Preferences & Beliefs in the Marriage Market for Young Brides

Alison Andrew (Chicago, UCL, IFS), Abi Adams-Prassl (Oxford)

ASSA January 2020

• Early marriage and school dropout common amongst young women

- Early marriage and school dropout common amongst young women
- In rural Rajasthan, India:
 - 1 in 3 married by 18,
 - 1 in 3 out of school by 16

- Early marriage and school dropout common amongst young women
- In rural Rajasthan, India:
 - 1 in 3 married by 18,
 - 1 in 3 out of school by 16
- We aim to characterise the drivers of parental decisions underlying these patterns:

- Early marriage and school dropout common amongst young women
- In rural Rajasthan, India:
 - 1 in 3 married by 18,
 - 1 in 3 out of school by 16
- We aim to characterise the drivers of parental decisions underlying these patterns:
 - What are parents' preferences over age of marriage, education and match quality?

- Early marriage and school dropout common amongst young women
- In rural Rajasthan, India:
 - 1 in 3 married by 18,
 - 1 in 3 out of school by 16
- We aim to characterise the drivers of parental decisions underlying these patterns:
 - What are parents' preferences over age of marriage, education and match quality?
 - What are parents' subjective beliefs about the marriage market returns to youth and education of daughters?

Our Approach

- Challenging to infer much about either preferences or beliefs from observational data
 - identification problem, unobserved choice sets, social desirability bias

Our Approach

- Challenging to infer much about either preferences or beliefs from observational data
 - identification problem, unobserved choice sets, social desirability bias
- We take an experimental approach (~4600 caregivers):
 - Take a finite horizon, dynamic discrete choice model
 - Design **two** types of hypothetical **choice experiments** that when analysed in the structure of the model identify both preferences and beliefs

Our Approach

- Challenging to infer much about either preferences or beliefs from observational data
 - identification problem, unobserved choice sets, social desirability bias
- We take an experimental approach (~4600 caregivers):
 - Take a finite horizon, dynamic discrete choice model
 - Design two types of hypothetical choice experiments that when analysed in the structure of the model identify both preferences and beliefs
- Hypothetical framing/vignettes:
 - Limits social desirability bias
 - · Limits the role of unobserved characteristics
 - Focus is on **population averages** (but allow for random preference heterogeneity).

• Identification from comparing choices in experiments with and without uncertainty over future marriage offers:

- Identification from comparing choices in experiments with and without uncertainty over future marriage offers:
 - "Ex Post": Choice under certainty identifies preferences over daughters' education, age of marriage and marriage match

- Identification from comparing choices in experiments with and without uncertainty over future marriage offers:
 - "Ex Post": Choice under certainty identifies preferences over daughters' education, age of marriage and marriage match
 - "Ex Ante": Choice under uncertainty identifies beliefs about future offer distribution taking preferences as given

- Identification from comparing choices in experiments with and without uncertainty over future marriage offers:
 - "Ex Post": Choice under certainty identifies preferences over daughters' education, age of marriage and marriage match
 - "Ex Ante": Choice under uncertainty identifies beliefs about future offer distribution taking preferences as given
- Label our methodology as a "revealed belief" approach

- Identification from comparing choices in experiments with and without uncertainty over future marriage offers:
 - "Ex Post": Choice under certainty identifies preferences over daughters' education, age of marriage and marriage match
 - "Ex Ante": Choice under uncertainty identifies beliefs about future offer distribution taking preferences as given
- Label our methodology as a "revealed belief" approach
- A random 50% of respondents do each type of experiment. Not a within design.

• Conditional on a marriage market match, weak preference for education

- Conditional on a marriage market match, weak preference for education
- However, parents believe in a substantial marriage market return to education
 - They believe that an 18 year old girl currently in College has a 60% chance of a marriage offer from a high quality groom compared to a negligible chance if she only has primary school level education

- Conditional on a marriage market match, weak preference for education
- However, parents believe in a substantial marriage market return to education
 - They believe that an 18 year old girl currently in College has a 60% chance of a marriage offer from a high quality groom compared to a negligible chance if she only has primary school level education
- Parents prefer to delay their daughter's marriage until age 18, but have no preference for delaying further

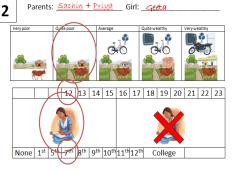
- Conditional on a marriage market match, weak preference for education
- However, parents believe in a substantial marriage market return to education
 - They believe that an 18 year old girl currently in College has a 60% chance of a marriage offer from a high quality groom compared to a negligible chance if she only has primary school level education
- Parents prefer to delay their daughter's marriage until age 18, but have no preference for delaying further
- But believe marriage market prospects deteriorate quickly with age after girls leave education

- Conditional on a marriage market match, weak preference for education
- However, parents believe in a substantial marriage market return to education
 - They believe that an 18 year old girl currently in College has a 60% chance of a marriage offer from a high quality groom compared to a negligible chance if she only has primary school level education
- Parents prefer to delay their daughter's marriage until age 18, but have no preference for delaying further
- But believe marriage market prospects deteriorate quickly with age after girls leave education
- Patterns qualitatively consistent with elicited groom-side preferences, stated expectations and rates of assortative matching in survey data

Contributions + Findings: Methodology

- Existing methods of measuring expectations often focus on directly eliciting probabilities or ranges
- Two problems in our case:
 - Groom quality is multidimensional
 - Respondents have very low numeracy
- Our method is based on stated preference between relatable choices, does not require elicitation of probabilities and works with multi-dimensional uncertainty.
- · Fun and easy to use across large samples

Preferences









• Three stages (school, home and marriage) $\Rightarrow\,$ Three components of utility

- Three stages (school, home and marriage) $\Rightarrow\,$ Three components of utility
- Before a girl is married:
 - Flow payoffs vary with school status, exogenous circumstances of the family and unobservable heterogeneity

- Three stages (school, home and marriage) $\Rightarrow\,$ Three components of utility
- Before a girl is married:
 - Flow payoffs vary with school status, exogenous circumstances of the family and unobservable heterogeneity
- Once a girl is married:
 - 'Terminal' payoff in the last period captures preferences over age of marriage, education and match quality

- Three stages (school, home and marriage) $\Rightarrow\,$ Three components of utility
- Before a girl is married:
 - Flow payoffs vary with school status, exogenous circumstances of the family and unobservable heterogeneity
- Once a girl is married:
 - 'Terminal' payoff in the last period captures preferences over age of marriage, education and match quality
- Future payoffs discounted with discount factor $\beta = 0.95$

- Preferences over realised paths represented by the discounted sum of flow and terminal payoffs.
- For respondent *i* in experiment *j*, the utility from option *k* is:

$$U(X_{ijk}, Z_{ij}, \omega_i) = \sum_{t:d_{ijkt} = S} \beta^t u^S(Z_{ij}^S, \omega_i) + \sum_{t:d_{ijkt} = H} \beta^t u^H(Z_{ij}^H, \omega_i) + \beta^T u^M(X_{ijk})$$

- X = [A, E, Q]: age (A), education (E) and groom quality (Q)
- Z: parent specific shifters of flow payoffs
- ω: parent specific preference heterogeneity

• Respondent *i* chooses option *k* over *k'* in experiment *j* iff:

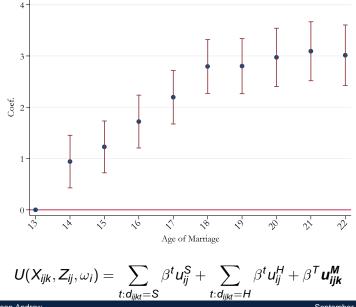
 $U(X_{ijk}, Z_{ij}, \omega_i) + \nu_{ijk} \geq U(X_{ijk'}, Z_{ij}, \omega_i) + \nu_{ijk'}$

• Respondent *i* chooses option *k* over *k'* in experiment *j* iff:

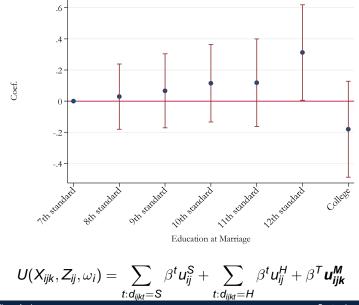
$$U(X_{ijk}, Z_{ij}, \omega_i) + \nu_{ijk} \geq U(X_{ijk'}, Z_{ij}, \omega_i) + \nu_{ijk'}$$

- Unobserservables:
 - ν_{ijk} i.i.d. normal (scale normalised) over $i, j, k: \nu_{ijk} \backsim N(0, 1)$
 - ω_i i.i.d. joint normal over *i*, constant over *j*, *k*

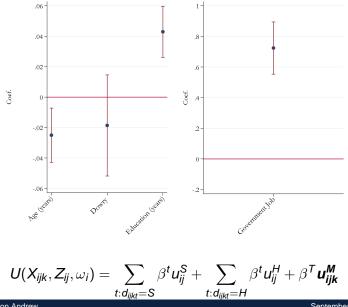
Preference Results: Age



Preference Results: Education

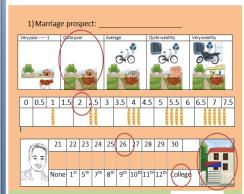


Preference Results: Match Quality



Beliefs





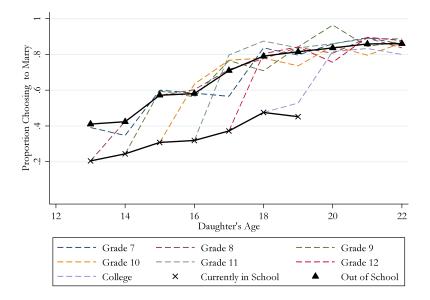
2) Keep daughter in education next year



 Take daughter out of school to help at home



Reduced Form Results: Age & Education



Model

- Parents make their decision, dt, to maximise discounted EU
- Expected future utility conditional on choosing optimally now and in the future is given by:

$$v_i(E,A,q,Z) = \max_{d_t \in O_t(E_t)} W_i(d_t,E,A,q,Z)$$

where $W_i(\cdot)$ is the presented discounted value of choosing d_t and then choosing optimally from period t + 1 onwards

- Parents make their decision, dt, to maximise discounted EU
- Expected future utility conditional on choosing optimally now and in the future is given by:

$$v_i(E,A,q,Z) = \max_{d_t \in O_t(E_t)} W_i(d_t,E,A,q,Z)$$

where $W_i(\cdot)$ is the presented discounted value of choosing d_t and then choosing optimally from period t + 1 onwards

• Marriage is a terminal payoff but the payoffs to home & school also depend on future expected payoffs

- Parents make their decision, d_t , to maximise discounted EU
- Expected future utility conditional on choosing optimally now and in the future is given by:

$$v_i(E,A,q,Z) = \max_{d_t \in O_t(E_t)} W_i(d_t,E,A,q,Z)$$

where $W_i(\cdot)$ is the presented discounted value of choosing d_t and then choosing optimally from period t + 1 onwards

• Marriage is a terminal payoff but the payoffs to home & school also depend on future expected payoffs

$$W_i^M \equiv u^M(E, A, q)$$

- Parents make their decision, dt, to maximise discounted EU
- Expected future utility conditional on choosing optimally now and in the future is given by:

$$v_i(E,A,q,Z) = \max_{d_t \in O_t(E_t)} W_i(d_t,E,A,q,Z)$$

where $W_i(\cdot)$ is the presented discounted value of choosing d_t and then choosing optimally from period t + 1 onwards

 Marriage is a terminal payoff but the payoffs to home & school also depend on future expected payoffs

$$W_i^M \equiv u^M(E, A, q)$$

$$W_i^S \equiv heta_i - C + eta \sum_{q \in \{H,L\}} \pi(E+1,A+1,q) v_i(E+1,A+1,q,Z)$$

- Parents make their decision, d_t , to maximise discounted EU
- Expected future utility conditional on choosing optimally now and in the future is given by:

$$v_i(E,A,q,Z) = \max_{d_t \in O_t(E_t)} W_i(d_t,E,A,q,Z)$$

where $W_i(\cdot)$ is the presented discounted value of choosing d_t and then choosing optimally from period t + 1 onwards

 Marriage is a terminal payoff but the payoffs to home & school also depend on future expected payoffs

$$W_i^M \equiv u^M(E, A, q)$$

$$W_i^{\mathsf{S}} \equiv heta_i - \mathsf{C} + eta \sum_{q \in \{H,L\}} \pi(\mathsf{E}+1,\mathsf{A}+1,q) v_i(\mathsf{E}+1,\mathsf{A}+1,q,Z)$$

$$W_i^H \equiv \theta_i + B + \beta \sum \pi(E, A+1, q) v_i(E, A+1, q, Z)$$

• We impose a set of functional forms on beliefs for estimation:

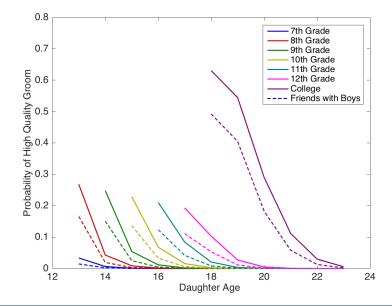
$$\pi(A, E, q = H) = \Phi(M\tau)$$

where

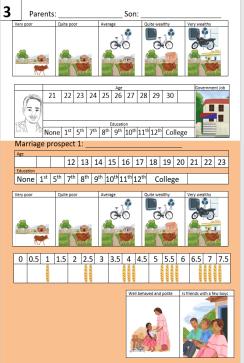
$$M\tau = \tau_0 + \tau_a Age + \tau_e Ed + \tau_c Coll + \tau_i ln + \tau_{ia} ln \times Age + \tau_g Good$$

- Estimate τ by Method of Simulated Moments, matching:
 - marriage probability of accepting marriage offer within age-education-government job cells
 - probability of keeping daughters in education
- ...taking the distribution of ω and $u(\cdot)$ as given

Subjective Belief: Prob High Quality Groom

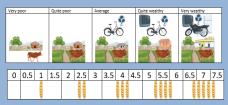


- To validate our revealed belief measures, we conduct two additional experiments
 - Elicitation of groom side preferences
 - Direct elicitation of expected match characteristics



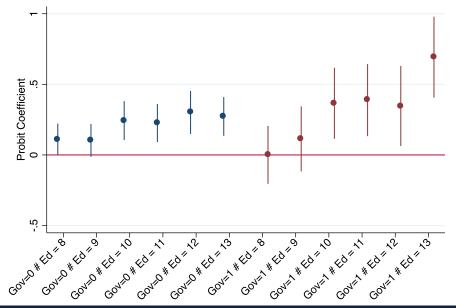
1) Marriage prospect 2:

Age														
			12	13	14	15	16	17	18	19	20	21	22	23
Education														
None	1 st	5 th	7 th	8 th	9 th	10^{th}	11 th	12 th	C	olleg	ge			





Validation: Groom's side preferences



Parent	s:					Girl:								
Very poor		Qui	ite poor		A	/erage		0	uite we	althy		Very we	althy	
						C			C	0				
			12	13	14	15	16	17	18	19	20	21	22	23
					_	_			_					
None	1 st	5 th	7 th	8 th	9 th	10 th	11 th	12 th	С	olle	ge			

If ______ got married this year she probably marry someone like this...



21	22	23	24	25	26	27	28	29	30

	None	1 st	5 th	7 th	8 th	9 th	10 th	11 th	12 th	College
--	------	-----------------	-----------------	------------------------	-----------------	-----------------	------------------	------------------	------------------	---------

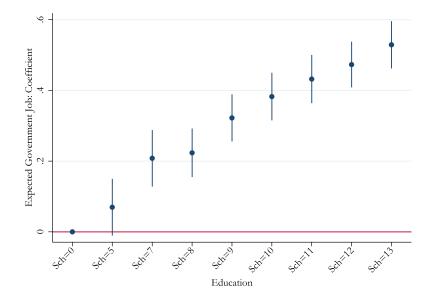


Very poor	Average	Very wealthy
*	độ	

	0	0.5	1	1.5	2	2.5	3	3.5	4	4.5	5	5.5	6	6.5	7	7.5
						111								1.1.0		110
l			8			8.8										1

Well behaved and polite	Is friends with a few boys

Validation: 'Expected match'



- Estimate preferences and beliefs over age of marriage, education and match quality in a context with conservative gender norms and high rates of both early marriage and school dropout
- Novel approach to separately identify preferences and subjective beliefs
- Based on relatable choices, does not require elicitation of probabilities and works with multi-dimensional uncertainty

- Absenting marriage market returns parents prefer...
 - to delay marriage until 18, not further
 - (weakly) to keep a daughter in school until end of high school, no further
- However, parents believe...
 - education increases marriage market prospects
 - but prospects deteriorate quickly with age on leaving education
- Schooling is hugely protective factor against early marriage

	Mean	Standard Deviation	N
Age in years	41.92	8.365	4464
Own age at marriage in years*	15.57	3.361	4423
Years of school*	1.492	3.267	4605
Can read complete sentence (in Hindi)*	0.104	0.305	4353
Number of sons*	2.118	1.112	4343
Number of daughters*	2.447	1.320	4343
Owns asset that can dispose of at will	0.132	0.339	4604
Can go to market unaccompanied*	0.611	0.488	4463
At least some say over when child gets married	0.963	0.190	4536
At least some say over to whom child gets married	0.952	0.213	4532
At least some say over when child leaves school	0.942	0.235	4534
Has done any work (inc. on family farm) in last year	0.595	0.491	4604
Has worked for cash in last year	0.344	0.475	4604
Has child (male or female) who is married	0.364	0.481	4576
House has dirt floor*	0.507	0.500	4603
Scheduled caste or scheduled tribe*	0.352	0.478	4581
Other Backward Caste or Economically Backward Class*	0.451	0.498	4581
Hindu*	0.968	0.177	4602

Table: Sample descriptives of female caregivers



Alison Andrew