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SEMINAR: China Economy Seminar
Harvard University, Department of Economics
Host: Professor Richard B. Freeman

SPEAKER: Liqun Zhuge (Boston University, PhD Candidate)

TITLE: “[Bargaining over Marriage Payments: Theory, Evidence, and Policy Implications](https://www.lzhuge.com/research/bargaining_over_marriage_payments.pdf)”

BIO:
Liqun Zhuge is a PhD candidate in economics at Boston University. His research interests lie in labor and development economics with a special focus on gender inequality and discrimination. The full working paper can be found on his website: [lzhuge.com](http://lzhuge.com/)

ABSTRACT:
One unique aspect of the marriage tradition in Chinese society is the presence of bidirectional wealth transfers: bride price and dowry---a payment from the groom's family to the bride's family and from the bride's family to the couple, respectively. Under this institution, this article delves into the broad implication of a pro-women marriage law amendment related to property division in divorce in a society with high gender inequality. I first complement the existing marriage market models by relaxing the assumption of a single zero-sum payment. The model incorporates bargaining processes between the parents on the two sides and within the couple, relying on patrilocality and altruism as the rationales. Empirically, using a collective model and reduced-form evidence, I first find that a larger dowry improves the wife's bargaining power within the new conjugal household. Then with RDD estimation, I find that the 2001 amendment leads to discontinuities in the two prices. This article attests to a policy implication of how a one-sided targeting policy can lead to a Pareto improvement---the increase in the bride price and dowry benefits both the couple and the bride's family.