

Extended Abstract

The study aims to explore in more depth the multifaceted dynamics of couple bargaining, focusing on two outcomes: the division of housework, and the likelihood of divorce. Our goal is to determine the relative importance of income (as stressed in economic models) compared to alternative assets in the bargaining process.

In the conventional family model, male income dominance was undoubtedly a decisive bargaining indicator. But today wives' income is increasingly decisive for household welfare, thus challenging the male's position. In this context, the relative influence of men's and women's bargaining resources is shifting. The question we pose is, a) whether the established perspective on income as prime bargaining resource is adequate to model couple negotiations, and b) which alternative indicators might be competitors or even offer superior representations of bargaining power. Investigating these research questions, the study at hand aims to extend the existing literature by modeling the bargaining over housework, and divorce propensities (representing bargaining failure) in both a theoretical and an empirical approach, based on representative micro-data data for Germany.

We distinguish the role of three different bargaining assets: Income, partner-attachment, and attractiveness. Aside from the theoretically well elaborated income indicator, partner-attachment implies the ability to satisfy and please one's significant other, thus increasing the partner's attachment and, at the same time, making alternatives in the partner market a less appealing option. Furthermore, we investigate the role of physical attractiveness (Huinink & Röhler 2005).

Given there are resources, beyond income, that matter in couple bargaining this will result in 'competing' dynamics that are likely to unfold as partnerships evolve: Firstly, what is the relative salience of 'looks' versus 'money'?; secondly, what is the relative salience of 'money' versus 'making the partner happy'? And thirdly, what is the relative salience of 'looks' versus 'making the partner happy'? We aim to unravel how these relativities evolve over the life course of partnerships.

Moreover, we assume the prevalent male-breadwinner principle favors income as a primarily male asset. In a dynamic perspective, one would expect that the relative salience of the partner's 'looks' will fade as the partnership ages. In parallel, the male's earnings-based bargaining power will weaken the more the female partner contributes to household income. In this case, his capacity to 'make her happy' (i.e. promoting partner attachment) should gain prominence. In contrast, the female's bargaining power will increasingly rely on her contribution to household income (or, probably, on her motherhood).

We challenge the prevalent view that income is the key to bargaining outcomes also from another theoretical perspective: Bargaining is commonly modeled as being based on types of cooperative bargaining. (Chen & Woolley 2001; Lundberg & Pollak 2007). Individual resources affect the (Nash) equilibrium outcome with $N = [U^m(x) - T^m] * [U^f(x) - T^f]$, where the individual's threat point is determined by his or her bargaining power, or – to put it in an individual perspective – the extent to which one actor is capable of tipping the scales in his or her favor. Relying on income as sole indicator of a bargaining resource introduces a problem of endogeneity, particularly, when negotiating the division of household labor: The partner who gives in to doing more housework usually ends up with an inferior labor market position, and thus a lower income. This in turn results in further asymmetry in bargaining power. In this dynamic perspective, the observed individual income is both input to and outcome of the bargaining process. (Ott, 1998).

We use data from the German Socio-economic-panel study (SOEP) for the years 1991-2014. This data-basis provides information on both partners, and enables us to investigate couple negotiations over an extensive course of time. Analyzing these bargaining processes, we adopt an alternative approach by representing bargaining power with a set of indicators, which we hypothesize, may overcome the limitations outlined above. These indicators include a) the ability to please one's significant other, thus increasing bargaining power. That is, we consider partner attachment, measured as the partner's satisfaction with life in general and with the relationship in particular as an asset of ego's bargaining power; b) We take into account the perceived attractiveness of a person and his/her partner (see Huinink & Röhler 2005, Hakim

2010). The empirical indicator of attractiveness consists of a function of the BMI, which has been shown to be a valid measure of attractiveness in a series of psychological studies (Tovée et al. 1998/ Maisey et al. 1999). The empirical models will compare these alternative indicators of bargaining resources to a conventional measure of net individual income.

The design of the empirical approach is based on a random-effects model, investigating how changes in bargaining power influence changes in the division of household labor, and controlling for key events, which might have an impact on changes in the division of labor. Moreover, we estimate a cox-proportional hazard model of divorce risk, with the outlined controls and indicators to account for a consequential bargaining failure. The estimates will distinguish between the impact of absolute representations of individual bargaining power, as well as relative indicators, which consider relative position, i.e. an asymmetry in income, attractiveness, and attachment.