Housing market restrictions and fake divorce in China:
Quantitative evidence from Shanghai

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Extended abstract

While fake or fraudulent marriage and divorce have been reported from many countries due to a host of reasons, fake divorce in mainland China, with many Chinese characteristics, during the country's gradual transition toward market economic systems has received a lot of attention from media reporters, researchers, policymakers, and the general public since the early 2010s. The 2016 award-winning Chinese movie, *I am not Madame Bovary*, has also helped to publicize the fake divorce phenomenon and its causes, family and social impacts, and legal complexity and challenges in China and abroad. While data on fake marriage and divorce are always limited due to the nature of such phenomena, some unique data available from China, such as the number of marriages of ex-spouses, have made it feasible to study several issues about fake divorce that have not been empirically studied in other nations.

Although fake divorce in China has been widely reported, few studies have empirically assessed its quantity and socioeconomic causes. This study contributes to the literature with a quantitative case study of fake divorce in Shanghai due to housing market restrictions (HMRs) from 2013 to 2016. Specially, annual data on the number of divorces approved by marriage registration offices (MROs) and the number of remarriages of ex-spouses from 1980 to 2019 are used to trace the trends and assess the impacts of HMRs on the two dependent variables and the estimated regression models are then used to estimate their excess values due to HMRs from 2013 to 2019. While fake divorce in China are caused by many factors, HMEs in the 2010s have been identified as one of the major causes in urban areas, especially in large cities like Shanghai, Beijing and Shenzhen.

Empirical results indicate that the estimated regression models fit the data very well and explain more than 96% of the dependent variables' variations. While the estimated excess divorces during 2013 to 2016 were 57,612 or 23.37% of the total divorces approved by MROs, the estimated excess remarriages of ex-spouses during 2013 to 2019 were 44,490 or 43.55% of the total remarriages of ex-spouses. These results also suggest that 13,122 or 22.78% of the fakely divorced couples during 2013 to 2016 were not remarried by the end of 2019, likely due

to that some individuals cheated their spouses for fake divorce or changed their promise after divorce, some of the divorced couples intended to but had not remarried by the end of study period, and some of the fake divorces were the result of fake marriages. This study also provides several recommendation regarding how to fix the policy loopholes that have been a major cause of fake marriage and divorce in China.

Keywords: Fake divorce, fake marriage, housing market restrictions, Shanghai, China, regression analysis