

The One-Child policy was introduced as a temporary policy in 1979 to control the rapid population growth in China. Three decades later, it is still in effect. Besides the dramatic decline of fertility due to the One-Child Policy, there are also some “unintended” consequences, i.e. higher sex ratios and aging populations. The human sex ratio at birth is commonly assumed to be 105 boys per 100 girls. Due to the generally higher mortality rate for boys before they grow up, sex ratio tends to even out in adult population. But in China, sex ratio at birth has increased from 108.5 in 1982, 111.3 in 1990 to 116.8 in 2000 according to the China Census data. Currently, there are 37 million more men than women in China. And this disparity seems to be concentrated among the young and very young. There are 18 million more boys under 15 years old than girls.

Changes in sex ratios may have far-reaching consequences. Most immediately, sex ratios affect the likelihood of marriage. An increase in the sex ratios may increase female bargaining power in the marriage market, which makes them more likely to “marry up”. Higher sex ratio may also increase women’s bargaining power within households, shifting resources and family structures in a way that favors women. Moreover, higher sex ratios may also influence labor market. The relative scarcity of women may increase their bargaining power within the household and thus their leisure, which leads to a reduction in female labor supply and an increase in male labor supply.

Most of the empirical studies that investigate into the effects of sex ratio imbalance suffer from the endogeneity problem due to the reverse causality in the relationship between sex ratios and measures of economic and social conditions. The higher sex ratios induced by the One-Child policy in China provide a unique opportunity

to examine the effects of sex ratio imbalance on marriage market, labor market and intra-household bargaining power.

Different from the previous studies using cross-sectional data, this paper uses China Health and Nutrition Survey (CHNS) 1989-2009, an eight-wave panel data to identify the effects. The CHNS is a longitudinal household survey that covers nine provinces for the year 1989, 1991, 1993, 1997, 2000, 2004, 2006 and 2009. Marriage market sex ratios (MMSR) are constructed from 1990 and 2000 China Census data by matching the Census data with CHNS at city/county level. Three different ways are used to calculate the MMSR with different age gap between couples. The other contribution of this paper is to deal with the potential endogeneity and omitted variable problems by using sex ratios at birth as an instrument. Sex ratios at birth are calculated from the historical China Census data, 1964, 1982 and 1990.

The empirical results show that higher marriage market sex ratios increase the likelihood of female marriage. Higher marriage market sex ratios also increase the age gap between couples, which means men wait longer to get married. As marriage market sex ratios rise, women are more likely to marry men with higher education level. Moreover, as women become scarcer in the marriage market, married women are less likely to work. Also, married women tend to work less when marriage market sex ratios are higher. The effects are larger for married women living in rural areas. No significant effects are found for single women. Higher marriage market sex ratios also increase the labor participation for single men living in rural areas. Furthermore, married women are less likely to live with their in-laws under higher marriage market sex ratios circumstances.