

The Problem of Adverse Selection, Moral Hazards and Break up of Contract Marriages

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ABSTRACT

Marriage frauds have reached a critical juncture as contract marriage becomes a modus operandi to reach the destination country. Contract marriage is an unwritten agreement or contract between two young potential migrant marriageable couples, i.e., bride and groom for achieving a common goal of international mobility. It is like a situation of the Stackelberg model, where one acts as a leader and the second follows him. In this situation, bride acts as a leader due to their better quality of education and groom becomes follower. It is a cooperative game to gain expected joint utility from expected joint migration but turns into a non-cooperative game when brides do not keep this relationship and marriages break up. To study the causes of failures of contract marriages, a sample survey of 100 couples' was conducted. The paramount factors of breakup of contract marriages are incompatibility among the couples, infidelity, patriarchal behaviour of the groom, financial distress, adverse selection, and cultural change.

Keywords: Contract Marriages, Breakup of Marriages, Adverse selection, International migration, Moral Hazards.

INTRODUCTION

Marital dissolution is one of the most difficult and life-changing decisions. There is happiness and joy during the time of entry into marriage (a wedding) and pain at the time of exit from the marriage (a divorce or marital dissolution). How do couples decide whether to remain in a marriage or break it up? Why do couples break up before the family formation? Does marriage resemble a cooperative game or a non-cooperative game? Do we have a government policy to check marital disputes?

The rational expectation theory argues that people form their expectations based on available information. If the information is perfect, it leads to better results based on rational expectations. But, once the information becomes asymmetric, there would be the inbuilt scope of the failure of the theory of rational expectation. Since contract marriages are based on individuals' behaviors;

it is difficult to judge perfectly the behavior of others. It is intriguing to note that the greedy behaviors of some people distort the flow of perfect information. Then there arises the problem of asymmetric information. It leads to a problem of moral hazards and the problem of adverse selection. Here comes the problem of failure of contract marriages for migration.

Man is a social animal and there are repeating patterns in human lives. These different patterns are visible from their practical lives, i.e., how they meet people, how they spend their lives together, what would be the arrangements of the quality of marital relationships, whether they will have children and lastly whether they will remain together. These human actions are biological, but they are also significantly influenced by the economic circumstances of the couples (Baumeister, Reynolds, Winegrad, & Vohs, 2017). The objective of living together is not only to satisfy one's own needs but the needs of all family members. It is a rational pursuit of common interest (Bryant, 1990). Classical economists discussed marriage and family. Though Adam Smith's relatively discussed little sex and marriage, he celebrated the virtues of family life in his works. There is the importance of mutual affection in Smith's vision of marriage and family life. There is an existence of links of mutual assistance between wife and husband, parents and sons, and relatives (Nerozzi & Nuti, 2011). Thomas Malthus discussed two impulses: food and reproduction. Food is essential for a person. The love affair and sex between the two sexes are essential for reproduction. The rational human behaviour of individuals is to fulfill their desires and preferences in various areas, love, sex, marriage and family are one of those areas (Bethmann & Kvasnicka, 2011). Marriage yields other important benefits, both economic and emotional (Browning, Chiappori, & Weiss 2014).

Review of Literature

There is not a single factor, but multiple factors are associated with the failure of marital relations. Researchers have identified the factors that lead to marital failure in terms of demographic and life course variables, economic, social, psychological, interpersonal and family variables.

The path to stable family life has been disturbed in recent years. Young married couples' higher probability to experience separation or divorce than their older counterparts (Teachman, 2002). Some studies point out that economics is playing an important role in affecting young couples' relationship quality (Burstein, 2007). What is more, the economic hardships put stress on young adults' relationship quality and thus increase conflict and ultimately divorce (Ono, 1998). It has been also found that financial strain increases the probability of violence among young couples (Benson, Fox, DeMaris, & Van Wyk, 2003). The relationship quality: affection and conflict are influenced by economic resources in the hands of young couples. Conger's Family Stress Model posits that economic strain lowers overall marital quality by impacting marital interactions

(Conger, Rueter, & Elder, 1999). Moreover, married couples have more heated arguments over money than any other source of disagreement. Economic strain influences wives' evaluations of marital quality through its negative effect on husbands' hostility and on husbands' warmth (Amato & Rogers, 1997). Fox and Chancey (1998) found that family harmony is marginally related to income and perceived economic well-being. Another study has found that spouse unemployment and neighborhood disadvantage was related to physical violence (De Maris et al.2003). And, another found that it is income and not unemployment which is negatively associated with violent conflict (Cunradi et al., 2002).

Marriage can be grasped as a cooperative game or a non-cooperative game. In game theory, a cooperative game is a situation in which players agree and proceed in a concerted manner. In contrast, a non-cooperative game is played in a way that everyone pursues their interest and tries to estimate the actions of other players and adapt to them, but it is not possible to reach an agreement (trust was broken) (Peters, 1986). The decision-making in a household is akin to Nash's cooperative bargaining model where marriage is considered a static bilateral monopoly (Manser and Brown, 1980). A married couple can either remain married or live separately. In a negotiation mode of Lundberg and Pollak (1994), in many marriages, the threat is not of marital dissolution but "a non-cooperative marriage". On the small matters, couples start using harsh words against each other which ultimately results in marital dissolutions.

Data Base and Methodology

We took the help of various channels, like newspapers, social media, IELTS coaching centers, intermediaries/matchmakers, NGOs working on contract marriages, police stations, and village panchayats. On the bases of these F.I.R. s and the above-mentioned sources, we succeeded in Surveying 100 couples' residences and their phone numbers. We used the snowball sampling method. While conducting our survey, we intended to interview the same couples' households, so a rational analysis could be made by juxtaposing these couples.

We have followed the percentage method in our paper.

Explanation

Reasons for Failure of Contract Marriages

There are multiple and interrelated factors that lead to the breakup of contract marriages. It is difficult to single out any one or two factors to explain this complex phenomenon of contract marriages that has recently emerged.

The Level of Education

For compatibility of married life, an equal level of education for bride and groom plays a very significant role. The same level of education determines the thinking levels of a couple. In modern knowledge and globalized society, education and skills are important not only in the labour market but also for assimilation in the different cultures of destination countries. For student migration across advanced countries, the quality of education along with English skills is a necessary condition. It may be noted that the human capital development of brides has enhanced their bargaining power and increased the opportunity costs of quality education, whereas lack of quality education among potential grooms has undermined their bargaining power. It is like a situation of the Stackelberg model, where one acts as a leader and the second follows him. In this situation, brides act as a leader due to their better quality of education and grooms become followers. It is a cooperative game to gain expected joint utility from expected joint migration but turns into an uncooperative game when brides do not keep this relationship and marriages break up. Interestingly, grooms chose the better quality of education of their spouses for their marriage and the same turned against their relationship that caused break up of their marriages.

Table 2 corroborates the above facts and indicates that the bride's quality of education is much better compared to the corresponding education of their spouse. Interestingly, three-fifth of the grooms is only study up to matriculation, whereas no bride has an education level less than the secondary level. When the level of education of brides and grooms at the time of marriage and at the time of the breakup was compared, it was found that gap between the average years of education at the time of marriage and at the time of break-up further increased by two years.

Table 2: Different Levels of Education of Brides and Grooms that determined the break-up of contract marriages

Sr No	Levels of Education	Brides (%)	Grooms (%)	Total (%)
1	Matriculation	00.0	60.0	30.0
2	Secondary	71.0	16.0	43.5
3	Graduation	26.0	13.0	19.5
4	Post-Graduation	03.0	06.0	04.5
5	IELTS	100.0	00.0	50.0
6	Average Years of Education at the time of marriage	13.93	12.61	13.27
7	Average Years of Education at the time of the breakup	15.93	12.61	14.27

Source: Primary data collected through a sample survey during the summer of 2022

Our study conforms to many studies. For example, Beckham (1992) found that women who married with a lower level of education than their spouses experience smaller gains from their marriages in terms of material needs and thus overtime feel suffocated with their husbands and do not enjoy their marriages and thus results in the break-up of their marriages. Similarly, Omage (2013) has pointed out that a wide gap in spouses' level of education leads to the likelihood of discrepancies in their attitudes and approaches towards life. Thus, a wide educational gap between spouses contributes to the dissolution of marriages.

The Age of Brides and Grooms at the time of marriage

The literature on marriage has brought out three important factors; first, the marriage age gap between brides and grooms has been narrowed down over time. Second, the average age of marriage between girls and boys has increased. Third, early-age marriage is one of the important causes of the failure of a marriage. The information in table 3 contradicts the first two facts related to contract marriages. The average age of brides and grooms is lower at the time of marriage. But there is a difference in the average age of brides and grooms at the time of marriage. Table 3 demonstrates that around one-third of brides were below the age of 20 years when they were married and nearly half were between 20-25 years ago when they were married and moved to study abroad. In contrast, nearly 50 per cent of grooms crossed the age of 25 years at the time of marriage. The average age of girls is 22.1 years and grooms at 24.8 years at the time of marriage. The difference in the age of brides and grooms and the lower age at the time of marriage are responsible for the failure of marriages.

Table: 3: Different Age Groups of Brides and Grooms at the Time of Marriage

Sr No	Different Levels of Age Groups	Brides (%)	Grooms (%)	Total (%)
1	Below 20	29.0	00.0	14.5
2	20-25	47.0	54.0	50.5
3	25-30	16.0	38.0	27.0
4	Above 30	08.0	08.0	08.8
5	Total	100.0	100.0	100.0
6	Average Age	22.1	24.8	23.4

Sources: Primary data was collected through a sample survey conducted during the summer of 2022.

Our findings are like many studies. Most of the studies reveal that age is an important factor that plays an important role in the dissolution of marriage. For instance, Booth and John (1985) demonstrated that age is an important factor that leads to instability in marital relations. When girls and boys are married at a lower age, they do not know the values of social relations and hurt marital relations. Similarly, Blood Donal (1960) argued that when couples are married at a young age, they are at risk of experiencing unstable marital relationships; it is so because they lack the necessary experience needed to establish a happy home.

Perceptions of Brides and Grooms regarding the failure of their contract Marriages

It is the concerned couple who can perceive the reasons for the failure of their marriages. One can see this in two ways, first, through their joint perceptions of the failure of a marriage.

Firstly it tried to jointly juxtapose the couples' perceptions regarding their failure of a contract marriage and then analyzed individual perceptions.

Individually Perceived Factors responsible for the Break-Up Contract Marriages

Perceptions reported by Brides

Do the brides break up marriages by following an irrational departure from joint utility maximization of joint migration promised at the time of contract marriages? Are these unethical brides "crushing the groom's dreams" of greener pastures that were anticipated during the pooling of resources of the bride's side and groom's sides for joint migration? Do Brides follow market reasoning over moral judgments, despite, their claim to be value-neutral?

During our interview with brides working in Brampton, found that these girls are facing economic hardships due to limited resources and disappointments due to meager financial means. Economic hardships are often coupled with additional stressors such as high rents charged and lower hourly wages that are less than the government-determined wage rates in the labour market. Economic circumstances may diminish the relationship quality by increasing conflicts at home and thus reducing intimacy. Table 6 presents the major contributors to the failure of contract marriages. It demonstrates that it is very difficult to single out any one factor responsible for the failure of contract marriages. Most of these factors are interdependent and show multiple causalities in their interaction with family life behaviour. These factors jointly led to the failure of their marriage. 65% of brides blamed their spouses for routinely disturbing them by telephoning them during busy hour-in studying or working hours. It may have led to incompatibility in their relations as 50 % of brides agreed that there was incompatibility in their relations. It was due to the lower level of education of the grooms (50%) and their poor personality (50%). The patriarchal behaviour of grooms played its role in breaking the contract

marriages as 60% of brides showed their concerns and fears and anticipated their potential suppression by their spouses who belonged to the higher social economic status households. And, in contrast, brides were from lower social economic status households. A very large majority of brides (90%) reported that they were overstressed due to study and work and even two-thirds (59 %) of brides reported that they faced financial problems due to high costs of living and expensive education. Most of these brides said that they were facing a real struggle in their lives, while their spouses sitting idle and abusing us. More than half (55 %) of the brides shared their feelings that they were even emotionally abused by their partners and 35 % of brides revealed that their in-laws' families interfered in their lives. One-tenth (10 %) of the brides tried hard to get the clearance of immigration partners, but due to immigration hurdles and delays, their marriages broke. Only 5 % of brides accepted the infidelity of their spouses as the cause of the failure of their marriage. Thus, these factors jointly accumulated and perpetuated the problems related to their marriage failure. Interestingly, our study is in confirmation with most of the literature available on marriage failure.

Table 6: Perceptions of Brides regarding Breakup of Contract Marriages for migration

Sr No.	Reasons	Percentage
A	Affective Reasons	
1	Communication problems: Repeated calls by groom during the study hours and working and differences in time zones	65.0
2	Incompatibility/ drifted apart	50.0
3	Your spouse had an affair	05.0
B	Abusive Behavior and Personality Traits	
1	Patriarchal behaviour of the Groom	60.0
2	Physical violence	05.0
3	Alcohol/ drug abuse	06.0
4	Emotional or verbal abuse	55.0
C	External Pressures	
1	Financial problems: High Living costs in destination country	59.0
2	Demanded money by spouse	08.0
3	Overstressed life due to Earning while Learning	90.0
4	Family interference	35.0
D	Other	
1	Poor Physical personality of Groom	50.0
2	A lower level of Education for a groom	50.0

3	Immigration Procedural delay	10.0
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Source: Primary data collected through a sample survey during the summer of 2022

Perceptions of Grooms regarding the failure of Contract Marriages

The literature on marriages shows that it is rare that perceptions of brides and grooms would have been the same. Generally, their perceptions differ. The migration of brides has different impacts on brides, grooms and parents of brides and grooms. Brides have a positive impact on both them and their families. While the grooms and their families were negatively impacted. The girls gained by improving their capital formation through higher education levels, while grooms remained static as they were anticipating their migration abroad and did not opt for any improvement in their skills. At the same time, the groom’s parents also suffered economically due to the heavy burden of debt raised for spouse migration. Table 7 shows that more than four-fifths (63%) of grooms showed their concerns of financial distress due to heavy debt burdens that accumulated due to spending on foreign education of their spouses as the cause of the mental disturbance. Among the affective reasons for marriage breakdown, lack of Communication (65%) is the major factor followed by infidelity (40%) and incompatibility (31%).

25% admitted that their unemployability due to their long-time unemployment was also responsible for their disturbed mental state. This mental disturbance of grooms and their families was further perpetuated when grooms came to know that their spouses were more interested to uplift their parents’ family’s economic status than their in-laws' economic status, 64% grooms confess it.

Table 7: Perceptions of Grooms regarding the failure of Contract Marriages

A	Affective Reasons	Percentage
1	Communication problems: Not attending their telephone calls by their spouses	65.0
2	Incompatibility/ drifted apart: degrading by pointing out poor education level	31.0
3	Your spouse had an affair	40.0
B	Abusive Behavior and Personality Traits	
1	Dominating behaviour of brides	31.0
2	Physical violence	00.0
3	Alcohol/drug abuse	10.0
4	Emotional or verbal abuse	31.0
C	External Pressures	
1	Financial distress due to heavy expenditure on marriage and	63.0

	spouses' migration debt on the family	
2	The bride demanded more money for filing the cases of immigration of the groom	12.0
3	Overstressed life due to Unemployment	25.0
3	Family interference	54.0
4	To uplift economically first girls' families.	64.0
D	Others	
1	Unfaithfulness	53.0
2	Girls were interested only in grabbing money	99.0

Source: Primary data collected through a sample survey during the summer of 2022

To sum up, the factors mentioned in table 7 played their roles in making a failure of contract marriages.

CONCLUSIONS

From the above study, it may be concluded that there is no single factor that can explain the phenomenon of failure of contract marriages. As shown above, many complex factors are jointly working to make contract marriage a failure. It seems that incompatibility among the couples, infidelity, patriarchal behaviour of the groom, financial distress, cultural change,

During our discussion with one girl who was supported by her in-law's family in Brampton and undergoing marital disputes summed up his discussion with this statement "It is an Age of Independent Thinking". There is "an Age of Educated Brides" in Punjab. With education, girls are becoming economically independent and gender equality is slowly taking place in the predominantly male-dominated society. There is a cultural change in the advanced countries. It results in cultural shocks and confrontation. Due to this, the "problem of the irrelevance of spouse" emerges and ultimately marital disputes.

There is a need to improve the legal system in India. It could get clues from international commercial contract law. It has been observed from different cases related to contract marriages pending in the courts that marriage laws dealing with contract marriages are very weak and these do not enforce contract marriage. Awareness and high education level needed for the solution of this problem. The state government must arrange awareness campaign and policy should be formulated to tackle this alarming problem.

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