

## **ABSTRACT**

We investigate the relationship between marriages and wages among men in India using the Indian Household Development Survey (IHDS) Panel Dataset. Our econometric specification allows for observed and unobserved heterogeneity and explicitly tests the role of household specialization in explaining the observed relationship. Our estimates provide evidence for the existence of large selection effects in marriage based on observable and unobservable characteristics that are positively correlated with wages. After accounting for individual-specific time-invariant effects and a wide range of individual, household, job, and employer-related characteristics; we find a statistically significant premium that can be attributed to productivity differences largely resulting from household specialization. However, it has been shown in the earlier research that cross-sectional studies have a tendency to overestimate the marriage wage premium whereas studies related to panel dataset find this to be considerably reduced when allowing for individual-specific effects indicating that a considerable part of this wage premium is affected by characteristic attributes of the individual in the study. This paper attempts to find the effect of marriage wage premiums in the Indian context.

**Keywords:** marriage wage premium, specialization, gender inequality, spousal labor supply, human capital, wage differential, economic benefits, household income, income inequality, maternity leaves, gender wage gap, career choices, gender roles, dual-earner couples, division of labor.

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