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'Til Dowry Do Us Part: Bargaining and Violence in Indian Families

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Abstract

We develop a non-cooperative bargaining model with incomplete information linking dowry payments, domestic violence, resource allocation between a husband and a wife, and separation. Our model generates several predictions, which we test empirically using amendments to the Indian anti-dowry law as a natural experiment. We document a decline in women's decision-making power and separations, and a surge in domestic violence following the amendments. These unintended effects are attenuated when social stigma against separation is low and, in some circumstances, when gains from marriage are high. Whenever possible, parents increase investment in their daughters' human capital to compensate for lower dowries.

JEL Classification: J12, D13, I31, O15

Keywords: Domestic violence, dowry, Non-cooperative bargaining, India, marital surplus, Women's Empowerment

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1 Introduction

Transfers of wealth between families at the time of marriage existed historically in many parts of the world, from the Babylonian civilization to Renaissance Europe, from the Roman and Byzantine empires to the Song Period in China. In current times, marriage payments remain pervasive in many areas of the developing world. While the practice of bride-price (a transfer from the groom’s side to the bride’s) is widespread in parts of East Asia and some African countries, dowries (wealth transfers from the bride’s family to the groom or his family) are most common in South Asia. In India, Pakistan, and Bangladesh, dowry payments are nearly universal and quite sizable, often amounting to several times more than a household’s annual income (Goody, 1973; Anderson, 2007).

The literature on the origins of dowries and their role in the marriage market is extensive. A series of papers studies the role of population growth in combination with the existence of an age gap between the bride and the groom as a cause of rising dowries in India (the so-called “marriage squeeze”; see, e.g., Caldwell et al. (1983); Rao (1993a,b, 2000); Edlund (2000); Bhaskar (2019)). Anderson (2003) proposes a matching model in which dowry inflation emerges naturally during the process of modernization in a caste-based society. In Botticini and Siow (2003), altruistic parents in patrilocal societies use dowries and bequests to mitigate a free-riding problem between siblings. Anderson and Bidner (2015) construct an equilibrium model of the marriage market with intra-household bargaining to study shifts in women’s property rights over marital transfers. Their model formalizes the dual role of dowry as a premortem bequest and a market-clearing price, and predicts that women’s property rights over dowry deteriorate with development. One exception to this primarily theoretical literature is Chiplunkar and Weaver (2019), who document the evolution of dowry payments in India over the past century. They also find that a competitive search model best rationalizes the empirical trends in dowry payments.

We begin by modeling the relationship between dowries and women’s status in their marital family. In our model, at the time of marriage a dowry is paid, the spouses learn about observable marriage characteristics, and the husband learns his private type, which we interpret as his level of satisfaction with the match. This timeline of events is consistent with the widespread custom of arranged marriage, whereby the spouses are selected for each other by their parents, and the bride and the groom often meet
on or shortly before their wedding day. After the marriage, the husband and the wife bargain over the allocation of marital gains, which may arise from joint consumption and joint production (Becker, 1973, 1991). The post-marital bargaining game consists of three stages. In the first stage, the husband chooses whether to exercise violence. If violence occurs, then both the husband and the wife incur a utility cost. While the cost for women is fixed, the cost faced by husbands varies with their private type. At this time, the husband may demand a reallocation of household resources to receive a higher fraction of the marital surplus. In the second stage, the wife chooses whether to accept the husband’s demand. In the last stage of the game, the husband decides whether to separate from his wife. There exists a unique perfect bayesian equilibrium of the game that satisfies the intuitive criterion. It is a separating equilibrium, whereby only dissatisfied husbands facing a low cost of violence engage in domestic violence, only dissatisfied husbands with a high cost of violence separate from their wives, and wives accept their husband’s request of intra-household reallocation of the marital surplus only if violence occurs.

Our model yields five testable predictions linking changes in dowries to changes in women’s post-marital outcomes. First, the share of marital gains commanded by the husband and the occurrence of domestic violence increase following a decrease in dowry. Second, these effects are stronger when the social stigma associated with separation is high. Third, the impact of a reduction in dowry on the husband’s share of marital gains weakens as marital gains increase. Fourth, the impact of a reduction in dowry on the probability of wife-abuse strengthens when marital gains are high. Fifth, since in equilibrium only dissatisfied husbands with a high cost of violence separate, the probability of separation decreases following a decrease in dowry.

Next, we consider an extension of the model to a pre-marital game between the bride’s family and the groom or his family. In this game, parents make decisions about how much to invest in the human capital of their daughter and how much to save for the dowry (Anukriti et al., 2019). Such decisions culminate in a marriage offer by the bride’s parents that the groom can accept or reject. Under the assumptions that parents strictly prefer their daughters to be married relative to them remaining unmarried and that grooms value brides’ education (Borker et al., 2017; Adams and Andrew, 2019), the extended model yields an additional prediction: parents invest more in their daughters’ human capital in response to a decrease in expected dowry payments.

Our empirical analysis exploits the introduction of amendments to the Dowry Prohibition Act between 1985 and 1986 as a natural experiment, and consists of two main parts. Using data from the Rural Economic and Demographic Survey, we first confirm that the amendments were successful at reducing dowry payments (Alfano, 2017). Next, we test the predictions of our model using data from the National Family Health Survey. Since the Dowry Prohibition Act (initially introduced in 1961) and its amendments do not apply to Muslims, we exploit variation in religion and year of marriage to identify the effect of the reforms.

We find that the Dowry Prohibition Act amendments significantly reduced dowry payments. Women exposed to the amendments paid 0.2 standard deviations lower dowries, on average. This corresponds to a 11,000 Rupees decline in dowry payments (in 1999 Rupees). We carefully rule out that these findings are driven by changes in reporting, which would be relevant if survey respondents were less keen to answer dowry-related questions after the reforms. We also assess the potential endogeneity of the time of marriage, which could matter if parents anticipated the introduction of the amendments and scheduled

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2 The Shariat governs marriage and family matters for Muslims.
the wedding date of their sons and daughters accordingly. Finally, we analyze the interaction between the Dowry Prohibition Act amendments and other reforms that may have had differential impacts by religion, and do not find it critical for our findings.

In line with the model predictions, we estimate a decline in women’s involvement in household decision-making (which we use to measure her share of marital gains; Browning et al. (2013)), and an increase in domestic violence following the introduction of the amendments. For instance, we find that women exposed to the reforms (and the subsequent decline in dowry payments) are 2.6 percentage points less likely to be involved in household decisions, on average. The decline in women’s decision-making power is particularly pronounced for infrequent, possibly more consequential decisions, such as large household purchases and women’s health care decisions. We also find that the introduction of the amendments resulted in a 1.9 percentage points increase in the probability of domestic violence. Conditional on ever experiencing violence by their husbands, treated women suffer a wider array of injuries, such as cuts, bruises, burns, sprains, dislocations, broken bones or teeth. Finally, we document a decrease in separation after the reforms. These findings are robust to various specifications and appropriate restrictions of the estimation sample, and are not driven by changes in marital sorting.

We uncover substantial heterogeneity in the impact of the anti-dowry reforms on women’s status in their marital families. The effects of the reforms are mitigated in more progressive areas, such as North-East and South India, urban areas, and villages with relatively higher rates of separation. Moreover, we provide evidence of differential effects by a couple’s gains from marriage. We proxy gains from marriage with fertility outcomes, following Becker (1973, 1991) and, more recently, Angelucci and Bennett (2019). Consistent with the model, we show that the impact of the reforms on women’s decision making power is alleviated when gains from marriage are high. By contrast, the impact on domestic violence and separation is exacerbated when marital gains are large. We also show that women exposed to the reforms have better human capital outcomes (e.g., education and height), suggesting that parents increased investment in the human capital of their daughters to compensate for lower expected dowries. These human capital responses are particularly effective for girls who were young enough at the time of the reforms.

Related Literature. Previous work has shown that insufficient dowry payments may increase women’s likelihood of being abused in their marital families. Bloch and Rao (2002) build a non-cooperative bargaining model between two families, where violence is used by the groom’s family to extract resources from the bride’s family after marriage. Based on an original data from three villages in the state of Karnataka, they show that lower dowries are associated with an increase in domestic violence and that women are more likely to be abused when their natal family is wealthier. Using data from a village in South India, Srinivasan and Bedi (2007) also show that larger dowries reduce post-marital violence by increasing the economic resources of the marital household and enhancing the social status of the groom and his family. We modify and expand the Bloch and Rao (2002) framework to include gains from marriage, the intra-household allocation of resources between a husband and a wife, social stigma against separation, and parental investment in the human capital of future brides. We then test our model predictions using plausibly exogenous changes in dowry payments and data from a large, nationally representative survey. The broad coverage of the survey allows us to explore heterogeneity along several dimensions.

Several studies have analyzed the consequences of dowries on economic and social outcomes, focusing on women’s well-being. Borker et al. (2017), for instance, develop a model of assortative matching
with caste-endogamous marriage markets, in which sex selection and dowry payments arise endogenously. Studying parental responses to shocks in the world gold price, Bhalotra et al. (2020a) establish a link between dowry payments and sex-selective abortion, female infanticide, and parental underinvestment in daughters, while Menon (2020) finds that a higher price of gold at the time of marriage increases the likelihood of domestic violence. Closest to our empirical application is Alfano (2017), who exploits the introduction of the 1985-1986 amendments to the Dowry Prohibition Act to document a positive association between dowry payments and son preference.4

The literature studying the causes of domestic violence and its impact on women’s well-being is rich. A series of papers document the existence of a “backlash effect,” whereby an increase in women’s bargaining power leads to an increase in domestic violence (Angelucci, 2008; Luke and Munshi, 2011; Bobonis et al., 2013; Hidrobo and Fernald, 2013; Kagy, 2014; Anderson and Genicot, 2015; Angelucci and Heath, 2020). By contrast, Haushofer et al. (2019) find that unconditional cash transfers in Kenya reduce the occurrence of domestic violence independently on whether the husband or the wife receives the transfer. Heath et al. (2020) show that a national cash transfer program in Mali that primarily targets men decreases domestic violence in polygamous households, but has limited effects in non-polygamous households. Studying families in Brazil and leveraging data from mass layoffs, Bhalotra et al. (2020b) estimate that both male and female job loss lead to a large and persistent increase in domestic violence. Looking at the consequences of domestic violence, Ramos (2018) shows that domestic violence destroys female labor productivity in Ecuador, while Lewbel and Pendakur (2019) find that domestic violence in Bangladeshi families reduces consumption efficiency and shifts household resources towards men. In the Indian context, Eswaran and Malhotra (2011) show that domestic violence can drastically reduce women’s autonomy, which is consistent with a non-cooperative model in which husbands use domestic violence to undermine their wives’ bargaining position.5

The effect of dowry payments on women’s intra-household bargaining power and resource allocation has also received attention. Zhang and Chan (1999), e.g., include marital transfers into a Nash bargaining model, showing both theoretically and empirically using data from Taiwan that higher dowries lead to improved welfare for women. Studying China, Brown (2009) shows that the payment of a dowry positively impacts numerous measures of a woman’s well-being and life satisfaction, while Makino (2019) estimates that higher dowries improve women’s autonomy and decision power in the Pakistan Punjab. In related work (Calvi and Keskar, 2020), we find that higher dowry payments are associated with larger shares of household resources allocated to Indian women and lower poverty rates of women relative to men. We contribute to this extensive body of work by developing a comprehensive framework to understand the interconnections between dowry payments, domestic violence, women’s empowerment, and the likelihood of separation.

The rest of the paper is organized as follows. In Section 2, we provide an overview of the custom of dowry, discuss the issues of domestic violence and women’s limited power in India, and illustrate the

4An extensive literature documents the consequences of marital transfers from the groom to the bride’s family (bride-price). Lowes and Nunn (2017), for instance, show that larger bride-price payments are associated with better-quality marriages as measured by beliefs about the acceptability of domestic violence, the frequency of engaging in positive activities as a couple, and the self-reported happiness of the wife. Using data from Indonesia and Zambia, Ashraf et al. (2020) find that the probability of a girl being educated is higher among ethnic groups practicing bride-price and that families from bride-price groups are the most responsive to policies, like school construction, that aim at increasing female education. Focusing on transfer that are typical in Muslim marriages, Anderson et al. (2020) studies the interaction between gender norms outside and inside the marriage and the payment of a dowry (a transfer from the groom to the bride either at marriage or after marriage) in Egypt.

5A number of papers have analyzed the issue of domestic violence in developed countries. Examples include Tauchen et al. (1991), Bowlus and Seitz (2006), Aizer (2010), Anderberg and Rainer (2013), and Anderberg et al. (2018).
legal framework governing marital transfers. In Section 3, we set out our theoretical model and derive six testable predictions. In Section 4, we discuss the identification strategy and data sources. In Section 5, we present our main empirical results, while in Section 6 we investigate alternative mechanisms. Section 7 concludes. Proofs and additional material are in an online Appendix.

2 Dowries, Violence, and Women’s Power in Indian Families

Dowry payments are wealth transfers from the bride’s family at the time of marriage. Historically, dowries served as a premortem bequest to a daughter, especially in patrilocal and patrilineal societies, where the family wealth is inherited by male children and a couple typically resides with or near the husband’s parents (Zhang and Chan, 1999; Botticini and Siow, 2003; Anderson, 2007). Substantial variation, however, exists in property rights over these transfers. Over time the institution of dowry has departed from its original purpose of endowing daughters with financial security into a groom-price (i.e., a wealth transfer from the bride’s parents directly to the groom and his family, with the bride having little to no ownership rights over it; Anderson and Bidner (2015)).

In India, too, the traditional custom of stridhan (a parental gift to the bride) has evolved into a groom-price. Srinivas (1984) links the emergence of groom-price to the creation of white-collar jobs in the British bureaucracy during the 1930s and 1940s. High-quality grooms in these positions were very attractive and able to command substantial dowry payments from potential brides who wanted to pursue them. In contemporary India, dowry payments are nearly universal, and a woman is typically unable to marry without such transfers. In an insightful paper, Chiplunkar and Weaver (2019) investigate the evolution of dowries in India over the past century. They document a rapid increase in the prevalence of dowry between 1935 and 1975. Since then, more than 80 percent of Indian marriages have involved the payment of a dowry. Dowry amounts increased substantially between 1945 and 1975 but then declined in real terms (and as a fraction of household income) after 1975. Despite this decline, dowries remain strikingly sizable, amounting to one to several times the average annual income of Indian households (Rao, 1993a,b, 2000). The total value of dowry payments is estimated to be roughly 5 billion dollars annually, approximately equal to the annual spending of the Indian national government on health.

The dowry system places a tremendous financial burden on the bride’s family. So, the prospect of paying a dowry is often listed as a critical factor in parents’ desire to have sons rather than daughters and has been linked to female infanticide, sex-selective abortion, and the missing-women phenomenon (Sen, 1990, 1992; Anderson and Ray, 2010, 2012; Jayachandran, 2015; Borker et al., 2017). Dowries have also been associated with the dreadful occurrence of bride-burning and dowry-deaths (Bloch and Rao, 2002; Srinivasan and Bedi, 2007; Sekhri and Storeygard, 2014). These are extreme forms of domestic violence, which is pervasive in India as well as in other developing countries. The following figures may help gauge the gravity of the phenomenon. According to the latest National Family and Health

\[^{6}\text{Dowries were widespread practice in medieval western Europe. Since they were required under Roman law, dowries also became prevalent in many parts of the Byzantine Empire up until the fifteenth century. In the seventeenth and eighteenth century, dowry payments were prevalent in Mexico and Brazil, as a result of Spanish and Portuguese colonial laws. Goody (1973) and Anderson (2007) provide insightful surveys on the history and evolution of dowries over time and around the world; Srinivas (1984) and Arunachalam and Logan (2016) carefully document how dowries in India have gradually transformed from their original role of premortem bequest into a groom-price.}\]

\[^{7}\text{The offense “dowry death” was introduced into India’s Penal Code in 1986, as section 304-B by an amendment to the Dowry Prohibition Act. Section 498-A of India’s Penal Code penalizes any harassment by a husband’s family; the penal provisions of section 304-B may apply in any unnatural death of a woman within seven years of marriage. In cases where a woman commits suicide as a result of harassment by her husband or his family, section 306 is applicable. In cases of dowry-related suicide, both sections 304-B and 306 are applicable (UNODC, 2018).}\]
Survey (hereafter NFHS), 36 percent of ever-married Indian women have experienced physical or sexual violence by their husbands. The most common type of domestic violence is less severe physical violence (28 percent), followed by severe physical violence (8 percent), and sexual violence (7 percent). Many of these women consider wife-beating justified in several circumstances: e.g., if the wife goes outside without telling her husband (24 percent), neglects the children (30 percent), argues with her husband (27 percent), refuses to have sex with him (13 percent), or burns the food (18 percent). One out of three female respondents in the India Human Development Survey (IHDS) answers affirmatively when asked whether in their community it is usual for a husband to beat his wife when her natal family does not provide enough money or gifts. According to data from the National Crime Records Bureau (NCRB), out of the almost 330,000 crimes against women committed in 2015, 19 percent consisted of acts of "cruelty by husband or his relatives," and 1 percent were dowry deaths.

Domestic violence is a dramatic form of gender inequality, but the limited decision-making power of women inside their families is another widespread example. Due to growing attention regarding the status of women in developing countries, in many household surveys, a common type of question to ask is, "Who usually makes decisions about [X] in your household?" The NFHS asks this question to ever-married women aged 15 to 49, with [X] referring to decisions regarding, e.g., own health care, contraceptive use, household purchases and finances, visits to relatives, or even what to cook. According to the most recent wave of the survey, less than two-thirds of currently married women participate in decision making about their health, major household purchases, or visits to their own family or relatives. One in six women reports being involved in no decision at all.

**The Dowry Prohibition Act and its amendments.** In 1961, the government of India enacted the Dowry Prohibition Act, prohibiting both the giving or receiving of a dowry. The law defined a dowry as "any property or valuable security given or agreed to be given either directly or indirectly (a) by one party to a marriage to the other party to the marriage; or (b) by the parents of either party to a marriage or by any other person, to either party to the marriage or any other person [...]." The act explicitly excluded from the definition of dowry (and hence from the law itself) any marital transfers "in the case or persons to whom the Muslim Personal Law (Shariat) applied." It also stipulated that dowries could be punished either by imprisonment up to six months, or with a fine up to 5,000 Rupees.

The provisions of the act were not strong enough, and its attempt to reduce dowries proved mostly unsuccessful (Chiplunkar and Weaver, 2019). Between 1985 and 1986, the Indian government took a series of steps towards tightening the existing anti-dowry legislation. The Dowry Prohibition Rules (introduced in October 1985) established a set of rules according to which a list of wedding gifts must be maintained. The list must include a brief description of each gift, the approximate value of the gift, the name of the person who has given the gift, and, when the person giving the present is related to the bride or groom, a description of such a relationship. Another amendment followed closely in 1986, increasing the minimum punishment for taking or abetting dowry to five years of imprisonment and to a...

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8The NFHS figures are mostly consistent with women's responses to the Survey of Status of Women and Fertility (SWAF), a focused survey covering two districts in Tamil Nadu and two districts in Uttar Pradesh collected between 1993 and 1994. A significant fraction of SWAF respondents believe that wife-beating is justified if the wife is disobedient (65 percent), neglects household chores (51 percent), or disrespects the husband's parents (41 percent).

9The NCRB classifies as crimes against women: rape, attempt to commit rape, kidnapping and abduction of women, dowry deaths, assault on women with intent to outrage her modesty, insult to the modesty of women, cruelty by husband or his relatives, importation of girls from foreign country, abetment of suicides of women, and violations of the Dowry Prohibition Act (1961), the Indecent Representation of Women (Prohibition) Act (1986), the Commission of Sati Prevention Act (1987), the Protection of Women from Domestic Violence Act (2005), and the Immoral Traffic (Prevention) Act (1956).
Figure 1: Dowries in India

NOTES: The figure shows local polynomial regressions of real dowry payments on the year of marriage. Gross dowries represent the value of transfers made to the groom's family at the time of marriage. Net dowries are defined as gross dowries minus the value of transfers made from the groom's family to the bride's family. All dowry amounts are converted to 1999 Rupees.

Gross Dowry  ---  Net Dowry

Notes: The fine of not less than 15,000 Rupees (or the amount of the value of the dowry, whichever is higher). The 1986 amendment also shifted the burden of proving that no funds were exchanged to the person who receives or requests the dowry, and prescribed that any offense under the act be non-bailable. Finally, the amendment gave power to any state government to appoint "as many Dowry Prohibition Officers as it thinks fit," to prevent the taking or demanding of dowry and to collect the necessary evidence for the prosecution of violators of the Dowry Prohibition Act. By showing an increase in the number of convicted offenders and of dowry cases heard by the Supreme Court after 1986, Alfano (2017) provides evidence of the enforcement and public awareness of the amendments.

Figure 1 plots the results of local polynomial regressions of real dowry payments on the year of marriage. We obtain information about dowry payments from the 1999 Rural Economic and Demographic Survey (we provide details about this survey in Section 4.1), and convert all dowries to 1999 Rupees. Gross dowries represent the value of transfers made to the groom's family at the time of marriage, while net dowries are defined as gross dowries minus the value of transfers made from the groom's family to the bride's family. Before 1985, the average gross dowry ranged between 42,000 and 56,000 Rupees, and net dowries varied between approximately 24,000 and 33,000 Rupees. Between 1985 and 1990, both gross and net dowries declined by more than 20 percent. Dowry transfers kept declining in subsequent years, but at a slower pace.

In Section 4, we extensively investigate the impact of the 1985-1986 amendments on dowry payments. A first-order concern, however, is that changes in reporting may drive the declines shown in Figure 1. This concern would be especially relevant if respondents feared legal consequences from admitting to having paid or received a dowry in the survey. If this were the case, we would expect the number of respondents refusing to answer dowry-related questions to increase after the amendments. Moreover,
we would expect the average dowry conditional on admitting that a dowry payment was made to be stable over time, with lower average dowries driven by an increased number of respondents reporting zero dowries. Figure A1 in the Appendix shows that this is not the case. While we see a gradual, mild decline in the fraction of missing dowry information for more recent marriages (which is consistent with a natural decline in recalling ability as the time since the event increases), this decline is unrelated to the timing of the amendments (Panel A). Panel B, which reports the results of local polynomial regressions of dowry payments on the year of marriage conditional on these payments being non-zero, suggests that the amendments may have altered dowry payments not only at the extensive margin but also at the intensive margin. This finding is reasonable, as the 1986 act linked the punishment to the dowry amount, and a significant fraction of dowries paid between 1975 and 1985 far exceeded the threshold of 15,000 Rupees. Finally, in Appendix B, we investigate the possible misreporting of dowry data using Benford’s law (Benford, 1938), which states that distribution of first digits should naturally be shewed towards low numbers. While we document the existence of some misreporting of dowry amounts (we see anomalous spikes in the distribution of first digits equal to five, likely due to rounding and approximation errors), we confirm that there was no significant change in the degree of misreporting following the Dowry Prohibition Act amendments.

Given the connections between dowry payments, violence, and women’s decision-making power, one natural question is whether (and how) the 1985-1986 tightening of the anti-dowry law impacted women’s post-marital status. Previous work has documented an improvement in the gender composition of children following the amendments, possibly due to a decrease of parental preference for sons (Alfano, 2017). We instead focus on the consequences of the reforms on women’s well-being in their marital families. In the next section, we develop a theoretical model to analyze and interpret these consequences.

3 Theoretical Model

In this section, we focus on the post-marital bargaining between a husband and a wife, which we model as a non-cooperative bargaining game with incomplete information, where domestic violence is used by the husband to signal his private type. We draw on the framework developed by Bloch and Rao (2002), where domestic violence is used by the groom’s family as an instrument to extract additional resources from the bride’s family after marriage. Differently from Bloch and Rao (2002), we focus on the couple instead of their families, account for potential gains from marriage and their division, and examine the role of social norms against separation. We first develop a model where the marital match, the dowry amount, and the human capital of future brides are taken as given. We then extend the model to endogenize dowry payments as well as parental investment in their daughters’ human capital. For simplicity, we do not model the process through which the agents pair up and instead take the marital match as given.

3.1 Setup

Agents and Preferences. There are two agents in our model, a husband and a wife, which we index by $j = h, w$. The two agents can be married to each other or separated. Each agent derives utility from their consumption and characteristics (such as their health and education) and, when married, from their spouse’s characteristics. We denote by $U_h$ and $U_w$ the husband’s and the wife’s present discounted
utility at the time of marriage. Let $U_h = u_h(C_h, x_h, \theta)$ and $U_w = u_w(C_w, x_w, \theta)$, where $C_j$ indicates $j$'s consumption, $x_j$ is a vector of human capital characteristics (which are ordered so that higher values of $x_j$ correspond to more desirable traits), and $\theta$ is the husband's private type. In the spirit of Bloch and Rao (2002), we interpret $\theta$ as the husband’s level of satisfaction with the match. We assume that the functions $u_h(\cdot)$ and $u_w(\cdot)$ are increasing in all their arguments.

When married, the agents partake in marital gains, which may arise from joint consumption and production. For instance, both spouses can equally enjoy their children and live in the same home. They could also partially share some goods, such as fuel for transportation, and save on food waste and spoilage (Barten, 1964; Gorman, 1976; Browning et al., 2013). The couple can also benefit from specialization in production, comparative advantage, and increasing returns to scale (Becker, 1973, 1991). We denote by $M$ the material gains from marriage and define them as follows:

$$M = Y_{hw} - Y_h - Y_w \geq 0,$$

where the $Y_h$ is how much the husband can produce if unmarried, $Y_w$ is how much the wife can produce if unmarried, and $Y_{hw}$ is the sum of husband’s and wife’s production when married (Chiappori et al., 2009). In our model, we focus on the allocation of $M$ between the husband and the wife, and denote by $\gamma$ the share of marital gains commanded by the husband. The insights and implications of our model are invariant to interpreting $\gamma$ as the share of $Y_{hw}$ (and not only $M$) allocated to the husband.

Let $V_h = v_h(C_h, x_h, m)$ and $V_w = v_w(C_w, x_w, m)$ be the husband's and the wife's discounted utility flows when separated, where $m$ denotes the marriage market conditions at the time of separation. Since divorce is rare and often stigmatized in India, we can interpret separation as a situation where the husband and the wife stop living together while staying married. Alternatively, separation can represent an unproductive marriage, where the marital surplus is null (Lundberg and Pollak, 1993) and the spouses stop deriving utility from each others' traits. As above, we require the functions $v_h(\cdot)$ and $v_w(\cdot)$ to be increasing in all their arguments.

At the time of marriage, the bride’s family pays a dowry $D$ to the husband’s family, which we take as given for now. The consumption levels of the husband and the wife can be summarized as follows: if the marriage is intact, then $C_h = Y_h + D + \gamma M$ and $C_w = Y_w - D + (1 - \gamma)M$; if separation occurs, then $C_h = Y_h + D$ and $C_w = Y_w - D$.

There are three features of our model that deserve mention. First, dowries enter each spouse’s utility only through consumption and the husband’s private type is not affected by $D$. Second, we take $M$ as given and do not treat gains from marriage as a strategic lever of the spouses. Third, we assume that dowries do not serve as early bequests for daughters and that dowries are not returned to the bride’s family in case of separation. In Section E in the Appendix, we consider extensions to our baseline model that relax some of these features.

The Bargaining Game. We model the interaction between the husband and the wife as a non-cooperative bargaining game with incomplete information. When the marriage takes place, the newlyweds learn about observable marriage characteristics. We denote such characteristics by $z$. These include

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11 Alternative interpretations are of course possible: $\theta$, for instance, could represent the degree of emotional attachment and connection the husband feels towards his wife, his children, or his extended family, or could capture his liking of marriage life, of its benefits and its obligations.

12 There may be emotional gains from marriage, such as love and companionship, but we abstract from them for simplicity.

13 According to the 2011 Census of India, 1.36 million individuals in India are divorced, amounting to 0.24 percent of the married population and 0.11 percent of the total population (Jacob and Chattopadhyay, 2016).
(but are not limited to) the initial division of the gains from marriage, \( \gamma_0 \), which we assume to be fully determined by the marriage market conditions for brides and grooms at the time of the match (Chiappori et al., 2009). Right after marriage, the husband learns his private type \( \theta \), that is, his level of satisfaction with the match. This new information may trigger a post-marital renegotiation over the division of the marital surplus. For simplicity, we define \( \theta \) to be binary, with satisfied husbands having \( \theta \) equal to 1 and dissatisfied husbands having \( \theta \) equal to 0. We denote by \( p(z) \) the prior probability that the husband is not satisfied with the marriage.

The model consists of three stages. In the first stage, the husband decides whether to exercise violence. If violence occurs, then the husband and the wife incur a utility cost, which we denote by \( K_h \) and \( K_w \), respectively. For tractability, we assume that satisfied husbands face an infinite cost of violence (i.e., \( K_h(1) = \infty \)). For dissatisfied husbands, the cost of violence is a random variable with cumulative distribution function \( F_v \) on \([0, \infty)\). At this time, the husband may request a reallocation of marital gains and make a take-it-or-leave-it demand for a higher share \( \gamma > \gamma_0 \). In the second stage, the wife decides whether to accept the husband’s request. In the third stage, the husband chooses whether to separate. To avoid issues related to limited commitment, we assume that any intra-household reallocation of marital gains occurs after the husband makes the separation decision. Figure A2 in the Appendix shows the model timeline and the game in extensive form.

**Context-driven Assumptions.** Divorce and separation are riddled with stigma in India, especially for women. The majority of women are financially dependent on their husbands and do not view divorce as a viable option, even when they are in an abusive marriage. The dissolution of a marriage is often seen as damaging to a woman’s reputation (Ragavan et al., 2015). According to the Survey of Status of Women and Fertility (SWAF), e.g., 83 percent of interviewed women believe that it is justified for a husband to leave his wife if she is unfaithful, while only 40 percent think it is okay for the wife to leave her husband if he is. The vast majority (approximately 90 percent) of women would not consider leaving their husbands even if he abuses her or if he is a drunk or drug addict. Also, only one out of five women believes that she could leave her husband if he were unable to provide for the family financially, suggesting that financial motives are not the only reason behind a woman’s aversion to separating.

So, while separation is undesirable for all, women disproportionately bear the cost of marital dissolution. This is an essential feature of the Indian context that we embed in our model as follows. For any level of consumption, human capital characteristics, and marriage market conditions, women always prefer to be in a marriage than to separate, even when the husband exercises domestic violence:

\[
u_w(Y_w - D + (1 - \gamma)M, x_h, x_w) - K_w > v_w(Y_w - D, x_w, m).
\]

14This timing of events is reasonable in the Indian context, where the majority of marriages is arranged by the bride’s and the groom’s family (Anukriti and Dasgupta, 2017; Vogl, 2013) and the spouses only meet on the day of the wedding (or shortly before then). According to the latest India Human Development Survey, 65 percent of ever-married Indian women aged 15 to 49 met their husband on their wedding day and 14 percent met him less than one month before the wedding. Moreover, 58 percent of women report meeting their husband on the day of the wedding.

15In our model, the husband would never ask for \( \gamma < \gamma_0 \), since he will be worse off if he does. Note, however, that this would be possible in a model that allowed for altruistic preferences, where the husband cares substantially about the wife’s well-being. Since \( \gamma \) and \( \gamma_0 \) are shares, they range between 0 and 1.

16The likelihood of remarriage is low overall in India, but somewhat higher for men. According to the India Human Development Survey, for instance, less than 1 percent of ever-married Indian women remarry, while about 3.5 percent of them report their husband being married more than once. This figures exclude polygamous families and include remarriage after the death of the spouse.
Moreover, satisfied husbands always prefer to stay married:

\[ u_h(Y_h + D + \gamma M, x_h, x_w, 1) > v_h(Y_h + D, x_h, m), \]

while, under the initial allocation of marital gains, dissatisfied husbands prefer to separate:

\[ u_h(Y_h + D + \gamma_0 M, x_h, x_w, 0) < v_h(Y_h + D, x_h, m). \]

### 3.2 Solving for Equilibrium

To solve the game, we proceed by backward induction. In the last stage of the game, only dissatisfied husbands whose demand for a higher share of marital gains is not met decide to end their marriage. In particular, dissatisfied husbands choose not to separate if the following inequality holds:

\[ u_h(Y_h + D + \gamma M, x_h, x_w, 0) \geq v_h(Y_h + D, x_h, m) \quad (1) \]

Denote by \( \underline{\gamma} \) the minimal transfer that keeps the marriage intact. Then, for \( \gamma = \underline{\gamma} \) equation (1) holds with equality.

In the second stage, the wife decides whether to accept or reject the husband’s request for a reallocation of resources. The wife rejects any request for \( \gamma < \underline{\gamma} \), since it would not dissuade the husband from separating. Denote by \( \sigma \) the wife’s belief that the husband is dissatisfied after observing the occurrence of violence and the request for resource reallocation. Then, if \( \gamma \geq \underline{\gamma} \), the wife accepts any request that satisfies the following condition:

\[ u_w(Y_w - D + (1 - \gamma)M, x_h, x_w) \geq \sigma v_w(Y_w - D, x_w, m) + (1 - \sigma)u_w(Y_w - D + (1 - \gamma_0)M, x_h, x_w) \quad (2) \]

When the wife is indifferent between accepting or rejecting her husband’s request, then equation (2) holds with equality and \( \gamma = \bar{\gamma}(\sigma) \). So, \( \bar{\gamma}(\sigma) \) is the maximal share of marital gains that the husband can extract. Note that this maximal share is an increasing function of the wife’s beliefs. In other words, the wife is willing to forgo a higher share of the marital gains when she is more likely to believe that her husband is dissatisfied. The wife’s optimal decision is to accept any request for \( \bar{\gamma}(\sigma) \geq \gamma \geq \underline{\gamma} \) and to reject it otherwise.

In the first stage, the husband decides whether to exercise violence. Recall that, in our model, domestic violence is a signal from the husband to the wife about his dissatisfaction with the marriage.

To calculate the perfect bayesian equilibria (PBE) of the game, we consider both pooling equilibria and separating equilibria. In what follows, we assume that the wife rejects any request for reallocation if she does not update her beliefs about the husband’s degree of satisfaction. We also assume that she is willing to increase her husband’s share of gains from marriage and keep the marriage intact when she believes that her husband is dissatisfied. More formally, we assume that

\[ \bar{\gamma}(1) > \underline{\gamma} > \gamma(p(z)). \quad (3) \]

Any pooling equilibria would be such that both satisfied and dissatisfied husbands send the same signal with probability one. Given that the cost of violence for satisfied husbands is infinite, there are no
equilibria where both satisfied and dissatisfied husbands behave violently. Consider instead a situation where both satisfied and dissatisfied husbands do not exercise violence. Then, the husband’s signal would be uninformative, the wife’s prior and posterior beliefs would coincide, and, given equation (3), the wife would reject any request for reallocation. For such equilibrium to exist, off-the-equilibrium beliefs must be specified so that no one has an incentive to deviate. For this to occur, however, the wife must assign a positive probability to the event that a satisfied husband would exercise violence, which violates the intuitive criterion.\(^\text{17}\)

Any separating equilibria would be such that different types of husbands send different signals. There are no equilibria where satisfied husbands exercise violence and dissatisfied husbands do not. Moreover, there exists no separating equilibrium satisfying the intuitive criterion, where neither types exercise violence but demand different shares. Consider instead a scenario where the husband chooses violence when \(\theta = 0\), he chooses non-violence when \(\theta = 1\), and \(\gamma(0) \leq \gamma(1) \leq \bar{\gamma}(1)\). Then, after observing violence, the wife accepts any request for an intra-household reallocation of resources. Consequently, the husband’s optimal strategy is to request a share of marital surplus equal to \(\bar{\gamma}(1)\).

Denote by \(\kappa^*\) the cost of violence that makes dissatisfied husbands indifferent between exercising domestic violence or not. Husbands with high costs of violence (\(\kappa > \kappa^*\)) will not exercise violence, even when dissatisfied. The wife’s posterior belief that the husband is dissatisfied after not observing violence is therefore given by:

\[
\sigma(0) = \frac{p(z)[1 - F_w(\kappa^*)]}{p(z)[1 - F_w(\kappa^*)] + 1 - p(z)}. \quad (4)
\]

Since \(\sigma(0) < p(z)\) and \(\bar{\gamma}(\sigma)\) is an increasing function, the wife rejects any request from a non-violent husband.

In summary, there is a unique PBE of the game that satisfies the intuitive criterion. It is a separating equilibrium, where satisfied husbands and dissatisfied husbands with a high cost of violence do not behave violently, and dissatisfied husbands with a low cost of violence behave violently. After observing violence, the wife accepts the request for reallocation of the marital surplus and \(\gamma = \bar{\gamma}(1)\). If violence does not occur, then the wife rejects any request. Satisfied husbands and dissatisfied husbands with low cost of violence remain married. By contrast, dissatisfied husbands with high cost of violence separate.

### 3.3 Comparative Statics

In order to generate empirical predictions, we introduce some additional assumptions. First, we assume that the utility functions of both spouses are additively separable in consumption. In particular, we assume that the husband’s and the wife’s discounted utilities when married are \(u_h(C_h, x_h, x_w, \theta) = f_h(C_h) + \phi_h(x_h, x_w, \theta)\) and \(u_w(C_w, x_h, x_w) = f_w(C_w) + \phi_w(x_h, x_w)\), respectively. Analogously, we assume that the discounted utilities when separated are \(v_h(C_h, x_h, m) = g_h(C_h) + \psi_h(x_h, m)\) and \(v_w(C_w, x_w, m) = g_w(C_w) + \psi_w(x_w, m)\) and that \(f_j(\cdot)\) and \(g_j(\cdot)\) are increasing and concave functions. Since our empirical analysis exploits a legal reform that reduced dowry payments in India, we focus on the effect of changes in \(D\). Additional comparative statics results are included in Appendix C.

As we mentioned before, divorce and separation are highly stigmatized in India, especially for women. Social spaces may become unpleasant for separated women since their marital status is either the starting

\(^{17}\)Recall that on every path of positive probability each belief must be updated according to Bayes’ rule, while on any off-the-equilibrium paths the beliefs can be arbitrary.
point or the focus of most conversations. They may be cast out by friends and relatives as broken, atypical, or having some astrological affliction. They are also excluded from many religious practices supposedly meant to be performed only by married people. Consistent with these facts, we posit that women may have different preferences over consumption inside and outside of marriage, and that, for a given level of consumption, their marginal utility of consumption when married may be higher than when separated. This assumption is critical for our comparative statics results (and realistic in the Indian context). Specifically, we assume that, for a given level of consumption \( c \), \( f_w^0(c) \geq g_w^0(c) \). By contrast, we set \( f_h^0(c) = g_h^0(c) \), i.e., the husband's marginal utility of consumption is independent of his marital status.

**Effect of a Change in Dowry on Intra-household Allocation.** We first compute the change in the share of marital gains dissatisfied husbands demand in equilibrium following a change in dowry \( D \). Consider equation (2) with \( \sigma = 1 \). Then, by implicit differentiation,

\[
\frac{\partial \bar{Y}(1)}{\partial D} = 1 - \frac{g_w'(Y_w - D)}{f_w'(Y_w - D + (1 - \bar{Y}(1))M)} \cdot \frac{1}{M}.
\]

Whether a decrease in dowry leads to an increase or a decrease in the husband’s share depends on the wife’s marginal utility of consumption when married versus separated and on the gains from marriage. Define \( R_w = \frac{g_w'(Y_w - D)}{f_w'(Y_w - D + (1 - \bar{Y}(1))M)} \) and note that the value of \( R_w \) may be determined by the degree of social stigma associated with separation or women living alone. When social pressure is high enough to, e.g., affect women’s emotional well-being, a woman’s marginal utility of consumption when married may be higher than her marginal utility of consumption when separated. This may hold in spite of the concavity of \( g_w(\cdot) \) and \( f_w(\cdot) \) and higher consumption when married. In these cases, \( R_w \) is less than one, the derivative in equation (5) is negative, and a decrease in dowry would increase the share of marital gains devoted to the husband. When \( f_w'(c) = g_w'(c) \) (e.g., in contexts where social stigma against separation is not so harsh to impact women’s preferences), equation (5) is unambiguously positive due to concavity. Whether social stigma is low enough to rationalize such positive responses is an empirical question, which we address in Section 4.

Next, we analyze how the impact of dowries on intra-household allocation changes with gains from marriage. To this end, we compute the cross-derivative of \( \bar{Y}(1) \) with respect to both \( D \) and \( M \). A positive cross-derivative indicates that any effect on \( \bar{Y}(1) \) induced by a change in dowry increases as \( M \) increases. Conversely, a negative cross-derivative indicates that any effect of dowry payments on the share of marital gains commanded by the husband is lower for higher values of \( M \). If the cross-derivative is zero, then equation (5) is independent of \( M \). In Appendix C, we show that the sign of the cross-derivative also depends on the value of \( R_w \), that is, on the degree of social stigma against separation.

18Sharma (2011) and Pachauri (2018) document a significant impact of separation and divorce on women’s emotional and mental health. As discussed in Ragavan et al. (2015), "[If a woman gets a divorce] they [her family, the community] will think badly of her. They will think she had an affair or did something wrong, and for those reasons she asked for a divorce. Even if her husband made a mistake, and she did nothing wrong, the whole community will still think that the woman is wrong."

19Note that these are stronger assumptions than necessary. For our comparative statics results, we only require that \( f_w'(Y_w - D) \geq g_w'(Y_w - D) \) and \( f_h'(Y_h + D) = g_h'(Y_h + D) \). Also, while the latter equality assumption can be relaxed, doing so does not add much to our analysis.

20Note that this prediction differs from Bloch and Rao (2002), who show that an increase in dowry would unambiguously lead to a decrease in the post-marital transfer demanded to the wife’s family. This discrepancy arises from the fact that Bloch and Rao (2002) excludes the existence of any gains from marriage so that women’s consumption is the same when married or unmarried. Moreover, they assume that preferences for consumption are the same inside or outside of the marriage so that their marginal utility of consumption is the same independent of their marital status.

21In Section D in the Appendix, we derive comparative statics results in the case of Cobb-Douglas utilities. Doing so provides additional insights on the \( R_w < 1 \), \( R_w = 1 \) and \( R_w > 1 \) conditions.

22In Appendix C, we also show that the sign of the cross-derivative of \( \bar{Y}(1) \) with respect to dowry and the wife’s human capital is ambiguous. So, in our model and consistent with our data (see Section 4), increases in a woman’s human capital need not offset any increase in the share of surplus allocated
Figure 2: Effect of a Change in Dowry on Intra-Household Allocation

![Graph showing the effect of changes in dowry on intra-household allocation.](graph)

NOTES: Panel A plots \( \frac{\partial \gamma_1}{\partial D} \) against \( R_w \). Lower values of \( R_w \) represent higher levels of social stigma. The derivative is negative when \( R_w < 1 \) and positive when \( R_w > 1 \). Panel B plots \( \frac{\partial \gamma_1}{\partial M} \) against \( M \), under the assumption that \( R_w < 1 \). As \( M \) increases, the derivative increases. Panel A of Figure A3 in the Appendix plots \( \frac{\partial \gamma_1}{\partial D} \) against \( M \), under the assumption that \( R_w > 1 \).

Figure 2 provides a graphical illustration of these results. When \( R_w < 1 \), we should expect the share of marital gains commanded by the husband to increase following a reduction in dowry (Panel A). Such a reallocation should be less severe for couples with substantial gains from marriage (Panel B).

**Effect of a Change in Dowry on Domestic Violence.** To understand how a change in dowry impacts domestic violence, we analyze how such change would impact \( \kappa^* \) (i.e., the maximal cost of violence that dissatisfied husbands are willing to face in order to command a reallocation of resources and avoid separation). When \( \kappa^* \) increases, the probability that the husband exercises domestic violence increases; vice versa, if \( \kappa^* \) decreases, then a higher fraction of dissatisfied husbands refrains from exercising violence. In equilibrium, such threshold is defined by

\[
\kappa^* = f_h(Y_h + D + \tilde{\gamma}(1)M) + \phi_h(x_h, x_w, 0) - f_h(Y_h + D) - \psi_h(x_h, m). \tag{6}
\]

So,

\[
\frac{\partial \kappa^*}{\partial D} = R_w f_h'(Y_h + D + \tilde{\gamma}(1)M) - f_h'(Y_h + D). \tag{7}
\]

Recall that, given equation (5) and given that \( f_w(\cdot) \) and \( g_w(\cdot) \) are increasing functions, \( R_w \) is always positive. If \( R_w \leq 1 \), the derivative in equation (7) is unambiguously negative due to the concavity and any decrease in dowry would increase the probability of domestic violence. The sign of \( \frac{\partial \kappa^*}{\partial D} \), however, is ambiguous overall. The derivative in equation (7) is negative as long as \( R_w < R_h \), with \( R_h = \frac{f_h'(Y_h + D)}{f_h(Y_h + D) + \tilde{\gamma}(1)M} \).

So, whether a decrease in dowry increases domestic violence depends not only on the wife’s relative marginal utility of consumption inside vs. outside the marriage (our proxy for social stigma) but also on her husband’s and on the extent of marital gains. In a context like India with high social stigma against separation which is particularly strong for women, we expect the probability of domestic violence to increase following a decrease in dowry payments (see Panel A of Figure 3).

Our analysis of the cross-derivative of \( \kappa^* \) with respect to \( D \) and \( M \) yields some additional insights. As we show in Appendix C, \( \frac{\partial^2 \kappa^*}{\partial D \partial M} \) is always negative. So, any increase in violence following a decrease in to the husband following a decrease in dowry. This is important to keep in mind when considering the extension to our baseline model discussed in Section 3.4.

14
Figure 3: Effect of a Change in Dowry on Domestic Violence

\[
\frac{\partial x^*}{\partial D} \quad \text{and Social Stigma}
\]
\[R_w \quad \text{high Stigma} \quad 1 \quad R_h \]

(A) \[\frac{\partial x^*}{\partial D} \text{ and Social Stigma} \]

\[
\frac{\partial x^*}{\partial D} \quad M
\]

(B) \[\frac{\partial x^*}{\partial D} \text{ and Marital Gains } (R_w < 1) \]

Notes: Panel A plots \( \frac{\partial x^*}{\partial D} \) against \( R_w \). Lower values of \( R_w \) represent higher levels of social stigma. The derivative is negative when \( R_w < R_h \) and positive when \( R_w > R_h \). Panel B plots \( \frac{\partial x^*}{\partial D} \) against marital gains (\( M \)), under the assumption that \( R_w < 1 \). As \( M \) increases, the derivative decreases. Panel B of Figure A3 in the Appendix plots \( \frac{\partial x^*}{\partial D} \) against \( M \), under the assumption that \( R_w \geq 1 \).

dowry would be particularly strong when gains from marriage are high (see Panel B of Figure 3).

**Effect of a Change in Dowry on Separations.** Recall that, in the last stage of the game, the husband decides whether to separate from his wife and that, in equilibrium, only dissatisfied husbands with a high cost of violence separate. Thus, any change in dowry payments would have an impact on separations that is the reverse of its impact on domestic violence: when social stigma against separation is high, a decrease in dowry should decrease separations. Once again, it is important to note that dowry payments do not affect the husband’s level of satisfaction with the marriage, which we model as his private type drawn by nature at the time of marriage. Instead, a dowry increases the husband’s consumption level both within and outside of the marriage (in line with marriage practices, dowries are not returned to the bride or her family in case of separation). This feature of the model is critical to make sense of the predicted relationship between dowries and separations.

### 3.4 Endogenous Dowry and Human Capital

So far, we have taken dowry payments and the bride’s characteristics as given. In Section E.3 in Appendix, we provide an extension to our model that includes a pre-marital bargaining game between the bride’s family and the groom (or his family). We interpret this first stage, which we briefly summarize below, as one in which parents make decisions about how much to invest in the human capital of their daughter and about how much to save for a future dowry (Anukriti et al., 2019). For simplicity, we abstract from the specific process through which potential grooms match with brides.

In line with the social norms in the Indian context, we assume a very high social cost of a daughter remaining unmarried (as in Borker et al. (2017)). So, parents strictly prefer their daughters to be married relative to them remaining unmarried. Before the marriage takes place, the bride’s parents make a take-it-or-leave-it offer to the groom. This offer consists of the dowry payment and a set of bridal characteristics, including her human capital.\(^{23}\) At this stage, the marriage characteristics, the cost of domestic...

\(^{23}\)We can interpret these characteristics as increasing a bride’s overall attractiveness. As in Bloch and Rao (2002), we also assume that the bride’s family has all the bargaining power in this stage. Differently from Bloch and Rao (2002), we consider pre-marital decisions not only about \( D \), but also about \( x_w \).
violence, and the future marriage market conditions are unknown to the potential groom and the bride's parents (although their distributions are known). The groom decides to accept or reject the offer based on how his expected utility from marriage fares relative to his reservation utility. His expected utility from marriage takes into account the three possible post-marital scenarios discussed before (that he is satisfied, dissatisfied but non-violent, or dissatisfied and violent), while his reservation utility depends on his income, human capital, and the current marriage market conditions.

In equilibrium, the bride's parents' offer makes the potential groom indifferent between accepting and rejecting the marriage proposal. Since the groom values consumption as well as his future wife's human capital, and parents strictly prefer to have their daughter married over remaining unmarried, a decrease in dowry would lead to an increase in the human capital of future brides. However, the impact of a change in human capital on domestic violence, intra-household resource allocation, and marital dissolution is ambiguous (see Section C in the Appendix). So, an increase in women's human capital may not help offset the negative consequences of lower dowries. In Section 5, we explore this issue empirically.

3.5 Summary of the Model Predictions

Our theoretical framework illustrates the relationship between dowry payments, the allocation of marital gains, and the occurrence of domestic violence and separation. It also describes the link between parental investment in the human capital investment of future brides and dowry payments. Our model incorporates many features of the Indian cultural and social norms associated with marriage, including the widespread social stigma associated with separation. This stigma can have significant consequences not only for the material but also for the spouses' emotional well-being, especially for women. The main predictions of the model can be summarized as follows.

**Prediction 1.** If social stigma against separation is high, the share of marital gains commanded by the husband increases following a decrease in dowry.

**Prediction 2.** If social stigma against separation is high, the probability of domestic violence increases following a decrease in dowry.

**Prediction 3.** The effect of a decrease in dowry on the share of marital gains commanded by the husband and on the probability of domestic violence weakens as social stigma against separation decreases. If social stigma against separation is low enough, the husband's share of marital gains and the probability of domestic violence decrease following a decrease in dowry.

**Prediction 4.** The effect of a decrease in dowry on the share of marital gains commanded by the husband weakens as marital gains increase. The effect of a decrease in dowry on the probability of domestic violence strengthens as marital gains increase.

**Prediction 5.** If social stigma against separation is high, the probability of separation decreases following a decrease in dowry. The effect of a decrease in dowry on separations strengthens as marital gains increase.

**Prediction 6.** Parental investments in the human capital of future brides increase following a decrease in (expected) dowry payments.
4 Empirical Strategy

4.1 Data and Measurement

To our knowledge, no dataset exists for India recording dowry payments, women’s decision power and living arrangements, and information about domestic violence against women. So, for our empirical application, we rely on two separate data sources: data on dowry payments are from the 1999 Rural Economic and Demographic Survey; data on intra-household decision-making power, domestic violence, and separations are from the 2005-2006 National Family Health Survey.

Dowries. The Rural Economic and Demographic Survey (hereafter REDS) is a detailed panel survey of rural households conducted by the National Council of Applied Economic Research. The survey covers sixteen of the most populous states in India and contains detailed retrospective information on year of marriage and marital transfers for the household head, their parents, their sisters and brothers, and their daughters and sons. It also includes socio-economic and demographic traits.

Note that information on dowries is rare as dowries are illegal. Thus, a typical approach is to ask indirect questions about dowry payments. The India Human Development Survey, for instance, asks questions about total marriage expenditure by families that are similar to the respondent’s family, but not actual payments by brides and grooms in the surveyed households. Such questions are of limited use for analysis like ours (in Appendix B, however, we document a positive and significant correlation between REDS and IHDS dowry data). The REDS dataset instead reports the monetary value of marital transfers made from the family of the bride to that of the groom in each marriage as well as transfers from the family of the groom to that of the bride. Since marriage-related events are particularly salient to households and dowry payments are conspicuous, we can expect respondents to remember them relatively accurately (Chiplunkar and Weaver, 2019) (see Appendix B for an analysis of misreporting of dowry data). Based on these data, we construct our outcomes of interest: gross dowry (the value of transfers made to the groom’s family at the time of marriage), net dowry (defined as gross dowries minus the value of transfers made from the groom’s family to the bride’s family), and an indicator variable for whether the marriage involved a positive transfer from the bride’s family to the groom’s family. We use the national consumer price index to convert all nominal payments to 1999 Rupees.

From the 1999 REDS round, we select a sample of 17,897 marriages that took place between 1975 and 1999. Figure A4 in the Appendix shows the distribution of gross and net dowries in our sample. The average gross dowry is about 38,000 Rupees ($4,104 PPP), the average net dowry is about 25,000 Rupees ($2,699 PPP), and respondents reported that dowries were paid in 90.4 percent of marriages (see Table A1 in the Appendix). The average year of marriage in the sample is 1986, while the median is 1985. All respondents live in rural areas, and they are primarily Hindu (though Muslims account for 6.7 percent of the sample). More than half of the sample belongs to Scheduled Castes, Scheduled Tribes or other

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24 Data on transfers from the family of the groom to that of the bride are missing for 40 percent of marriages. Missing information may indicate that there was no transfer from the groom's family to the bride's family. In this case, gross and net dowries would coincide. We err on the side of caution and treat these observations as having missing net dowries.

25 Compared to the most recent round of REDS (which was collected in 2006), the 1999 round has three advantages. First, while in the 1999 round surveyors directly asked questions about “dowry” payments, the 2006 round reports the total value of “gifts given or received” at the time of marriage. Such gifts may include gifts from her family to the bride herself, which would not be subject to the Dowry Prohibition Act and its amendments. Second, the 1999 round includes a larger number of marriages (approximately 3,000 more marriages) that took place in the decades before and after the 1985-1986 reforms, therefore ensuring more balanced treatment and control groups. Third, the 1999 round allows us to distinguish between cases when respondents could not recall dowry payments and when they paid zero dowry. By contrast, the 2006 round records a missing value when the respondent states that no dowry was paid.
backward castes. Educational attainment is low, with average years of schooling being four and five for women and their spouses, respectively.

**Intra-household Allocation, Domestic Violence, and Separation.** One well-known issue in empirical applications of household economics is that the allocation of gains from marriage (or of household resources in general) is not directly observable. We overcome this data limitation by using self-reported measures of women’s decision-making power to construct proxies for the share of gains from marriages commanded by the wife (i.e., $1 - \gamma$). The National Family Health Survey (NFHS) contains information about both a woman’s involvement in household decisions and domestic violence. The survey also provides information on year of marriage and religion as well as women's current marital status, educational attainment, anthropometric indicators, and other demographic and socioeconomic traits. To ensure an adequate number of marriages before and after the 1985-1986 anti-dowry law amendments, we use data from the 2005-2006 round. To ensure comparability with our analysis of dowry payments, we select a sample of more than 65,000 married women whose marriage took place between 1975 and 1999.

As we report in Table A2 in the Appendix, slightly more than half of the women in our sample reside in rural areas, 75 percent are Hindu, 13 percent are Muslim, and two-thirds married after 1985. For women, the average age is 34, and the average schooling is five years. For their husbands, the average age is 40, and the average schooling is seven years. The descriptive statistics for domestic violence in our sample are in line with those discussed in Section 2. More than 10 percent of women report having experienced injuries caused by the husband or severe physical violence, and one-third of women report ever experiencing less severe physical violence. Questions about injuries caused by the husband are quite detailed: 33 percent of women report cuts, bruises, or aches, 8 percent report eye injuries, sprains, dislocations, or burns (2 percent report severe burns), and 6 percent report deep wounds, broken bones, broken teeth, or any other serious injury. Based on these reports, as well as on general questions about experiences of different types of domestic violence, we construct an ordinal measure of violence, which ranges between 1 and 6. Conditional on ever experiencing any injuries or violence, a woman experiences two types of injuries, on average.

For a number of household decisions, the survey asks respondents about their degree of involvement in the decision-making process. We construct several indicator variables for whether the respondent reports participating in the decision-making process and zero otherwise. One in three women in our sample has no say in decisions about household purchases; in one out of six families, the husband is in charge of all decisions regarding contraception and his wife’s health care. To capture the scope of women’s decision-making power, we also consider the number of decisions she reports being involved in (conditional on being involved in at least one). This variable ranges between 1 and 6 and is based

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26Recent papers have developed and applied methodologies to structurally estimate the share of resources allocated to husbands and wives under the assumption of efficient household behavior. See e.g. Calvi (2019), Calvi et al. (2017) and Calvi and Keskar (2020) for applications using Indian data, based on methodologies developed by Browning et al. (2013) and Dunbar et al. (2013).

27While these measures have been widely used in the literature, we acknowledge some important limitations. First, having a say in decisions at all may not always be empowering to women. Moreover, some areas of decision-making may be more desirable than others and therefore reflect higher decision-making power (Heath and Tan, 2019). Browning et al. (2013) provide theoretical foundations of a monotonic correspondence between women’s bargaining power and the share of resources they control. Calvi et al. (2017) and Calvi and Keskar (2020) show, using Indian data, that self-reported measures of decision-making power are positively correlated with structurally-estimated shares of household consumption.

28Clearly, one concern about using self-reported occurrences of domestic violence is misreporting (Alderman et al., 2013). Looking at a sample of women in Peru, Agüero and Frisancho (2017) employ indirect questioning techniques to measure the misreporting of intimate partner violence when using direct questions (such as those included in the NFHS). They find that, on average, there are no significant differences in direct versus indirect questions. However, they find significant underreporting of violence for highly educated women. Since education levels are quite low in our context, concerns about misreporting may be less critical. Moreover, we are not using these reports as explanatory variables, which reduces our concern about measurement error biasing our estimates.
on women’s answers to questions regarding decisions over large and small household purchases, how to spend their husband’s money, health and contraception decisions, and decisions about what to cook.

4.2 Identification Strategy

The Dowry Prohibition Act and its amendments explicitly exclude marital transfers governed by the Muslim Personal Law. Consistently with the scope of the law, dowry payments for non-Muslim declined substantially after the introduction of the 1985-1986 reforms, while marital transfers for Muslims were virtually unaffected (see Figure A5 in the Appendix). For our identification strategy, we exploit this difference by religion as well as the timing of the marriages. We consider the following specification:

\[ y_i = \beta_1 \text{Post}_i \times \text{Non-Muslim}_i + \beta_2 \text{Post}_i + \beta_3 \text{Non-Muslim}_i + X_i' \gamma + \alpha_c + \alpha_s + \epsilon_i, \tag{8} \]

where \( y_i \) is the outcome of interest for woman \( i \) and \( \text{Post}_i \) is an indicator variable equal to one if woman \( i \) got married in or after 1986; \( X_i \) is a vector of individual and household level exogenous covariates (indicator variables for religion, for living in rural areas, and for being part of disadvantaged social groups such as Scheduled Castes, Scheduled Tribes or other backward castes); \( \alpha_c \) are women’s birth-cohort fixed effects and \( \alpha_s \) are state fixed effects. \( \beta_1 \) is the parameter of interest and represents the treatment effect of being exposed to the 1985-1986 tightening of anti-dowry laws in India. Unless otherwise noted, we estimate equation (8) with OLS, using a sample of married women, who got married between 1975 and 1999. Standard errors are clustered at the state level. Whenever appropriate, we account for multiple hypothesis testing and apply the Romano-Wolf step-down procedure to compute adjusted p-values (Romano and Wolf, 2005a,b, 2016).

We start by establishing that the amendments were successful at reducing dowries. To this aim, we estimate equation (8) with measures of dowry payments as outcomes. A threat to the identification of \( \beta_1 \) is that a woman’s exposure to the reforms is determined by her year of marriage, which is an endogenous choice. If the timing of marriage responded to the amendments, our estimates of treatment effects would be biased due to selection. To address this concern, we pursue several strategies. First, we exclude from the analysis women who got married right around the reforms, whose marriage could be more easily scheduled before or after the amendments according to their family’s or their husbands’ family’s preferences. Second, we estimate an intent-to-treat effect and compare older women to women who were young enough at the time of the amendments and, therefore, likely to be unmarried. Third, we apply an instrumental variable approach and use women’s eligibility to the amendments as an instrument for their actual exposure.

Next, we test the model predictions we outlined in Section 3.3. We test Predictions 1 and 2 by estimating the regression model in equation (8) using NFHS responses to questions on domestic violence and intra-household decision-making as outcomes of interest. To test whether the impact of an exogenous decrease in dowry on the women’s decision power varies with societal norms about divorce and separation (Prediction 3), we check whether \( \beta_1 \) is lower in villages with higher rates of divorced or separated women or in urban, possibly more progressive, areas. We also check whether the Dowry Protection Act amendments had weaker effects in North-East and South India, where marriage dissolution rates are

29The validity of our empirical strategy relies on the parallel trend assumption, which requires that in the absence of the 1985-1986 amendments, the evolution of dowry payments, domestic violence, women’s decision power and human capital, and separations should have been the same for Muslims and non-Muslims. In Appendix F, we confirm the validity of this assumption.
higher than in other parts of the country (Dyson and Moore, 1983; Rahman and Rao, 2004). A central assumption of household economics is that children provide union-specific utility to parents. This is particularly true in the Indian context, where out-of-wedlock fertility is rare. According to the World Values Survey (1990-1994), four out of five women in India consider children a critical component of a successful marriage. So, in the spirit of Becker (1973, 1991), we use fertility outcomes and fertility preferences to construct measures of gains from marriage. We then test Prediction 4 by allowing $\beta_1$ to vary with these measures. If the data support this prediction, we expect $\beta_1$ to be decreasing in gains from marriage when we use women’s decision-making power as the dependent variable. By contrast, we expect the effect of the anti-dowry reforms on domestic violence to be increasing in gains from marriage.

To test Prediction 5, we estimate the impact of the 1985-1986 amendments on the probability of being divorced or separated. Since divorce is extremely rare and may be suffering from underreporting due to social stigma, we define women to be separated if they report not living together with their husbands. Finally, we test Prediction 6 by comparing the human capital outcomes of women who were exposed to the amendments to those of women who were not. Since we expect younger girls to be more responsive to changes in human capital investment (especially for outcomes such as height and primary school completion), we estimate different effects based on the age of women at the time of the reform.

One might worry that, during our period of analysis, other policies were implemented that may have had an impact on dowry payments and women’s outcomes. We are primarily concerned about two sets of reforms that had different impacts by religion. The first set consists of early amendments to the Dowry Prohibition Act. Between 1975 and 1976, the states of Bihar, Punjab, Himachal Pradesh, Haryana, West Bengal, and Orissa introduced local amendments, increasing penalties for requesting, receiving, or giving a dowry. Though the prescriptions of the local amendments were more moderate than those introduced in 1986 nationwide, we check that the impact of the reforms is not limited to these early amended states. The second set of reforms pertains to amendments to the Hindu Succession Act that equalized women’s inheritance rights to men in several Indian states between 1976 and 2005. These reforms only applied to Hindu, Buddhist, Sikh or Jain women, who were not yet married at the time of the amendment in their state. Importantly for our analysis, Roy (2015) shows that women who were close to marriageable age at the time of the reform in their state subsequently made higher dowry payments to their husbands. We check that the Dowry Protection Act amendments affected dowry payments and women’s outcomes independently of their exposure to the inheritance rights reforms.

5 Results

We now present our empirical results. We begin by documenting a decline in dowries following the introduction of the Dowry Prohibition Act amendments. We then proceed by discussing the empirical

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30According to the 2011 Indian Census, marriage dissolution rates are particularly high in North-East states: Mizoram, for instance, has the highest divorce rate (4.08 percent, over five times the highest non-North-east state of Gujarat) and Meghalaya has the highest separation rate (3.42 percent, more than double the highest non-North-east state of Kerala). This is related to the relatively higher status of women in this region, partly due to the practice of matrilineal kinship systems and matrilocal residence among some tribes (Jacob and Chattopadhyay, 2016).

31Kerala in 1976, Andhra Pradesh in 1986, Tamil Nadu in 1989, and Maharashtra and Karnataka in 1994 passed reforms making daughters coparceners. National ratification of the amendments occurred in 2005. The effect of these reforms on women’s outcomes has been studied extensively. Deininger et al. (2013), for example, find evidence of an increase in women’s likelihood of inheriting land following the introduction of Hindu Succession Act amendments. Roy (2015) shows that the reforms increased female education, Heath and Tan (2019) argue that they increase women’s labor supply, and Calvi (2019) show that they increase women’s health outcomes as well as their control and access to household resources. Other related studies include Jain (2014), Anderson and Genicot (2015), Bose and Das (2015), Calvi et al. (2017) and Bhalotra et al. (2018).

32We wish to stress that Alfano (2017) has previously investigated the impact of these reforms on dowry payments. While our analysis is qualitatively in line with this previous work, we estimate a different empirical specification, unpack effects at the intensive and extensive margins, and address
results for women’s decision-making power, domestic violence, and separations, which we present in the order in which our predictions were introduced in Section 3.5.

5.1 Dowries

Table 1 contains the baseline estimates of the impact of the 1985-1986 reforms on dowry payments. The first four columns focus on dowry amounts over the full sample (Columns (1) and (2)) and a sample restricted to marriages with non-zero transfers (Columns (3) and (4)). In Columns (5), we study the probability of a marriage involving no dowry. In Columns (6), we estimate the effect of the reforms on the likelihood of missing dowry information, possibly related to respondents refusing to answer dowry-related questions.

We estimate that the 1985-1986 reforms to the Dowry Prohibition Act were successful at reducing dowries. Specifically, the amendments decreased gross and net dowries by approximately 11,000 and 6,000 Rupees over the full sample. To gauge magnitudes, these correspond to reductions in dowry payments by roughly 0.2 and 0.1 standard deviations, respectively. Such reductions result from changes occurring both at the extensive and intensive margins: on the one hand, we document a 6.2 percentage points increase in the probability that the marriage involved no transfer at all; on the other hand, we detect sizable and negative declines in dowry payments when we restrict our attention to non-zero transfers (though caution needs to be applied here, since we are restricting our sample based on outcomes). Importantly, the reforms did not have any impact on the probability of the information about dowry being missing or not reported, which curbs concerns related to changes in reporting following the introduction of the amendments (for a more detailed analysis of changes in misreporting of dowry amounts after the reforms, see Appendix B). As shown in Table A3, all results are robust to restricting the sample to marriages occurred before 1990.

All specifications in Table 1 include a set of individual exogenous controls, such as indicator variables for religion and caste, for marrying in or after 1986, for the state of residence, and the year of birth. In Tables A4 and A5 in the Appendix, we subject our findings to greater empirical scrutiny. First, we extend our battery of controls to include additional women’s, household’s, and spouse’s traits that may have been directly influenced by the reforms. We also consider specifications with district and district by religion fixed effects to account for additional sources of unobserved heterogeneity in dowry payments; to capture possible differences in the trajectories of dowry practices of Muslims and non-Muslims over time, we extend equation (8) to include religion-specific time trends. Our results are qualitatively and quantitatively confirmed.

As discussed in the previous section, we take several steps to address concerns about the possible endogeneity of treatment. In Table A6 in the Appendix, we show that excluding marriages that occurred between 1984 and 1987 does not substantially impact our estimates. The intent-to-treat estimates, where the treatment variable is defined as the interaction between an indicator variable for being non-Muslim and an indicator variable equal to 1 if the woman was 14 or younger in 1985 (hence, likely not married) and to zero if she was older than 23 (hence, likely married), and the 2SLS estimates also qualitatively confirmed concerns related to the possible endogeneity of time of marriage and changes in reporting.

33 The estimation of tobit models for censored outcomes yields qualitatively similar results, with gross dowries and net dowries declining by approximately 14,000 and 7,000 Rupees after the amendments. These effects are statistically significant at the 1 percent level. Our results are also quantitatively confirmed when we estimate probit regressions for binary outcomes. Finally, our results are robust to excluding or downweighting outliers. We estimated equation (8) after trimming or topcoding the top 1 and 5 percent of dowry amounts and after transforming dowry amounts using logarithmic or inverse hyperbolic sine transformations of the dowry amounts. The full set of estimates is available upon request.
Table 1: Dowries

<table>
<thead>
<tr>
<th>Post x Non-Muslim</th>
<th>Gross Dowry</th>
<th>Net Dowry (if &gt;0)</th>
<th>Net Dowry (if ≤0)</th>
<th>Zero Dowry</th>
<th>Missing Dowry</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(1)</td>
<td>(2)</td>
<td>(3)</td>
<td>(4)</td>
<td>(5)</td>
</tr>
<tr>
<td></td>
<td>-11.354**</td>
<td>-5.616**</td>
<td>-9.162*</td>
<td>-3.152</td>
<td>0.062**</td>
</tr>
<tr>
<td></td>
<td>(4.171)</td>
<td>(2.212)</td>
<td>(4.849)</td>
<td>(2.877)</td>
<td>(0.022)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Individual Controls</th>
<th>Yes</th>
<th>Yes</th>
<th>Yes</th>
<th>Yes</th>
<th>Yes</th>
<th>Yes</th>
</tr>
</thead>
<tbody>
<tr>
<td>State FE</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Year of Birth FE</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
</tbody>
</table>

| Obs. | 15,008 | 9,069 | 13,689 | 7,979 | 13,779 | 15,918 |
| R sq. | 0.244 | 0.150 | 0.250 | 0.179 | 0.136 | 0.249 |
| Mean Dep. Var. | 37.960 | 25.234 | 1.000 | 1.000 | 0.096 | 0.147 |
| FWER Adj. P-values | 0.004 | 0.004 | 0.024 | 0.168 | 0.004 | 0.122 |

Notes: OLS estimates. Sample of women aged 15 to 49 in 2005, who married between 1975 and 1999. All dowry amounts are converted to 1999 Rupees (×1000). Gross dowry is the value of transfers made to the groom’s family at the time of marriage; net dowry is defined as gross dowries minus the value of transfers made from the groom’s family to the bride’s family; zero dowry is an indicator variable for whether the marriage involved no transfer from the bride’s family to the groom’s family; missing dowry is an indicator variable for whether survey entry for gross dowry amount is missing. Only marriages with non-zero dowry are considered in Columns (3) and (4). Marital transfers from the groom to the bride are missing for several observations, which explains the smaller estimation sample in Column (2) relative to Column (1). Individual controls include indicator variables for being Muslim, Christian or Hindu, for year of marriage after 1985, for type of residence (rural or urban), and for belonging to schedule caste, schedule tribe or other backward caste. Standard errors (in parentheses) are clustered at the state level. ***, **, * mean statistical significance at 1, 5 and 10 percent levels. The Romano-Wolf FWER adjusted p-values are based on 500 bootstrap replications.

confirm our findings. These estimates, however, are larger in magnitude compared to those reported in Table 1, suggesting that the parents who may have decided to delay the marriage of their daughters were exactly those who would have paid higher dowries absent the reforms. Alternatively, the OLS estimates may be biased towards zero because of measurement error.34

Our identification strategy relies on the absence of pre-treatment differences in dowry practices between Muslims and non-Muslims. While we defer our detailed investigation about the parallel trends assumption to Section F in the Appendix, in Table A7 we assess the role of other reforms that also applied to some religions but not others, and that may have impacted dowry payments over our period of analysis. We estimate our baseline model over restricted samples reflecting women’s exposure to the Hindu Succession Act amendments as well as their exposure to early, state-level amendments of the Dowry Prohibition Act. Our findings are confirmed under both sample restrictions.35

5.2 Predictions 1 to 4: Women’s Decision Power and Domestic Violence

Predictions 1 and 2. If social stigma against marital dissolution is high, Predictions 1 and 2 state that women exposed to the reforms should have lower decision-making power in their marital families and should face a higher likelihood of domestic violence, on average. If social stigma is low, we may

34We only observe the year of marriage, but not the exact month in which the marriage took place. Moreover, for the marriages of siblings, parents, or even daughters, we can expect some recall error in the year of marriage.

35As pointed out by Chiplunkar and Weaver (2019), there are some inconsistencies in how the REDS surveyors administered dowry-related questions. In Karnataka, for instance, zero dowries were recorded as missing values. In Maharashtra, surveyors successfully recorded whether respondents paid a dowry, but were unable to elicit the precise amount. Data from Orissa, Andhra Pradesh, Gujarat, and Tamil Nadu also presented some minor inconsistencies. As a final robustness check, we exclude from the estimation sample marriages that took place in these states. Our results (which are also reported in Table A7) are essentially unchanged.
see an increase in women’s decision-making power and a decrease in domestic violence following the amendments.

Table 2 reports the estimated impact of the Dowry Prohibition Act amendments on women’s participation in family decisions. The table reports estimates of linear probability models. The estimation of probit models for binary outcomes delivers estimated effects that are quantitatively similar and significantly smaller standard errors (results are available upon request). In Columns (1) and (2), the dependent variables are an indicator variable equal to one if the woman reports being involved in at least one financial or health-related decision (see Section 4.1 for details) and the number of decisions she has a say in (conditional on being involved in at least one decisions). So, our first specification aims at assessing the impact of the reforms on women’s decision-making power at the extensive margin, while our second specification focuses on the intensive margin. In line with the prediction of our model and a widespread societal attitude against separation, we find that women’s decision-making power declines following the introduction of the 1985-1986 reforms: women exposed to the reforms are 2.6 percentage points less likely to being involved in household decisions, on average (approximately 3 percent); if they are at all involved, the scope of their involvement declined by approximately 2.9 percent (once again these results need to be interpreted with caution, as we are restricting the estimation sample based on an outcome).

To better understand these results, we estimate equation (8) using indicators for specific decisions as dependent variables (Columns (3) to (6)). The estimated coefficients are negative and statistically significant for infrequent and possible more consequential decisions, such as large household purchases and a woman’s health care (including decisions about contraception). We also document a reduction in women’s decision-making power regarding how to spend their husband’s earnings. By contrast, we do not find exposure to the anti-dowry reforms and the consequent decline in dowry to change women’s involvement in daily decisions such as small household purchases or what to cook.36

We present the estimation results for the domestic violence outcomes in Table 3. Following a structure similar to Table 2, the first two columns feature, as outcomes, an indicator for a woman ever suffering injuries due to her husband’s actions and the number of different types of injuries she has suffered, respectively. As we described in Section 4.1, the array of injuries we consider include eye injuries, sprains, dislocations, burns, deep wounds, broken bones or teeth, or any other serious injury. In line with Prediction 2, women’s exposure to the Dowry Prohibition Act amendments increases their likelihood of being victims of domestic violence, both at the extensive and (in a slight misuse of terminology) at the intensive margin. The estimated effects are sizable and indicate that the reforms increased the likelihood of wife-abuse by 1.9 percentage points (15.8 percent). Conditional on ever experiencing violence by their husbands, treated women suffer a wider array of injuries.

In Columns (3) to (6), we exploit additional survey questions about women’s experience of physical, sexual, and emotional violence by the husband. While all the point estimates support the existence of a positive association between women’s exposure to the amendments and their likelihood to be abused by their husbands, the estimated coefficients for women’s exposure to sexual and emotional violence are not statistically significant at conventional levels. By contrast, we find that the amendments substantially increased the likelihood of severe and less severe physical violence (by 3.4 percentage points and 2.9

36 Contrary to the NFHS, which does not include direct questions about women’s control over resources, REDS asks the following questions to married women aged 15-60: “Your household spends some amount on [X] items. How much of this amount is handled by you personally?,” with [X] being food or clothing. Possible answers are “all,” “most,” “little,” or “none.” Based on these questions, we find that women’s control over food and clothing expenditures decreases following the amendments, which provides further evidence supporting Prediction 1. We do not present these results for brevity, but they are available upon request.
### Table 2: Prediction 1: Women’s Decision Power

<table>
<thead>
<tr>
<th>Type of Decision</th>
<th>Any Decision</th>
<th>Number of Decisions (if &gt;0)</th>
<th>Post × Non-Muslim</th>
<th>Individual Controls</th>
<th>State FE</th>
<th>Year of Birth FE</th>
<th>Obs.</th>
<th>Mean Dep. Var.</th>
<th>R sq.</th>
<th>FWER Adj. P-values</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(1)</td>
<td>(2)</td>
<td>(3)</td>
<td>(4)</td>
<td>(5)</td>
<td>(6)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Household</td>
<td>-0.026^*</td>
<td>-0.125**</td>
<td>-0.056***</td>
<td>-0.029*</td>
<td>-0.025*</td>
<td>-0.017</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchases</td>
<td>(0.014)</td>
<td>(0.052)</td>
<td>(0.017)</td>
<td>(0.016)</td>
<td>(0.014)</td>
<td>(0.016)</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Health &amp;</td>
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<tr>
<td>Contracept.</td>
<td></td>
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<td></td>
<td></td>
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<tr>
<td>Husband’s Money</td>
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<tr>
<td>Daily Decisions</td>
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<td></td>
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</tr>
</tbody>
</table>

**NOTES:** OLS estimates. Sample of women aged 15 to 49 in 2005, who married between 1975 and 1999. In Column (1), the dependent variable is an indicator variable for whether the woman reports being involved in one of these decisions: large and small household purchases, own health, and contraception; in Column (2), the dependent variable ranges between 1 and 6, and equals the sum of indicator variables for women being involved in large household purchases, small household purchases, how to spend her husband’s money, own health, contraception, and what to cook (conditional on being involved in at least one decision). Daily decisions include small household purchases and what to cook. Individual controls include indicator variables for being Muslim, Christian or Hindu, for year of marriage after 1985, for type of residence (rural or urban), and for belonging to schedule caste, schedule tribe or other backward caste. Standard errors (in parentheses) are clustered at the state level. ***, **, * mean statistical significance at 1, 5 and 10 percent levels. The Romano-Wolf FWER adjusted p-values are based on 500 bootstrap replications.

To gauge the magnitudes of the estimated effects presented in Tables 2 and Tables 3, we compare them to alternative policies. For example, Heath and Tan (2019) estimate that amendments to Hindu Succession Act (that equalized inheritance rights for women and men in several Indian states between 1976 and 2005) increased women’s participation in decisions about large purchases by 10 percentage points, about their health by 5 percentage points, and about how to spend their husbands’ money by 3 percentage points (though this coefficient is not statistically different from zero). Sunder (2020) show that women’s exposure to the District Primary Education Programme (a flagship policy of the Indian government in the 1990s, which led to the construction of over 160,000 new schools and boosted female primary school completion rates by 12 percentage points) increased women’s participation in household spending decisions by 8 percentage points. In the Kenyan context, Haushofer et al. (2019) find that a large cash transfer targeting men (approximately equal to $700 PPP, on average) decreased the likelihood of women being slapped by the husband by 10 percentage points (32 percent) and kicked, dragged, or beaten by 9 percentage points (59 percent). In our context, the Dowry Prohibition Act amendments (which reduced gross dowries by roughly $1,200 PPP and net dowries by $600 PPP) increased the likelihood of severe and less severe physical violence by 33 and 9 percent, and the likelihood of ever suffering any injury by the husband by 16 percent.

We perform a series of robustness checks to test the sensitivity of these findings. The results of these checks are reported in Tables A8, A9, and A10 in the Appendix. First, we do not find the inclusion of potentially endogenous covariates to impact our findings. Second, we confirm that our results are robust to more restrictive specifications that include state by cohort fixed effects, state by religion fixed...
### Table 3: Prediction 2: Domestic Violence

<table>
<thead>
<tr>
<th>Type of Violence</th>
<th>Any Injury</th>
<th>Number of Injuries (if &gt;0)</th>
<th>Severe Violence</th>
<th>Less Severe Violence</th>
<th>Sexual Violence</th>
<th>Emotional Violence</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(1)</td>
<td>(2)</td>
<td>(3)</td>
<td>(4)</td>
<td>(5)</td>
<td>(6)</td>
</tr>
<tr>
<td>Post × Non-Muslim</td>
<td>0.019*</td>
<td>0.114*</td>
<td>0.034**</td>
<td>0.029**</td>
<td>0.011</td>
<td>0.008</td>
</tr>
<tr>
<td></td>
<td>(0.010)</td>
<td>(0.058)</td>
<td>(0.015)</td>
<td>(0.013)</td>
<td>(0.014)</td>
<td>(0.019)</td>
</tr>
</tbody>
</table>

**NOTES:** OLS estimates. Sample of women aged 15 to 49 in 2005, who married between 1975 and 1999. In Column (1), the dependent variable is an indicator variable for whether the woman reports ever suffering injuries caused by husband’s actions; in Column (2), the dependent variable ranges between 1 and 6, and equals the sum of indicator variables for women reporting even suffering severe or less severe physical violence, sexual violence, bruises, sprains or dislocations, wounds, broken bones or teeth, and burns by the husband (conditional on reporting at least one of them) Individual controls include indicator variables for being Muslim, Christian or Hindu, for year of marriage after 1985, for type of residence (rural or urban), and for belonging to schedule caste, schedule tribe or other backward caste. Standard errors (in parentheses) are clustered at the state level. ***, **, * mean statistical significance at 1, 5 and 10 percent levels. The Romano-Wolf FWER adjusted p-values are based on 500 bootstrap replications.

Third, we assess the sensitivity of our findings to restricting the sample to women who were not exposed to amendments to the Hindu Succession Act nor exposed to early amendments to the Dowry Prohibition Act. We show that our results are qualitatively confirmed over these two subsamples, and when we restrict our sample to the 17 states covered by REDS.

**Prediction 3.** Next, we study the presence of differential effects of the anti-dowry reforms by the level of social stigma against separation. Our model predicts that any impact on women’s decision-making power and the occurrence of domestic violence following a decrease in dowry should be stronger when social norms are such that marital dissolution may undermine a woman’s emotional and psychological well-being, and hence her preferences over consumption (Prediction 3). To test this prediction, we leverage the spatial variation in the degree of stigmatization of marital dissolution across India. Divorce and separations are more prevalent (and more accepted) in the North-Eastern states and in South India. Moreover, people in urban India, especially younger generations, adhere to less traditional ideas of marriage and are typically more open to marriage dissolution, divorce, and women’s autonomy more broadly.

Table 4 reports our estimation results. Each specification includes our baseline difference-in-difference terms, a set of indicators for areas with likely low(er) social stigma against marital dissolution, and their interactions. For brevity, we here focus on binary outcomes for women’s decision-making power and domestic violence (results are confirmed when using the full set of outcomes of Tables 2 and 3, and are available upon request). Consistent with our model, we find that the unintended negative effects of the 1985-1986 reforms on women’s decision-making power are mitigated in more progressive areas (Columns

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37Due to confidentiality requirements of HIV testing, the 2005-2006 NFHS dataset does not contain district identifiers.
Table 4: Prediction 3: Differential Effects by Social Stigma

<table>
<thead>
<tr>
<th></th>
<th>Any Decision</th>
<th>Any Injury</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(1)</td>
<td>(2)</td>
</tr>
<tr>
<td>Post × Non-Muslim</td>
<td>-0.029**</td>
<td>-0.037**</td>
</tr>
<tr>
<td></td>
<td>(0.014)</td>
<td>(0.016)</td>
</tr>
<tr>
<td>Post × Non-Muslim × Urban</td>
<td>0.010*</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(0.005)</td>
<td></td>
</tr>
<tr>
<td>Post × Non-Muslim × East India</td>
<td>0.009</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(0.021)</td>
<td></td>
</tr>
<tr>
<td>Post × Non-Muslim × West India</td>
<td>0.012</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(0.011)</td>
<td></td>
</tr>
<tr>
<td>Post × Non-Muslim × South India</td>
<td>0.028***</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(0.007)</td>
<td></td>
</tr>
<tr>
<td>Post × Non-Muslim × North East India</td>
<td>0.047***</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(0.010)</td>
<td></td>
</tr>
<tr>
<td>Post × Non-Muslim × High Divorce Rate</td>
<td>0.007</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(0.008)</td>
<td></td>
</tr>
</tbody>
</table>

Individual Controls: Yes Yes Yes Yes Yes Yes
State FE: Yes Yes Yes Yes Yes Yes
Year of Birth FE: Yes Yes Yes Yes Yes Yes
Obs.: 65,105 65,105 65,105 50,006 50,006 50,006
R sq.: 0.088 0.088 0.088 0.046 0.046 0.046
Mean Dep. Var.: 0.917 0.917 0.917 0.119 0.119 0.119

NOTES: OLS estimates. Sample of women aged 15 to 49 in 2005, who married between 1975 and 1999. Rural is the omitted category in Columns (1) and (4), North India is the omitted category in Columns (2) and (5), areas with low prevalence of divorce (below median) is the omitted category in Columns (3) and (6). Individual controls include indicator variables for being Muslim, Christian or Hindu, for year of marriage after 1985, for type of residence (rural or urban), and for belonging to schedule caste, schedule tribe or other backward caste. Standard errors (in parentheses) are clustered at the state level. ***, **, * mean statistical significance at 1, 5 and 10 percent levels.

(1) to (2)). Women exposed to the reforms are 2.9 percentage points less likely to be involved in family decisions in rural areas (the omitted category in Column (1)), while for women living in urban areas the estimated effect is not statistically different from zero. The most striking differences in the impact on the reforms on women’s decision power, however, are found across regions, with the nation-wide effects presented in Table 2 being driven mostly by North Indian states (which are often viewed as the most conservative and traditional states for gender norms). In this region (the omitted category in Column (2)), women exposed to the reforms are 3.7 percentage points less likely to be involved in household decisions relative to non-exposed women. Note that these spatial differences are present, though less pronounced, for the domestic violence outcomes (Columns (4) to (5)).

To measure the prevalence of divorce and separations at the village level, we compute the share of respondents within a primary sampling unit (which in the NFHS is a village in rural areas or a block in urban areas) who report being divorced, separated, or living apart from their spouse. In high-prevalence areas (i.e., in the top half of the distribution, where marital dissolution may be less stigmatized), the introduction of the Dowry Prohibition Act amendments had a weaker impact on women’s involvement in household decisions (the point estimate is -0.021, but not statistically different from zero). This pattern is qualitatively confirmed for the domestic violence outcome, with women experiencing a 1.2 percentage
point (9.5 percent) increase in violence in high-prevalence areas and a 2.3 percentage points (19 percent) increase in low-prevalence areas.  

**Prediction 4.** We now turn to Prediction 4, which states that the effect of a change in dowry payments varies with gains from marriage. Specifically, any impact on women’s decision-making power following a decrease in dowry should be weaker when gains from marriage are high; by contrast, the impact on domestic violence should be less pronounced when gains from marriage are low. As discussed in Section 4.2, we construct proxies for gains from marriage based on a couple’s fertility outcomes and preferences.

Table 5 reports estimates of the differential effects by gains from marriage of the anti-dowry reforms on women’s decision-making power and domestic violence. In Columns (1) and (4), we measure a couple’s marital gains with the number of children they have. The estimated coefficients are consistent with the model predictions. Women who were exposed to the anti-dowry reforms are 7.9 percentage points (8.6 percent) less likely to be involved in financial and health-related decisions if they have no children. These effects, however, are significantly weaker for women with children. In line with our model, the impact on wife-abuse is stronger when children are present, as indicated by the positive coefficients on the interaction terms in Column (4). In essence, exposure to the anti-dowry reforms increased domestic violence for women with and without children. However, the effect is more prominent (and statistically significant only) when children are present.

One might worry that more children do not necessarily yield higher gains. This is especially true if there is a mismatch between realized and desired fertility. One may expect gains from marriage to be the highest when the couple meets their fertility preferences, and the fertility is complete. In Columns (2) and (5), we estimate different effects by a couple’s achievement of their desired fertility, which we measure with an indicator variable equal to one if the number of children equals a woman’s ideal number of children and her spouse does not want any more (or any less) children. While the estimated coefficient is only significant for the violence outcome, both signs are as expected.

Finally, we use the gender of the first born child as an alternative measure of marital gains. While parental preferences for sons are widespread in India, the sex of the firstborn child is quasi-random (Bhalotra and Cochrane, 2010; Anukriti et al., 2016). We find that the impact of the policy on women’s decision power is mitigated when gains from marriage are high (i.e., when the first born child is male). We do not find any statistically significant difference for domestic violence.

**Discussion.** Taken together, the results presented so far are mostly consistent with Predictions 1 to 4 of our model. They also imply that the tightening of anti-dowry laws introduced by the Indian government between 1985 and 1986 had some unintended negative consequences for women’s welfare. The overall decline in women’s involvement in household decisions and the increase in domestic violence following the amendments (and the consequent decreases in dowry payments documented in Section 5.1) indicate that social stigma against separation in India is high, on average (that is, $R_w < 1$). We

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38 That we estimate a significant negative impact in low-prevalence areas is also consistent with our model, which predicts a decrease in domestic violence following a decrease in dowry only when $R_w > R_h > 1$ (i.e., the level of social stigma required for the sign of the effect to be reversed is lower for domestic violence than for women’s decision-making power).

39 Other well-intended policies have been recently found to generate unintended consequences in India. Anukriti (2018), e.g., shows that a program introduced in the state of Haryana to fertility-sex ratio trade-off, in fact exacerbated the problem and increased the sex-ratio through differential stopping behavior and sex selection at first and second parities. Studying the impact of the Child Labor (Prohibition and Regulation) Act, Bharadwaj et al. (2020) show that child wages decrease and child labor increases after the ban.
Table 5: Prediction 4: Differential Effects by Gains from Marriage

<table>
<thead>
<tr>
<th></th>
<th>Any Decision</th>
<th>Any Injury</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(1) (2) (3)</td>
<td>(4) (5) (6)</td>
</tr>
<tr>
<td>Post × Non-Muslim</td>
<td>-0.079***</td>
<td>0.007</td>
</tr>
<tr>
<td></td>
<td>(0.017)</td>
<td>(0.013)</td>
</tr>
<tr>
<td>Post × Non-Muslim × Number of Kids</td>
<td>0.022***</td>
<td>0.005*</td>
</tr>
<tr>
<td></td>
<td>(0.003)</td>
<td>(0.002)</td>
</tr>
<tr>
<td>Post × Non-Muslim × Completed Fertility</td>
<td>0.008</td>
<td>0.017*</td>
</tr>
<tr>
<td></td>
<td>(0.007)</td>
<td>(0.009)</td>
</tr>
<tr>
<td>Post × Non-Muslim × First Born Boy</td>
<td>0.015**</td>
<td>-0.003</td>
</tr>
<tr>
<td></td>
<td>(0.006)</td>
<td>(0.008)</td>
</tr>
</tbody>
</table>

Notes: OLS estimates. Sample of women aged 15 to 49 in 2005, who married between 1975 and 1999. Women with no children are in the omitted category in Columns (1) and (4); women whose ideal number of children is not yet met are in the omitted category in Columns (2) and (5); women with a female first-born child are in the omitted category in Columns (3) and (6). Individual controls include indicator variables for being Muslim, Christian or Hindu, for year of marriage after 1985, for type of residence (rural or urban), and for belonging to schedule caste, schedule tribe or other backward caste. Standard errors (in parentheses) are clustered at the state level. ***, **, * mean statistical significance at 1, 5 and 10 percent levels.

Our heterogeneity analysis by gains from marriage hinges on the assumption that any changes in dowry payments did not affect the number of children a couple decides to have. In our theoretical model, this assumption is reflected in gains from marriage being taken as given and not chosen strategically by the agents. While this is a challenging task, we attempt to empirically investigate the validity of this assumption by estimating the impact of the anti-dowry reforms on fertility. In Section 6, we compare the fertility preferences and outcomes of treated and untreated women and do not find noteworthy differences. Although these results provide suggestive evidence of the validity of our assumption, given the challenge of accurately measuring marital gains, we wish to interpret our test of Prediction 4 with caution.

As discussed in Section 3.4, the model predictions about how the effects of a change in dowry should vary with women’s human capital are ambiguous. Stating it differently, the impact of the amendments could be exacerbated or weakened or unchanged for women with higher human capital relative to women with lower levels of human capital. In Table A11 in Appendix, we estimate alternative specifications that allow for differential effects of the anti-dowry reforms on women’s decision-making power and domestic violence by women’s completed years of education. We do not detect any significant heterogeneity by human capital, suggesting that increases in women’s education, unfortunately, may not help curb the
negative consequences of reducing dowries for women’s post-marital welfare.

5.3 Prediction 5: Separations

We have documented a surge in domestic violence following the amendments to the Dowry Prohibition Act. The fifth prediction to emerge from our model states that the effect on the probability of separation should be the reverse. This prediction follows from the fact that, in equilibrium, only dissatisfied husbands with a high cost of violence choose to separate. So, we expect the decrease in dowries induced by the amendments to decrease the probability of separation.

The estimated effects reported in Table 6 are consistent with this prediction. Odd numbered columns report estimates of equation (8) featuring a binary indicator for a woman being divorced, separated, or living apart from her husband as the dependent variable. The estimation sample varies across columns. In Column (1), we consider the full sample of ever-married women aged 15 to 49, who got married between 1975 and 1999, and find a 2.9 percentage points decrease in the probability of separation following the anti-dowry amendments. In Column (3), we restrict the estimation sample to rural areas outside of the North-East and South India regions (hence more traditional and less open to divorce and separation), while in Columns (5), we only consider women who live in urban areas, North-East India or South India (typically more progressive and more acceptive of marital dissolution). A comparison of the estimated coefficients across columns indicates that the decrease in separation induced by the reforms is primarily driven by more conservative areas, where social stigma against marital dissolution is high. In line with the model prediction and with our previous results on domestic violence, we estimate a 4.5 percentage points increase in the likelihood of separation in more conservative areas. By contrast, the estimated impact of the reforms is smaller and not statistically significant in more progressive areas. In even numbered columns, we report the estimated differential effects by gains from marriage. Consistent with our model, we find evidence of a more pronounced decline in the probability of separation following the 1985-1986 amendments for couples with high marital gains. In Table A12 in the Appendix, we subject these findings to closer scrutiny by estimating more restrictive specifications. The results are robust.

5.4 Prediction 6: Women’s Human Capital

We now turn to our last prediction, which states that parental investment in the human capital of future brides should increase following a tightening of anti-dowry laws. The expectation of a lower dowry payment in the future may incentivize parents to invest in their daughters’ human capital to maintain their attractiveness in the marriage market and ensure that they would find a husband (Adams and Andrew, 2019). Also, parents may decide to reallocate resources that they would have otherwise saved for their daughters’ dowry to alternative expenses that may benefit them (Anukriti et al., 2019). The NFHS does not include information on past expenditure or saving patterns of a woman’s natal family. So, we rely on women’s outcomes in adulthood to inform us of any changes in parental investment induced by the reforms.

Note that only 8 percent of women in our sample who do not live with their husbands are formally divorced (0.6 percent). So, divorced or separated women in Table 6 include divorced women as well as women who report not living together with their husbands. Unfortunately, the survey does not record why the husband and the wife live apart. Results are qualitatively confirmed when we use an indicator variable for being formally divorced as the dependent variable. Given that this is a very low probability event, however, it is not surprising that the estimated effects are not always statistically significant.
Table 6: Prediction 5: Separations

<table>
<thead>
<tr>
<th></th>
<th>Full Sample</th>
<th>High Stigma</th>
<th>Low Stigma</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(1)</td>
<td>(2)</td>
<td>(3)</td>
</tr>
<tr>
<td>Post × Non-Muslim</td>
<td>-0.029**</td>
<td>-0.004</td>
<td>-0.045*</td>
</tr>
<tr>
<td></td>
<td>(0.011)</td>
<td>(0.011)</td>
<td>(0.022)</td>
</tr>
<tr>
<td>Post × Non-Muslim × Number of Kids</td>
<td>-0.006***</td>
<td>-0.011***</td>
<td>-0.006</td>
</tr>
<tr>
<td></td>
<td>(0.002)</td>
<td>(0.002)</td>
<td>(0.004)</td>
</tr>
</tbody>
</table>

| Individual Controls | Yes         | Yes         | Yes        |
| State FE           | Yes         | Yes         | Yes        |
| Year of Birth FE   | Yes         | Yes         | Yes        |

| Obs.               | 69,837      | 69,837      | 26,437     |
| R sq.              | 0.046       | 0.063       | 0.062      |
| Mean Dep. Var.     | 0.134       | 0.134       | 0.154      |

Notes: OLS estimates. Sample of women aged 15 to 49 in 2005, who married between 1975 and 1999. In Columns (2), the estimation sample excludes women living in urban areas, North-India, or South India; in Columns (3), the estimation sample includes only women living in urban areas in North-India or South India. Individual controls include indicator variables for being Muslim, Christian or Hindu, for year of marriage after 1985, for type of residence (rural or urban), and for belonging to schedule caste, schedule tribe or other backward caste. Standard errors (in parentheses) are clustered at the state level. ***, **, * mean statistical significance at 1, 5 and 10 percent levels.

We focus on two sets of human capital outcomes: outcomes related to education, such as years of schooling and the probability of having completed primary school; and long-run health outcomes, such as height and the probability of being in the bottom half of the stature distribution in our sample. Naturally, parents’ ability to shape their daughters’ human capital in response to the 1985-1986 amendments would be limited if their daughters were too old at the time of the reforms. Height, for instance, is mostly determined by early childhood inputs. So, any response from parents whose daughters were, e.g., five or older in 1985, may not be reflected in their daughter’s outcomes in adulthood. Similarly, the effect of the amendments on primary school completion may be strongest for those women who were not too old to attend primary school in 1985. We test these hypotheses by estimating equation (8) using measures of women’s education and height as dependent variables over four subsamples based on women’s age in 1985.

We summarize the results of our analysis in Figure 4 (the corresponding coefficients and standard errors are reported Tables A13 and A14 in the Appendix). Panel A shows the estimated effects of the reforms on education outcomes (years of schooling on the left-hand side axis and a binary indicator for primary school completing on the right-hand side); Panel B plots the estimated effects on long-run health (height in centimeters on the left axis and a binary indicator for below-median height on the right axis). The horizontal axis denotes each cohort’s age as of 1985. The estimated coefficients are consistent with our expectations. If possible (that is, for girls who were not too old at the time of the amendments), parents successfully improved their daughters’ human capital outcomes: the younger girls at the time of the reforms, the more pronounced the effects. For the education outcomes, the gradient is positive (with younger cohort experiencing the largest increases), and the estimated effects are statistically different.

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41 Contrary to weight-based anthropometric indicators such as the body mass index (which respond to shorter-run variations in access to food and exposure to diseases), height captures the long-run effect of fetal and childhood nutritional limitations and has often been used as a proxy of parental care and allocation of resources to children (see, e.g., Jayachandran and Pande (2017)).

42 Note that any change in women’s human capital outcomes may also reflect a change in parental beliefs about their marriage market return to and in parental preference for female human capital. Given the data at hand, however, it is not possible to distinguish one channel from the other.
from zero for women who were children or teenagers at the time of the reforms. For height, the gradient is also positive. As expected, however, we do not detect any statistically significant differences for those cohorts who were six or older at the time of the reform. In Tables A15 and A16 in the Appendix, we assess the sensitivity of our findings along the usual dimensions.

6 Alternative Channels

In the previous section, we established that the 1985-1986 amendments to the Dowry Prohibition Act were successful at reducing dowry payments. We also tested the six predictions that emerge from our theoretical model and find that they are consistent with the data. Nonetheless, there may be alternative explanations of our findings that are outside of our model but critical to fully understand the connections between dowries, domestic violence, women’s decision-making power, and the occurrence of separation. In what follows, we focus on three alternative channels: marital sorting and matching, fertility, and reporting of violence.

6.1 Marital Sorting and Matching

A possible alternative model that could generate our results is one in which the anti-dowry reforms changed sorting in the marriage market and ultimately changed the marital matches. If the reforms affected the characteristics of husbands, then a change in the post-marital status of women may be attributed to changes in the match rather than changes in the post-marital bargaining between spouses. Note that, because the amendments applied to all non-Muslim women who were unmarried in 1985 and inter-religion marriages in India are virtually non-existent, changes in average husband characteristics are unlikely. In essence, all potential brides would be subject to the law, which should not impact their relative ranking in the marriage market. Nevertheless, we test whether the reforms affected husbands’ traits or other characteristics of the marriage. Data on women’s age at marriage and husbands’ age, employment status, and occupation are from the NFHS. We use additional data from the 2005 India

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43 In our sample, only 1.5 percent of women report adhering to a different religion than the head of household.
Human Development Survey (IHDS) for information on whether a marriage was arranged, whether the
groom and the bride knew each other before their wedding day, and about the living arrangements of the
newlyweds after the wedding.

Tables A17 and A18 in the Appendix contain the full set of results. We find no evidence of significant
changes in marital sorting and matching following the introduction of the 1985-1986 amendments:
women’s age at marriage and the age and education differences between spouses are unchanged by the
reforms; women exposed to the reforms are as likely as non-exposed women to be married to unemployed
men, to men in white-collar jobs, or to men who earn less than they do; they are also as likely to have
husbands who are often drunk; and women’s likelihood to live with her in-laws after the wedding or
far from her natal family appear to be unaffected by the reforms. We also do not detect significant differ-
ences in the likelihood of arranged marriages, as proxied by a woman’s participation in the choice of her
husband or by whether she met her husband on or less than one month before her wedding.

6.2 Fertility

Our previous analysis of the differential effects of the reforms by gains from marriage relies on the as-
sumption that any changes in dowry payments do not affect a couple’s decisions about fertility. We now
test this assumption by estimating our baseline specification with fertility outcome and reported fertility
preferences as dependent variables. The results of this analysis are reported in Table A19 in the Appendix.

We find that women’s age at first birth, their likelihood of ever terminating a pregnancy, and their
desired number of children are unaffected by the introduction of the amendments. While the amendments
do not change the probability of having children in any detectable manner, our estimates indicate that
women exposed to the reforms have, on average, 0.3 more children. This result, however, is mostly
driven by outliers: we do not detect any statistically significant effect on the number of children a couple
has once the top 5 percent of the distribution of the number of children is dropped from the estimation
sample. These findings are confirmed when we restrict our sample to women who are at the end of their
reproductive period (i.e., aged 40 or older).

Altogether, we find minimal evidence that the 1985-1986 amendments changed a couple’s fertility
outcomes or preferences, which provides some support to our analysis of the differential effects of the
reform by marital gains. However, given that other papers found evidence of changes in fertility (mostly
related to changes in son preference; see Alfano (2017)), we cannot entirely rule out this channel.

6.3 Reporting of Violence

In Section 5.1, we ruled out that changes in reporting drive the estimated decline in dowry payments. We
now address concerns related to changes in women’s reporting of domestic violence. If women became
more comfortable with talking about domestic violence and with reporting being victims of abuse to the

44Given the strong connection between domestic violence and alcohol abuse (Angelucci, 2008), this finding is particularly relevant for the interpretation of our results.
45Based on these results, we can rule out that changes in the matching process (e.g., arranged vs. non-arranged marriages) are the main drivers of our findings. Nevertheless, we should expect the anti-dowry reforms to have differential effects depending on whether the marriage was arranged. After all, in our model, husbands learn their level of satisfaction with the match after the marriage takes place. We argued that this timeline is consistent with the practice of arranged marriages, where each other’s parents select the bride and the groom, and the spouses often meet on the wedding day or shortly before then. If the marriage was not arranged, however, we should expect potential husbands to learn their private type before the marriage takes place (for example, during a period of courtship). Those who are dissatisfied with the match before the marriage takes place would more likely not go through with it. We explore this hypothesis in Appendix G.
survey enumerators after the reforms, then the surge in domestic violence following the amendments could be explained, at least partly, by an increase in the reporting (but not the occurrence) of violence.

We confirm that this is not the case in our context. To this aim, we exploit survey questions about women's reporting of violence outside of their marital family (e.g., in their natal families). We also use information about whether they told anyone about being abused by their husbands or sought help after the event. As shown in Table A20 in the Appendix, we do not estimate any statistically significant effects of the reforms on women's likelihood of reporting abuse by family members other than her husband or by strangers, of ever experiencing violence in her natal family, of telling anyone about being the victim of domestic abuse, or of seeking help from family members and friends, a doctor, or the police.

7 Conclusion

Gender inequality in India is a complex and multifaceted phenomenon, which permeates the most private spheres of a woman's life. Beyond their precarious economic condition and limited political representation (Chattopadhyay and Duflo, 2004; Iyer et al., 2012), Indian women face significant discrimination within the household walls. Sex-selective abortion, infanticide, and underinvestment in girls related to parental preferences for sons are well-documented phenomena. The prospect of paying a dowry is commonly cited as a critical factor in parents’ desire to have sons rather than daughters (Jayachandran, 2015). In their marital families, Indian women are often victims of domestic violence and their decision-making power is limited. For women, the reputation cost of separating from their husbands is prohibitive, which leaves them little to no escape from an unsatisfying or abusive marriages.

This paper provides a framework to understand the complex connections between dowry payments, parental investment in girls, women's decision-making power in their marital families, the occurrence of domestic violence, and the likelihood of separation. We derive predictions on how changes in dowries can impact women's well-being in their marital families. To test these predictions empirically, we exploit legal reforms to the Indian anti-dowry law that successfully reduced dowry payments. Consistent with our model, we find that women's decision-making power decreases and domestic violence increases following a reduction in dowries. The likelihood of separation also decreases, indicating that women are unable or unwilling to exit abusive marriages. To compensate for lower dowries in the marriage market, parents increase their investment in the human capital of their daughters.

We unveil substantial heterogeneity (by social stigma against separation and a couple's gains from marriage) in the impact of the anti-dowry reforms on women's status in their marital families, suggesting that one-size-fits-all policies may not be optimal and that the social and cultural context may matter a great deal when designing anti-dowry policies. While previous work has stressed the positive impact of anti-dowry policies on son-preference and sex-ratios (Alfano, 2017; Bhalotra et al., 2020a), our analysis unveils some unintended consequence of such policies. Understanding the interlinkages between dowry payments and a woman's well-being at different stages of her life is critical to devise policies to successfully improve the status of Indian women. As one-sixth of the world female population live in India, doing so would represent a significant step toward eliminating gender inequality globally — a United Nations Sustainable Development Goal to be achieved by 2030.
Appendix

Our Appendix (available online) contains seven main sections. Additional figures and tables are in Section A. In Section B, we further explore the issue of misreporting of dowry data. In Section C, we derive additional comparative statics results. In Section D, we present our model with Cobb-Douglas preferences, while in Section E we describe three extensions to our theoretical framework. In Section F, we assess the validity of our empirical strategy and test for pre-treatment parallel trends. In Section G, we explore the role of arranged marriages.
References


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37


