Discussion of: "Who Suffered from Superstition in the Marriage Market: The Case of Hinoeuma in Japan" by Hideo Akabayashi

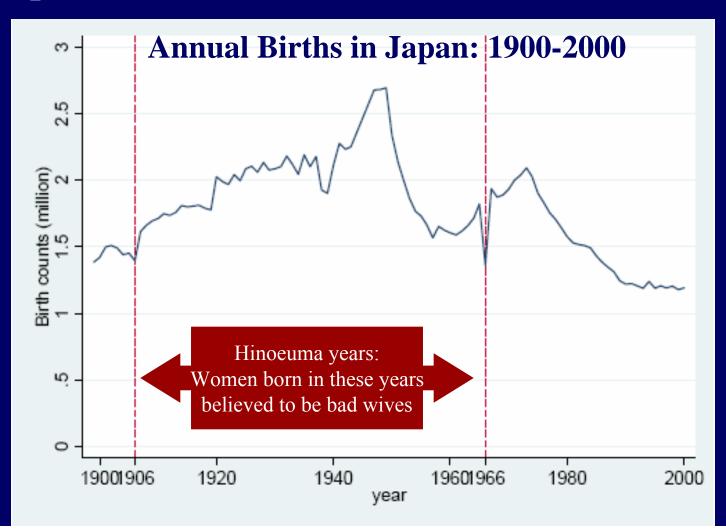
Justin Wolfers

The Wharton School, University of Pennsylvania CEPR, IZA & NBER

AEA Meetings, January 7, 2007

Amazing Fact

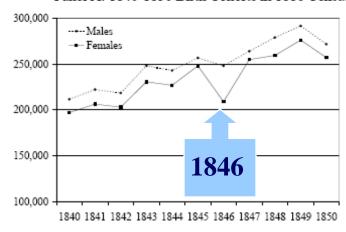
☐ Births in Japan profoundly affected by superstition



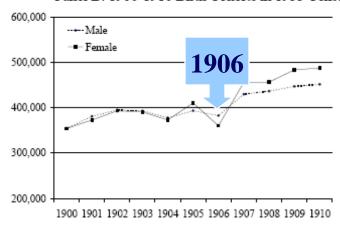
Effects of Fire-Horse Years on Births

Figure 2: Population Size by Sex and Birth Cohort for Three Fire Horse Episodes

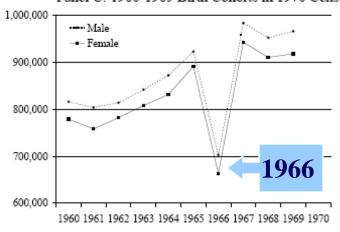




Panel B: 1900-1910 Birth Cohorts in 1955 Census



Panel C: 1960-1969 Birth Cohorts in 1970 Census



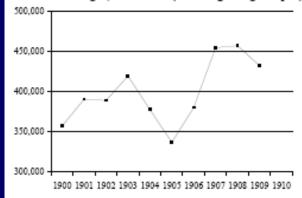
Notes: These graphs show male and female population size by birth cohort for three different fire horse episodes. The dotted line shows the male population, and the solid line shows the female population. The fire horse years studied are 1846, 1906, and 1966. The Census years are 1886, 1955, and 1970. Hence, the ages of the birth cohorts are different for the different points along each graph. For these three censuses, the three fire horse cohorts were 44, 39, and 4, years old respectively. Year is measured from January to December. Data sources: Japan. Ministry of Home Affairs (1886); Japan Statistics Bureau (1955, 1975).

<u>Source</u>: "Missing Women and the Year of the Fire Horse: Changes in the Value of Girls and Child Avoidance Mechanisms in Japan, 1846, 1906, and 1966", by Chris Rohlfs, Alexander Reed, and Hiroyuki Yamada, *mimeo*, University of Chicago

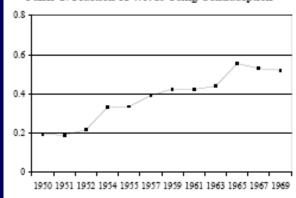
Methods Used to Reduce Fertility

Figure 3: Sex-Blind Child Avoidance Techniques

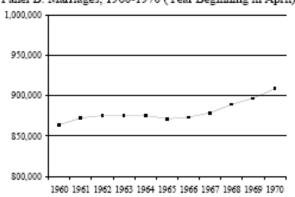
Panel A: Marriages, 1900-1909 (Year Beginning in April)



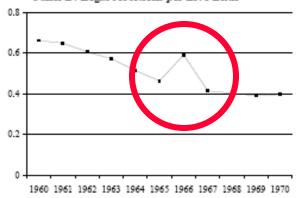
Panel C: Fraction of Wives Using Contraception



Panel B: Marriages, 1960-1970 (Year Beginning in April)



Panel D: Legal Abortions per Live Birth



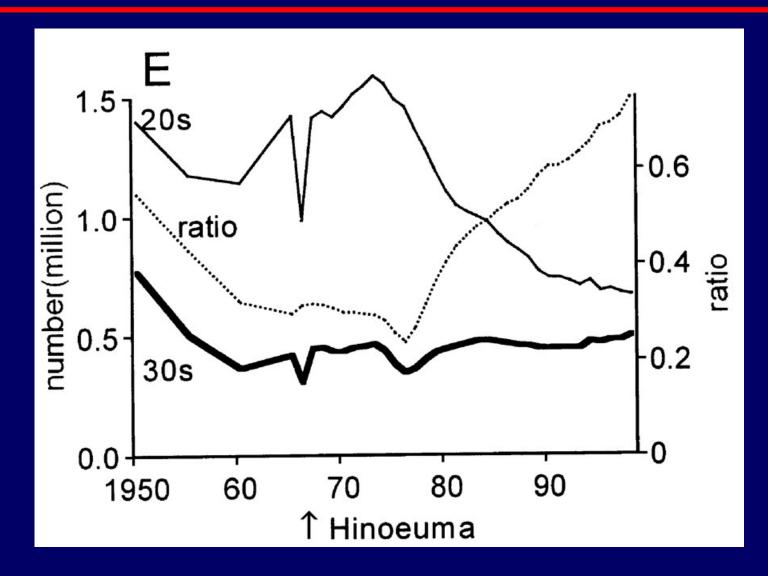
Notes: See notes to Figure 2 and Table 1. For Panels A and B, the year runs from 1 April to 31 March, nine months before the calendar year. The year is defined in this way so that 1905 and 1965 are the years when conceptions were likely to produce fire horse children. Sample for Panel C includes married women 50 and under. Contraception data are irregular. Sources described in the text.

<u>Source</u>: "Missing Women and the Year of the Fire Horse: Changes in the Value of Girls and Child Avoidance Mechanisms in Japan, 1846, 1906, and 1966", by Chris Rohlfs, Alexander Reed, and Hiroyuki Yamada, *mimeo*, University of Chicago

What Can We Learn from this "Experiment"?

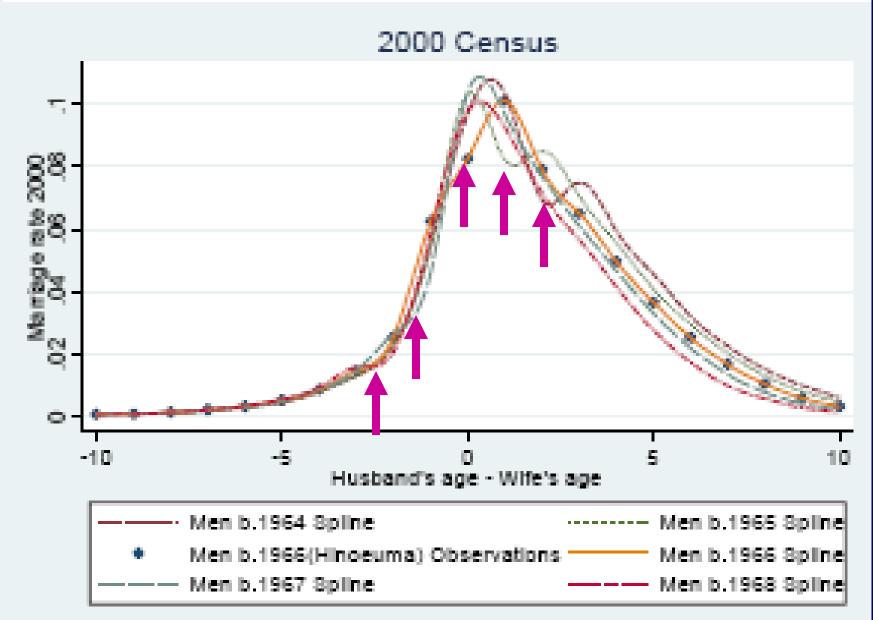
- □ Does the Hinoeuma superstition lead people to make costly decisions?
 - An easier paper: Is there prejudice against potential
 Hinoeuma daughters by potential parents? (YES!)
 - » Are these decisions costly?
 - This paper: Is there prejudice against Hinoeuma women by potential spouses?
 - » And who is hurt by this prejudice in equilibrium?
- □ "Exogenous" variation in cohort size
 - This paper: Are there increasing returns in the marriage market matching function?

Japanese Births, by Mother's Age

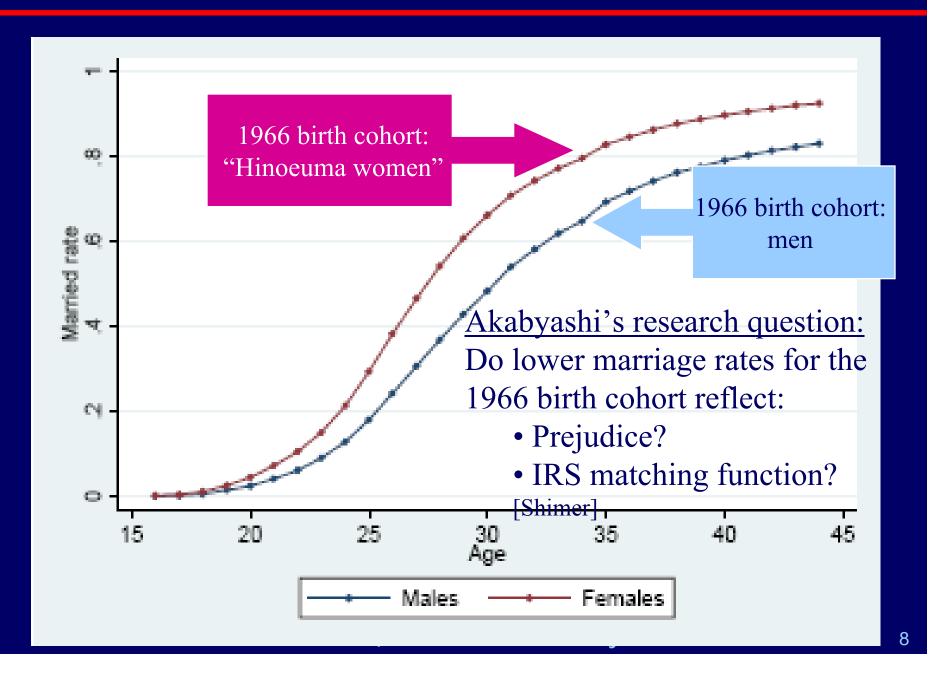


<u>Source</u>: "Recent trend of increase in proportion of low birthweight infants in Japan", by Hiroki Ohmia, Kenzou Hirookab, Akira Hatab and Yoshikatsu Mochizukic, *International Journal of Epidemiology* 2001;30:1269-1271

Are Hinoeuma Women Unwanted Spouses?



Marriage Rate by Age, 2000 Census



Distinguishing Prejudice from IRS Matching

This paper's recipe

- 1. Estimate the marriage market matching function
- 2. Predict matching rates from this equation
 - These predictions incorporate "usual" IRS
- 3. Observe negative residuals for 1966 birth cohort
 - \Rightarrow Infer prejudice

But

☐ Mis-specification may be mis-labelled prejudice

Estimating the Matching Function

□ Panel Estimation:

Husband's Age * Wife's age * Time * Prefecture

$$\log(\Delta C_{ijkt}) = \alpha_{ij} + \beta_1 \cdot \log M_{ikt-5} + \beta_2 \cdot \log W_{ikt-5} + \lambda_{k(t-i)(t-j)} + \varepsilon_{ijkt}$$

#Marriages

- = 5-year change in #married involving = 5-year lag of
 - Husband from single men
 - Wife from cohe of cohort I

#Eligible men

From that cohort

- in prefecture k -in prefecture kd

#Eligible women

From that cohort

- = 5-year lag of single men
- of cohort J
- -in prefecture *k*

Fixed effects

Husband age (*t-I*)

- * Wife age $(t-\overline{J})$
- * Prefecture fixed effects

□ IV Strategy: Instrument for *eligible men* and eligible women by size of birth cohort

Justin Wolfers, "Comments on Akabayashi"

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 $+\beta_3$ *Competing men $+\beta_4$ *Competing women $(\beta_3, \beta_4 < 0)$

Econometric Problems

- □ What is missing?
 - Competing cohorts! $\Rightarrow \widehat{\beta}_2 = \beta_2 + \rho \beta_4 < \beta_2 \text{ if } \rho > 0$
 - Consider the effects of the Hinouema cohort:
 - » True effects: Large β_2 => Small cohort predicts low marriage rates
 - » Equation-based forecast: Smaller β_2 => Predict moderate marriage rates
 - Interpretation:
 - » Akayabashi: Negative residuals for Hinouema cohort reflects prejudice
 - » My interpretation: Negative residuals reflect mis-specificiation
 - A test: Different predictions for Hinouema-cohort men!

 Justin Wolfers, "Comments on Akabayashi"

Estimating the Matching Function

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Econometric Problems

- □ What is missing?
 - Competing cohorts! $\Rightarrow \widehat{\beta}_2 = \beta_2 + \rho \beta_4 < \beta_2 \text{ if } \rho > 0$
- □ Leans heavily on extrapolation beyond sample
 - Most of the sample involves large cohorts
 - Yet the crucial prediction is for the small Hinoeuma cohort
- □ IV strategy
 - Size of birth cohorts affects more than just #singles
- □ Stationarity Justin Wolfers, "Comments on Akabayashi"