004)	(0.004)
TREAT (α_2)	0.027**	0.048**	0.024**	0.032**	0.032**
	(0.004)	(0.004)	(0.004)	(0.004)	(0.004)
POST*TREAT(α_3)	0.026**	0.031**	0.031**	0.034**	0.034**
	(0.005)	(0.005)	(0.005)	(0.005)	(0.005)
Observations	869,636	869,636	869,636	869,636	869,636
R ²	0.030	0.069	0.072	0.171	0.172
Panel C: Amount of Alimony					
POST (α_1)	57.149**	52.995**	53.272**	50.902**	52.931**
	(14.706)	(13.885)	(13.913)	(14.190)	(14.257)
TREAT (α_2)	-108.126**	-92.432**	-125.379**	-138.202**	-136.287**
	(7.773)	(7.900)	(10.650)	(11.018)	(11.017)
POST*TREAT(α_3)	-16.748	-16.411	-16.794	-18.212	-19.623+
	(11.770)	(11.155)	(11.125)	(11.536)	(11.579)
Observations	187,292	187,292	187,292	187,292	187,292
R ²	0.035	0.070	0.070	0.094	0.095
Individual characteristics	NO	YES	YES	YES	YES
History of the marriage	NO	NO	YES	YES	YES
Labor market	NO	NO	NO	YES	YES
Type of marriage	NO	NO	NO	NO	YES

Notes. The outcome is the likelihood for a mother of receiving family home in Panel A, the probability that the husband is obliged to provide a sum of money for the maintenance of the wife in Panel B, and the amount of money that the husband is obliged to provide for the maintenance of the wife in Panel C. Time and Court fixed effects are included in all specifications. Standard errors are corrected to allow for clustering at the court level. **(*)[+] denotes significance at the 1% (5%) [10%] level. *Individual controls* include (both for husbands and wives): civil status before the marriage (single, divorced, widowed), age, a dummy for foreign born, nationality, education (dummies for high school and university achievements). *History of the marriage controls* include: duration of the marriage and number of children. *Labor market controls* include (both for husbands and wives): labor market status (employed, unemployed, out of the labor force), work status (entrepreneur, self-employed, white-collar, blue-collar), sector of activity (agriculture, services, manufacturing, public sector). *Type of marriage controls* include: religious weddings and type of marital agreement on asset division (community vs separate property).

Table 2. DID Estimates of the Impact of Joint Custody on Selected Outcomes for Separated Couples (cont.)

	(1)	(2)	(3)	(4)	(5)
Panel D: Contested Separation					
POST (α_1)	0.008 (0.007)	0.006 (0.006)	0.006 (0.006)	0.006 (0.006)	0.005 (0.006)
TREAT (α_2)	0.013** (0.004)	0.025** (0.004)	0.020** (0.005)	0.020** (0.004)	0.020** (0.005)
POST*TREAT(α_3)	0.007* (0.003)	0.011** (0.003)	0.010** (0.003)	0.012** (0.003)	0.012** (0.003)
Observations	869,636	869,636	869,636	869,636	869,636
R ²	0.037	0.062	0.062	0.068	0.068
Panel E: Applicant's Gender					
POST (α_1)	-0.006 (0.006)	-0.008 (0.006)	-0.008 (0.006)	-0.009 (0.006)	-0.010+ (0.006)
TREAT (α_2)	0.062** (0.003)	0.072** (0.003)	0.056** (0.005)	0.057** (0.004)	0.056** (0.005)
POST*TREAT(α_3)	0.010* (0.004)	0.014** (0.004)	0.014** (0.004)	0.015** (0.004)	0.015** (0.004)
Observations	869,636	869,636	869,636	869,636	869,636
R ²	0.028	0.046	0.046	0.051	0.051
Individual characteristics	NO	YES	YES	YES	YES
History of the marriage	NO	NO	YES	YES	YES
Labor market	NO	NO	NO	YES	YES
Type of marriage	NO	NO	NO	NO	YES

Notes. The outcome is the share of contested separations in Panel D, and the fraction of women that file the application for requesting a separation in Panel E. Time and Court fixed effects are included in all specifications. Standard errors are corrected to allow for clustering at the court level. **(*)[+] denotes significance at the 1% (5%) [10%] level. *Individual controls* include (both for husbands and wives): civil status before the marriage (single, divorced, widowed), age, a dummy for foreign born, nationality, education (dummies for high school and university achievements). *History of the marriage controls* include: duration of the marriage and number of children. *Labor market controls* include (both for husbands and wives): labor market status (employed, unemployed, out of the labor force), work status (entrepreneur, self-employed, white-collar, blue-collar), sector of activity (agriculture, services, manufacturing, public sector). *Type of marriage controls* include: religious weddings and type of marital agreement on asset division (community vs separate property).

Table 3. Before/After Estimates of the Effect of Joint Custody on Selected Outcomes for Separated Couples

	(1)	(2)	(3)	(4)	(5)
Panel A: Sole Legal Custody to the Mother					
POST (α_1)	-0.241** (0.013)	-0.240** (0.013)	-0.240** (0.013)	-0.240** (0.013)	-0.240** (0.013)
Observations	445,798	445,798	445,798	445,798	445,798
R ²	0.438	0.441	0.442	0.443	0.443
Panel B: Likelihood of Indirect Child Support					
POST (α_1)	-0.026** (0.005)	-0.027** (0.005)	-0.027** (0.005)	-0.026** (0.005)	-0.026** (0.005)
Observations	495,333	495,333	495,333	495,333	495,333
R ²	0.041	0.044	0.044	0.046	0.047
Panel C: Amount of Indirect Child Support					
POST (α_1)	2.531 (5.952)	0.979 (5.506)	0.765 (5.405)	0.484 (5.342)	1.010 (5.304)
Observations	431,691	431,691	431,691	431,691	431,691
R ²	0.038	0.096	0.132	0.174	0.176
Individual characteristics	NO	YES	YES	YES	YES
History of the marriage	NO	NO	YES	YES	YES
Labor market	NO	NO	NO	YES	YES
Type of marriage	NO	NO	NO	NO	YES

Notes. The outcome is the likelihood for a mother of receiving sole legal custody over the first child in Panel A, the probability that the father is obliged to provide a sum of money to the mother for child maintenance (indirect support) in Panel B, and the amount of money that the father is obliged to provide for child maintenance to the mother (indirect support) in Panel C. Time and Court fixed effects are included in all specifications. Standard errors are corrected to allow for clustering at the court level. **(*)[+] denotes significance at the 1% (5%) [10%] level. *Individual controls* include (both for husbands and wives): civil status before the marriage (single, divorced, widowed), age, a dummy for foreign born, nationality, education (dummies for high school and university achievements). *History of the marriage controls* include: duration of the marriage and number of children. *Labor market controls* include (both for husbands and wives): labor market status (employed, unemployed, out of the labor force), work status (entrepreneur, self-employed, white-collar, blue-collar), sector of activity (agriculture, services, manufacturing, public sector). *Type of marriage controls* include: religious weddings and type of marital agreement on asset division (community vs separate property).

Table 4. The Impact of Joint Custody on Judicial Outcomes for Separated Couples controlling for Type of Separation

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Outcome:	Family home to mother	Likelihood of Alimony	Amount of alimony	Applicant's Gender	Sole custody to mother	Likelihood of Indirect child support	Amount of indirect child support
POST (α_1)	-0.019 (0.016)	-0.055** (0.013)	70.289* (30.971)	0.028* (0.014)	-0.112** (0.018)	-0.022+ (0.011)	40.840** (12.272)
TREAT (α_2)	0.257** (0.018)	-0.010 (0.009)	-117.013** (22.172)	0.109** (0.006)			
POST*TREAT(α_3)	0.025+ (0.015)	0.066** (0.009)	-24.598 (24.292)	-0.063** (0.005)			
Uncontested separation	-0.143* (0.066)	0.155** (0.043)	-34.398 (131.652)	0.693** (0.075)	0.311** (0.075)	-0.016 (0.041)	33.270 (47.545)
Individual characteristics	YES	YES	YES	YES	YES	YES	YES
History of the marriage	YES	YES	YES	YES	YES	YES	YES
Labor market	YES	YES	YES	YES	YES	YES	YES
Type of marriage	YES	YES	YES	YES	YES	YES	YES
Observations	327,052	327,052	77,404	327,052	165,596	189,695	167,896
R ²	0.087	0.166	0.107	0.332	0.466	0.045	0.190
F-stats of the excluded instrument	25.520	25.520	25.918	25.520	25.754	28.776	30.412

Notes. For each outcome, the table reports the 2SLS estimates of the effect of joint custody on separation settlements obtained by instrumenting uncontested separations by the use of mediation services. Time and Court fixed effects are included in all specifications. Standard errors are corrected to allow the clustering of the residuals at the court level. **(*)[+] denotes significance at the 1%(5%) [10%] level. *Individual controls* include (both for males and females): civil status before the marriage (single, divorced, widowed), age, a dummy for foreign-born individuals, nationality, education (dummies for high school and university achievements). *History of the marriage controls* include: duration of the marriage and number of children. *Labor market controls* include (both for males and females): labor market status (employed, unemployed, out of the labor force), work status (entrepreneur, self-employed, white-collar, blue-collar), sector of activity (agriculture, services, manufacturing, public sector). *Type of marriage controls* include: religious weddings and type of marital agreement on asset division (community vs separate property).

Table Appendix AI. Descriptive statistics for the control variables

	(1)	(2)	(3)	(4)
	Treated		Controls	
	Before	After	Before	After
<i>Individual characteristics</i>				
husband's marital status before marriage: not single	0.01 (0.11)	0.02 (0.13)	0.02 (0.14)	0.04 (0.19)
wife's marital status before marriage: not single	0.01 (0.09)	0.01 (0.12)	0.02 (0.14)	0.04 (0.19)
age of husband	41.57 (7.53)	43.43 (7.57)	44.53 (12.22)	47.06 (12.47)
age of wife	38.33 (7.09)	40.22 (7.16)	41.24 (12.02)	43.74 (12.23)
husband foreign born	0.04 (0.19)	0.04 (0.19)	0.04 (0.2)	0.05 (0.21)
wife foreign born	0.06 (0.23)	0.06 (0.23)	0.08 (0.28)	0.1 (0.29)
husband not Italian nationality	0.01 (0.12)	0.01 (0.11)	0.02 (0.13)	0.02 (0.13)
wife not Italian nationality	0.02 (0.14)	0.02 (0.13)	0.04 (0.2)	0.04 (0.19)
husband w/ university education	0.12 (0.32)	0.12 (0.33)	0.12 (0.32)	0.13 (0.33)
husband w/ high school diploma	0.38 (0.49)	0.41 (0.49)	0.38 (0.49)	0.39 (0.49)
husband w/low education	0.5 (0.5)	0.47 (0.5)	0.5 (0.5)	0.49 (0.5)
wife w/ university education	0.11 (0.31)	0.13 (0.34)	0.12 (0.32)	0.15 (0.36)
wife w/ high school diploma	0.43 (0.5)	0.46 (0.5)	0.42 (0.49)	0.42 (0.49)
wife w/ low education	0.46 (0.5)	0.4 (0.49)	0.46 (0.5)	0.43 (0.5)
<i>History of the marriage</i>				
duration of marriage	14.07 (7.02)	14.94 (7.3)	15.07 (12.7)	16.55 (13.54)
number of children	1.49 (0.64)	1.52 (0.65)	0.01 (0.14)	0.01 (0.11)
<i>Labor market characteristics</i>				
husband employed	0.92 (0.26)	0.89 (0.31)	0.82 (0.39)	0.75 (0.43)
husband unemployed	0.04 (0.2)	0.06 (0.24)	0.04 (0.19)	0.07 (0.25)
husband retired	0.02 (0.15)	0.02 (0.14)	0.13 (0.33)	0.14 (0.34)
husband - other condition	0.01 (0.1)	0.02 (0.14)	0.02 (0.13)	0.05 (0.21)
wife employed	0.67 (0.47)	0.68 (0.47)	0.67 (0.47)	0.63 (0.48)
wife unemployed	0.05 (0.21)	0.08 (0.27)	0.05 (0.21)	0.08 (0.26)
housewife	0.25 (0.43)	0.2 (0.4)	0.21 (0.41)	0.19 (0.4)
wife retired	0.01 (0.09)	0.01 (0.09)	0.05 (0.22)	0.06 (0.23)
wife - other condition	0.02 (0.15)	0.03 (0.18)	0.03 (0.16)	0.05 (0.21)
husband entrepreneur	0.15 (0.35)	0.17 (0.37)	0.14 (0.34)	0.14 (0.35)
husband self-employed	0.18 (0.38)	0.15 (0.36)	0.15 (0.36)	0.13 (0.33)
husband white collar	0.28 (0.45)	0.27 (0.44)	0.26 (0.44)	0.23 (0.42)
husband blue collar	0.32 (0.47)	0.33 (0.47)	0.28 (0.45)	0.28 (0.45)
wife entrepreneur	0.05 (0.23)	0.07 (0.25)	0.06 (0.24)	0.07 (0.25)
wife self-employed	0.07 (0.25)	0.06 (0.24)	0.07 (0.26)	0.06 (0.23)
wife white collar	0.34 (0.47)	0.36 (0.48)	0.34 (0.47)	0.33 (0.47)
wife blue collar	0.24 (0.43)	0.25 (0.43)	0.22 (0.41)	0.22 (0.42)
husband agriculture	0.03 (0.16)	0.03 (0.17)	0.02 (0.15)	0.02 (0.16)
husband manufacturing	0.24 (0.43)	0.23 (0.42)	0.23 (0.42)	0.2 (0.4)
husband services	0.23 (0.42)	0.22 (0.41)	0.21 (0.41)	0.19 (0.39)
husband public sector	0.19 (0.4)	0.17 (0.38)	0.16 (0.36)	0.13 (0.34)
husband other	0.27 (0.44)	0.31 (0.46)	0.24 (0.43)	0.27 (0.44)
wife agriculture	0.01 (0.11)	0.01 (0.12)	0.01 (0.1)	0.01 (0.11)
wife manufacturing	0.12 (0.33)	0.11 (0.31)	0.13 (0.34)	0.1 (0.31)
wife services	0.18 (0.39)	0.21 (0.41)	0.2 (0.4)	0.21 (0.4)
wife public sector	0.21 (0.41)	0.2 (0.4)	0.18 (0.38)	0.15 (0.36)
wife other	0.19 (0.39)	0.23 (0.42)	0.19 (0.4)	0.23 (0.42)
<i>Type of marriage</i>				
not religious wedding	0.24 (0.42)	0.28 (0.45)	0.28 (0.45)	0.35 (0.48)
separate property of family wealth	0.4 (0.49)	0.46 (0.5)	0.47 (0.5)	0.51 (0.5)
Number of observations	273,458	221,875	207,074	167,229

Source: Istat - Dataset on separations 2000-2010. Each entry denotes the sample mean (the standard deviation is reported in parenthesis).