

Compensated or Compounded: Son Preference, Family Size and Children's Quality

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Abstract

Whether Pakistani parents make a tradeoff between number of children and investment in their education? Using nationally representative repeated cross sectional surveys, we tested the validity of Quantity-Quality tradeoff model of Becker and Lewis (1973). We found strong evidence of differential stopping behavior within families in Pakistan: daughters in the earlier parity change the preferences of families to have additional children in the pursuit of sons. Exploiting preference for sons as an exogenous source of variation in family size, we found negative and statistically significant effect of family size on children's educational outcomes. Results suggest that children from larger families are less likely to complete primary and secondary education. Furthermore, one additional child in the family reduces children's years of education by almost two years, suggesting a strong evidence of quality-quantity tradeoff within families in Pakistan. Consistent with literature, gender gaps in education is evident from our results. In addition, we investigated the gaps in educational attainment between early and later born children. Our findings conclude that as parents grow older, they compensate for inequalities and the gaps in educational attainment decreases between younger daughters and sons. Our results are robust even after controlling for children, parental and socioeconomic characteristics and regions and year fixed effect.

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