Volume 40, Issue 4

Living with the In-laws in China: Which Way is the Spousal Transfer?

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Abstract

Chinese couples sometimes live with the husband's parents (virilocal marriages) or the wife's parents (uxorilocal marriages). Among possible losses and gains, the moving spouse may work for her/his spouse's family and receive food and living space. We argue that the likely predominant direction of the net transfer may be ascertained from the relative perceived "quality" (e.g. youth, education) of the marriage partners. Probit analysis on 2005 Chinese data suggests that living with the in-laws is associated with "moving up" in partner quality. Hence, conditional on partner quality, living with the in-laws as opposed to living separately from parents would likely require an offsetting transfer to the moving spouse. The increasing shortage of women marriage partners (due to son preference and sex-selective abortion) may therefore tend to increase living with the wife's family and reduce living with the husband's family. Policies which normalize these changes in living arrangements might slightly reduce son preference.

1. Introduction

A number of researchers (e.g.; Edlund, 1999; Choo and Siow, 2006; Bhasker, 2011) study the sharing of marital surplus between husbands and wives. One focus is the Chinese marriage market (e.g. Ebenstein, 2010) because of its interactions with son preference and hence with the "missing women": the rise in the 1980s of the Chinese male/female birth ratio associated with sex-selective abortion (Sen, 1990; Yi et al., 1993). That birth ratio has recently been about 1.2 compared to a natural rate of 1.03 to 1.06.

However as is typical for such data, Chinese data do not allow direct observations on intramarital transfers (which may be in-kind and inherently unobservable). But the data do record the occurrence of the wife living with her husband's parents (which anthropologists call virilocal marriage) and the husband living with his wife's parents (uxorilocal marriage). Such arrangements are discussed e.g. by Edlund (2006) and Zhang (2008) and are associated with transfers including working for the spouse's family (one reason for the sharp reduction in women's labour force participation upon marriage in China as estimated by e.g. Zhang and Zhang, 2015) and food and living space provided by the spouse's family. What is the net transfer? We might guess that all other things equal, the moving spouse would more commonly receive a compensating transfer in return for living with her/his in-laws, but there is no direct evidence.

As an attempt to find indirect evidence, consider the case of a potential wife in the marriage market. Given her characteristics and the transfer ("dowry") her family can make, if she follows the most common path and proposes to live separately from parents with her husband, she will consider suitors in a specific range with the expectation of matching with a husband of "perceived quality" QH_s. However, suppose instead that she wants (perhaps reflecting family wishes) the couple to live after the marriage with her parents. If that living arrangement is unattractive to most prospective husbands, for a given dowry she will have to consider lower perceived quality suitors to make a match, with the expectation of a husband of perceived quality lower than QH_s. Hence husbands who live with their in-laws will on average be observed as having "married up", while their wives will on average have "married down". Similarly, wives who live with their in-laws will on average have married up while their husbands will have married down.

We find empirical support for this hypothesis using Probit analysis of the so-called Chinese mini-census of 2005, using age at marriage and education (see e.g. Liu, 2019) as indicators of perceived quality. Hence for given partner perceived quality, the indirect evidence suggests that the spouse that agrees to move in with the in-laws would likely be compensated by an offsetting transfer.

Section 2 describes the data and results. Section 3 concludes, noting that the results also imply that the increasing shortage of women marriage partners due to the "missing women" will tend to increase the number of husbands/reduce the number of wives living with in-laws. We speculate that government policies that reduce social resistance to these changes may have at least a minor effect on reducing son preference and hence sex-selective abortion.

2. The Data

Our analysis uses the 2005 Inter-census Survey (the so-called 2005 mini census) which covered all provinces in mainland China and is representative at the provincial level, with 2.6 million individual person observations. We do not include Tibet and focus on couples with either the husband or wife identified as the household head (which is required to identify parent and in-law relationships within each household) and further impose the selection criteria: 1) the wife is between age 20 and 50 in 2005 (301,120 marriages remain); 2) both spouses are in their first marriage (289,661 remain). Of these marriages, in 2,456 cases the husband is living with the wife's family, in 31,120 cases the wife is living with the husband's family and in 77 (excluded) cases the couple are living with parents from both sides.

For brevity our summary statistics Table I only reports education, age and the number of observations for each living arrangement. Compared to couples living separately, for couples living with the wife's parents the average husband-wife age gap is wider and the husband-wife education gap is narrower. The opposite is true for couples living with the husband's parents. If youth and education level are prized in partners, this suggests that spouses who live with their in-laws are on average marrying up.

This conclusion is reinforced by our Probit results reported in Table II, which includes the list of covariates.[1] In the first column, the dependent variable is living with wife's parents = 1, 0 otherwise. We can see that conditioning upon husband's age at marriage and education level as well as other covariates, living with the wife's parents is more likely if the husband-wife age gap is greater and the husband-wife education gap is smaller. While statistically significant at the 1 percent level, these coefficients are naturally small because living with wife's parents is rare. In the second column, where the dependent variable is living with husband's parents = 1, 0 otherwise, we can see that living with the husband's parents is more likely if the husband-wife age gap is lesser and the education gap is larger.

Other statistically-significant coefficients of note indicate that couples with the husband earning more than the wife and also couples in higher income households are less likely to be living with the wife's parents and that answering yes to "owning residence" is positively associated with living with either set of parents (potentially indicating the importance of a permanent family home in such arrangements).

3. Conclusions

Probit analyses of the 2005 Chinese mini-census indicate that the higher the husband-wife education differential and the lower the husband-wife age differential, the more likely a married couple will live with the husband's parents and the less likely they will live with the wife's parents. This suggests that for given partner quality, the spouse that lives with her/his in-laws will receive a compensating transfer and that changes over time in the number of couples living with the wife's parents relative to the number living with the husband's parents could be a potential marriage market indicator of shortage. It also suggests that as the shortage of women marriage partners increases due to sex-selective abortion based on son preference, there will be a tendency for living

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[1] While we also estimated separately for urban and rural samples, the results are sufficiently close qualitatively that for brevity we present only full-sample results.

with husband's family to fall and living with wife's family to rise (as Yang et al. (2019) find for gender imbalances created by Mao's send-down movement).

We agree with the concluding sentences in Almond et al. (2019) that sex-selective abortion will more likely fall as social norms change rather than through enforcement of legal restrictions. Perhaps one way to reduce the portion of son preference that stems from the marriage market (Li et al., 2016) would be to try to change social norms against living with the wife's family (and possibly make living with the husband's family less desirable). Since living with in-laws is not common, such a change would likely not have a large effect, but the number of missing women is so large that it is unlikely to be fully addressed by any single policy.

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Table I: Some descriptive statistics

	Living with wife's parents		Living with husband 's parents		Living separately	
	wife	husband	wife	husband	wife	husband
Age of marriage	22.6	25.1	21.9	23.8	22.3	24.3
Years of schooling	9.6	10.3	7.6	8.7	8.3	9.3
No. of Obs.	2,456		31,120		256,008	

Note: 77 couples who live with both wife's and husband's parents are excluded. All differences between entries in each of the first two rows are statistically significant at the 1 percent level

Table II: Probit analysis of living with in-laws

	Dependent variable	
	Living with wife's parents =1 0 otherwise	Living with husband's parents = 1 0 otherwise
Husband- wife age gap	0.0004***	-0.0039***
	(0.0001)	(0.0003)
Husband-wife education gap	-0.0004***	0.0007***
	(0.0001)	(0.0002)
Husband: age at marriage	-0.0001	0.0010***
	(0.0001)	(0.0002)
Husband: education	0.0003***	-0.0006**
	(0.0001)	(0.0003)
Husband income > wife's income	-0.0010***	0.0014
	(0.0004)	(0.0013)
Household income	0.0003***	-0.0003
	(0.0001)	(0.0005)
Home ownership indicator	0.0033***	0.0959***
	(0.0006)	(0.0027)
Pseudo R^2	0.0598	0.0869
Number of observations	270,923	279,918

Notes: Probit models are used. Marginal effects are reported with robust standard errors in parentheses. **$p < 0.05$, ***$p < 0.01$. Other covariates include local geographic district fixed effects (requiring some observations from districts with no couple living with wife's parents to be dropped), urban community indicators, indicators for whether each spouse moved from another province, indicators whether each spouse is ethnically Han and indicators for whether each spouse has rural Hukou status. A small percentage of observations are lost due to missing covariate values.