

What economics has to say about same-sex marriage

Written by The Conversation

Love and companionship make most people happy and generally represent two of the key reasons why couples marry.

In the economists' view, love and companionship are a particular type of commodity: they cannot be purchased or traded on a market, but they can be produced by a household to generate happiness for its members.

There are potentially many other of these "household-produced" commodities, including raising children, preparing meals, caring for each other, and achieving economic stability.

The question is then how to produce these commodities more efficiently so that people are happier.

Efficiency in this case does not just mean "more", but also "better quality" commodities. For instance, the happiness of a person is not just determined by the number of meals prepared and consumed, but also by their quality.

Economists look at marriage in this context. Examining the commodities marriage can produce helps us understand why people marry, how individuals sort each other into married couples, and what this means for society as a whole.

It turns out that economics does a pretty good job at explaining and predicting patterns in marriage that would otherwise appear irrational. For example economics can help explain why there is a difference between married and non-married people when it comes to if, and eventually how much, they want to work.

We marry because...

The fundamental economic view of marriage goes back to the [theory](#) of Nobel Laureate Gary Becker.

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People can produce household commodities in some amount without necessarily having to marry. However, when people marry, they pool their resources together (the most important one being time) and can specialise in certain tasks. This allows them to produce more and better quality household commodities.

For instance, by sharing tasks such as shopping and cleaning, a married couple can produce better quality meals than two individuals that shop, clean and cook separately.

In principle, the same productivity gains could arise from a co-habitation or de facto relationship. However, in this case, the two people in the relationship would also have to set up contracts to figure out important arrangements like household finance and inheritance (among other things).

There also is some [significant costs](#), not only in money but in time, in working all of this out. Whereas a marriage contract already embeds some of these aspects. That in itself is an efficiency gain associated with marriage over cohabitation or de facto relationship.

So, if people want the commodities we mentioned: love, company, doing tasks together, they are better off (i.e. happier) if marriage is permitted.

This whole framework doesn't require people to be of the same or different sex. Heterosexual and homosexual couples will generate different patterns in terms of what commodities they produce. Still, marriage will generate some productivity and efficiency gains for couples, irrespective of their gender.

What economics has to say about the effect on the rest of society

From an economic perspective, the fact that same-sex marriage allows people to achieve some productivity and efficiency gains (which some of us might call happiness!) does not automatically mean that it should be established by law. For example, if same-sex marriage were to produce some negative effects on the rest of the society.

In this regard, the public debate has focused on how permitting same-sex marriage would (or

would not) reduce overall marriage in society, increase divorce rates, or lessen the importance of having children in marriage.

In fact, there's now a growing body of empirical research, published across various fields (from economics, to demography, sociology, and public policy), that estimates the impact of permitting same-sex marriage on marriage, abortion, and divorce rates (or couple stability).

[A study in 2009](#), using US data, found no statistically significant adverse effect from allowing gay marriage. Another [US study in 2014](#) found no evidence that allowing same-sex couples to marry reduces the opposite-sex marriage rate.

One [more study indicated](#) that same-sex couples experience levels of stability similar to heterosexual couples. That study also found that for couples (both same-sex and different-sex) living in a state with a ban against same-sex marriage there was an associated instability.

To some extent, findings from this line of research are still preliminary and have to be taken with caution. This is because same-sex marriage, even where permitted, has been introduced only recently. Therefore only a relatively short time span is available to observe its effects. So the jury is still out.

However, my own reading of the research produced so far is that there is generally little evidence of significant negative societal effects of same-sex marriage.

Going forward, as more data becomes available, empirical research will allow for a more refined assessment of the impact of same-sex marriage on society and the extent to which permitting same-sex marriage could (or not) weaken the social purpose of traditional marriage.

Fabrizio Carmignani receives funding from the Australian Research Council for a project on the estimation of the piecewise linear continuous model and its application in macroeconomics.

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