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Intergenerational transmission of education in China: New evidence from the Chinese Cultural Revolution

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Abstract

This paper estimates the effect of parental education on children's education by using instruments generated by the Chinese Cultural Revolution, and further explores the mechanisms of this causal relationship. Several important findings stand out from our empirical analyses. We find a larger intergenerational persistence in education for higher level in urban areas but for a lower level of education in rural areas. The main results from instrumental variable estimation show that the nurture effect is larger and more significant for fathers than for mothers. A deeper investigation of the mechanism behind this nurture effect informs us that a father's education passes on to his children's education partly through the income channel. Another notable finding is that even after controlling for fathers' income, parental education still has a significantly positive effect on children's education through the nurture effect. This indicates that beyond the income channel, there may exist other channels such as better home environment, which deserve to be explored in future research.

KEYWORDS

China, inequality, intergenerational education mobility, nurture effect

1 | INTRODUCTION

Intergenerational mobility in income has received much attention in economics literature (Solon, 1999; Black & Devereux, 2011). This issue is particularly important in a developing country such as China where income inequality increased dramatically since the 1980s with the transition from

a planned economy to a market-oriented economy (Meng, Gregory, & Wang, 2005; Benjamin, Brandt, & Giles, 2011; Song, 2013). Several studies have identified an important role of parental education in the transmission of economic status from one generation to the next (Gong, Leigh, & Meng, 2012; Yuan & Lin, 2013; Magnani & Zhu, 2015; Fan, 2016).

Two commonly recognized mechanisms behind this intergenerational transmission are nature and nurture effects. The nature effect refers to the intergenerational education transmission related to inherent abilities that parents pass to their children through genes, while the nurture effect refers to a causal effect of parental education on children's schooling through educational investment, better home environment, and so on. In econometric terms, the nurture effect is interpreted as the causal relationship while the nature effect results in the potential endogeneity problem.

A major contribution of this paper is to estimate the nurture effect using instruments generated by the Chinese Cultural Revolution and to test the mechanisms through which the nurture effect works. We will also examine several heterogeneities in different dimensions of these transmission effects. For the purpose of this research, the newly released CHIP 2013 (China Household Income Project) dataset will be used.

Several important findings appear from our empirical analyses. First, intergenerational education mobility is lower in urban as opposed to rural China. Second, more intergenerational persistence in education tends to occur for a higher level of education in urban areas but for lower level of education in rural areas. The high persistence found in rural areas for the lowest education group might be some evidence for educational poverty traps in that parents can pass their low education to their children which may create persistent poverty in income over generations. Third, the results show that fathers' education has a significant impact on children's education through the nurture effect, but mothers' nurture effect is relatively smaller. A deeper investigation of the mechanism behind this nurture effect informs us that fathers' education can pass on to children's education partly through the income channel. Another notable finding is that even after controlling for fathers' income, parental education still has a significantly positive effect on children's education through the nurture effect. This indicates that beyond the income channel, there may exist other channels such as better home environment, which deserve to be explored in future research.

The remainder of this paper is organized as follows. Section 2 reviews previous literature and specifies our contributions, and Section 3 describes the dataset and presents some descriptive statistics. Section 4 demonstrates the ordinary least squares (OLS) and instrumental variable (IV) regression results to disentangle the nurture effect from the nature effect and explores the mechanisms behind these effects. Section 5 concludes.

2 | LITERATURE REVIEW AND OUR CONTRIBUTIONS

This section will review the existing research in the area of exploring the intergenerational education transmission and specify our contributions.

2.1 | Nature vs. nurture effect

Existing studies on this topic mainly focus on disentangling the nurture effect from the nature effect through three identification strategies. The first is to use twin parents.

Behrman and Rosenzweig (2002) is one of the first studies that identify the nurture effect using the children of monozygotic twin mothers and fathers, which can difference out genetic factors that influence children's education. A more recent paper using this method is Bingley, Christensen, and Jensen (2009). They use unique Danish administrative data for identical and fraternal twin parents

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and their children to estimate both short-run and long-run intergenerational education effects. They find that fathers' education has a positive nurture effect on children's outcomes but mothers' education has no nurture effect. However, this method often suffers from weak external validity since twins may be systematically different from the general population, and the results above may not be generalized to a broader sample.

The second is to use data from adopted children. Under the assumption that adopted children are randomly assigned to families as infants and treated exactly the same as biological children, comparing adopted children and natural children can identify the effect of environmental factors on the intergenerational transmission of education. Sacerdote (2002) and Plug (2004) use this method and find fathers' education has a significantly positive influence on children's education. The potential identification problem within this methodology is the nonrandom adoption problem, which may bias the results.

The third is to employ the IV approach, which isolates the effect of parents' education on children's outcomes using instrumental variables, such as some important education reforms. For example, Black, Devereux, and Salvanes (2005) utilizes the Norwegian schooling reforms during 1959 to 1973 and finds weak causal effects of parental education on children's education attainment. More recent papers such as Oreopoulos, Page, and Stevens (2006), Holmlund, Lindahl, and Plug (2011), and Stella (2013) use compulsory school law changes to study the intergenerational correlation of education, and they all find significantly positive nurture effects.

Compulsory school reform, however, is rarely used as the instrumental variable in China.¹ The reason is that compulsory school reform was implemented in 1986. Accordingly, most of those people who experienced that education reform do not have children or their children are too young to finish schooling. In addition, we should be aware of an important limitation to use the compulsory schooling law as the instrument to estimate the nurture effect. The laws only affected the bottom of educational attainment distribution, and hence most of the literature using this IV to identify the nurture effect focuses on the effect for the lower-educated groups, which may not be applicable for other groups.

In response to the issues mentioned in the paragraph above, several attempts have tried to use the Chinese Cultural Revolution (CR) as the instrument, such as Meng and Gregory (2002), and Meng and Zhao (2013). However, these studies only focused on urban China and used the datasets in early time periods when the children whose parents were affected by CR had not yet finished schooling.

Beyond the existing studies, our paper will employ the Chinese Cultural Revolution (CR) as the instrument to disentangle the nurture effect from the nature effect using a more recent nationwide dataset (CHIP 2013). Moreover, since the Cultural Revolution affects in urban and rural China differently, our paper will employ separate sets of instruments for urban and rural areas —a revised version from Chen (2010) who studied the effect of parental education on children's health. Finally, we do include the rural-to-urban migrants in our analysis, unlike the previous studies in which only urban hukou holders were studied (Meng & Zhao, 2013; Magnani & Zhu, 2015).

2.2 | Heterogeneity analysis

Although heterogeneity in educational transmission has been recognized as an important dimension of educational inequality, very few studies have explicitly addressed this aspect of intergenerational education transmission (Bauer & Riphahn, 2007). We summarize the existing heterogeneity studies by several dimensions as shown below.

The most discussed heterogeneity is the differential effect between fathers and mothers. For example, Behrman and Rosenzweig (2002) find a positive and large effect of the father's schooling but no effect for the mother's schooling. In contrast, Stella (2013) shows that maternal education is more important than paternal education for the next generation.

The second comparison is also the gender difference—the differing effect of parents' education on sons' and daughters' education. Bruck and Esenaliev (2013) find that daughters tend to experience lower intergenerational mobility than sons in Kyrgyzstan using data from three household surveys collected in 1993, 1998, and 2011. Magnani and Zhu (2015) use the Census data in China and find that the effects of paternal education transmission on sons' education attainments are larger than those of maternal transmission, while the paternal and maternal transmission has similar impacts on daughters' education.

The third is to investigate changes in intergenerational education correlation over time for different age cohorts. Bruck and Esenaliev (2013) discover that the younger cohorts in Kyrgyzstan, who were exposed to the transition during their school years, experienced a rapid decline in educational mobility. Magejo, Ntuli, and Gwatidzo (2014) identify a decrease in intergenerational transmission of education for the 1954 to 1993 birth cohorts.

The final comparison is between urban and rural population. Golley and Kong (2013) investigate the difference in intergenerational education correlation between urban and rural China. They point out that the higher mobility observed in rural and migrant populations stems from the fact that the majority of these children complete only junior high school, with some children in the youngest cohorts moving down the education ladder relative to their parents. In contrast, urban children seem to at least maintain their parents' education level.

In order to obtain a deeper insight concerning the heterogeneities mentioned above, our paper will conduct a comprehensive analysis to investigate the heterogeneity in different dimensions, including father vs. mother, son vs. daughter, urban vs. rural, higher-educated parents vs. lower-educated parents. More importantly, we will combine these heterogeneity results with the distinction between nature and nurture effect. Although previous studies reviewed above have examined various heterogeneities, they mainly use the OLS regressions and rarely consider the heterogeneous nurture effect. Our paper will fill in this gap by running IV estimations in different dimensions.

2.3 | Mechanism analysis

A lot of literature has estimated the nurture effect in different countries and for different cohorts, but the specific mechanism is largely unknown to us. Black and Devereux (2011) proposed three possible mechanism of intergenerational transmission of education. The first is the income channel. That is the higher-educated parents tend to have higher income and higher income leads to higher education attainment of their children. The second is that parental education may affect parental time allocation and the productivity of the parent in child-enhancing activities. The third is about the bargaining power, which would be influenced by parents' education. However, empirical tests of each of the three channels are still in their infancy. A recent paper by Piopiunik (2014) provides evidence that additional schooling raises parents' valuation of their children's education, which is an important channel in the intergenerational transmission of education.

To contribute to the literature on identifying the mechanisms of the nurture effect, our paper will utilize father's income as an intermediate variable to test to what extent the income channel can explain the intergenerational education mobility in both nature and nurture effect.

3 | DATA DESCRIPTION

We use the CHIP 2013 survey data to investigate the impact of parental education on children's education. CHIP is a study designed by a team of Chinese and Western economists and is among

the best available national survey data on household income, expenditures, education, and program participation. CHIP particularly suits the analytical needs of this study because it includes the completed years of schooling for children and their parents as well as various demographic and socioe-conomic characteristics. This differs from several other well-known datasets in China such as CGSS (China General Social Survey) and CFPS (China Family Panel Studies), which only provide the level of education (e.g., primary school, middle school, high school, and college) and do not tell us whether the person quit education in the middle of each level of schooling. As a result, we are not able to know the exact years of schooling using other datasets. Another advantage of the CHIP dataset is that it includes father's income which is very useful in the mechanism analysis. Finally, we do include the rural-to-urban migrants' sample in our analysis, unlike the previous studies in which only urban hukou holders are studied (Deng, Gustafsson, & Shi, 2013; Meng & Zhao, 2013; Magnani & Zhu, 2015).

Samples of the CHIP study were drawn from larger National Bureau of Statistics (NBS) samples using a multistage stratified probability sampling method. To generate a nationally representative sample, CHIP includes sample provinces from eastern, central, and western regions of China. The survey has been conducted in five waves including CHIP 1988, CHIP 1995, CHIP 2002, CHIP 2007, and CHIP 2013, and the data we use for this paper was collected in 2013 in which the children of those who experienced the Cultural Revolution have completed their schooling. The CHIP 2013 is conducted in 15 provinces including Beijing, Shanxi, Liaoning, Jiangsu, Anhui, Guangdong, Henan, Hubei, Sichuan, Chongqi, Yunnan, Gansu, Shandong, Hunan, and Xinjiang. The sample includes 6,866 households in urban China and 10,759 households in rural China.

For the purpose of our study, we match the parents-children pair according to the following procedure. For each household head, we record his/her years of schooling as well as his/her spouse and children's education. Then we form parents-children pairs for each child. We do not track the household head' parents because their education information is largely missing.

The Chinese Cultural Revolution (CR) occurred between 1966 and 1976. It was a political event that disrupted everyone's life during that period. However, in terms of education, only those who should be in school during the CR experienced school interruption. In addition, the degree of school interruption during the CR was quite different across years (as detailed below in the next section). This generated an exogenous variation of educational attainment, which is irrelevant to individuals' innate abilities.

In order to capture the effect of CR and make use of it as an instrument, we impose some birth year restrictions on our sample. According to Meng and Gregory (2002) and Chen (2010), people born in the period of 1947 to 1961 experienced different degrees of school interruption. Thus, we include people whose parents were born during this time period as the treatment group. For comparison, we include people whose parents were born before or after this time period (e.g., 1942 to 1946 and 1962 to 1966) as the control group. As shown in Chen (2010), these parents were not directly affected by CR in terms of interrupted education, but all experienced the Mao era and thus are more comparable with the treatment group. In addition, the reason for excluding parents who were born before 1942 is that those parents obtained their education mainly under the pre-communist system, which may differ from the system that operated after 1949, and part of their education may have also been interrupted by World War II and the Civil War. The reason for excluding parents who were born after 1966 is mainly to make sure that their children would have finished school at the time of the survey implemented in 2013. Furthermore, we exclude children who were born in 1961 or before to guarantee that children themselves were not affected by CR directly. In the survey questionnaire, there is a question asking whether the children have completed their education. Accordingly, we restrict our sample such that all the children have completed their education at the time of the survey.

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In summary, the reason we restrict parental and children's birth cohorts to these ranges is to ensure the instrument we are using is valid. By restricting the sample to the birth cohorts who experienced the CR and their children did not, school interruption during the CR provides a valuable chance to identify the nurture effect in intergenerational education mobility.

The final sample includes 5,850 children with their parents' information. In order to utilize the different sets of instruments in urban and rural areas, we need to divide the entire sample into urban and rural sample, respectively. To best capture the location where the parents receive their education, we divide the urban and rural sample based on the hukou status of the household head (where the child comes from) at the age of 13. The household head is either the father or mother of the child. For instance, if a household head holds urban hukou status at 13, he or she is more likely to attend the school in urban areas.² By this division, we obtain 1,052 urban sample and 4,798 rural sample. The summary statistics of the key variables are shown in Table 1.

As can be seen, children in this sample on average receive 11 years of schooling, with the standard deviation equal to 3 years. In China, the formal education typically consists of 6 years of primary school, 3 years middle school, 3 years high school, and 4 years college and above. That is, children in our sample on average reached high school level and were aged 30 in the survey year. According to the Compulsory Education Law implemented in 1986, people who were aged below 16 should complete 9 years of compulsory schooling (including 6 years of primary school and 3 years of middle school). Thus, most children have completed 9 years of compulsory schooling while their parents only have 6 to 7 years of schooling.

Seventy-one percent of the children's sample are male and only 7% belong to a minority group.³ Since there is a very large rural–urban gap in terms of education levels as documented in previous literature (Song, 2012), we separate our sample by urban and rural division as defined above and show the descriptive statistics in Panel B and C of Table 1, respectively.

The descriptive statistics verify the large educational inequality between urban and rural China. The urban sample on average receive three more years of education than the rural sample do, including both children and their parents. An average urban child in our sample has received 13 years of formal schooling meaning that the average group has completed high school. Notably, given the mean value and standard deviation of children's education in the rural sample, we can infer that a large proportion of children still have not completed 9 years of compulsory schooling.

To further understand whether the Compulsory Education Law implemented in 1986 has contributed to popularizing primary and middle schooling, we split our sample by children's birth cohort, and present the results in Table 2.

As can be seen, the average years of schooling increase with children's age. People who were born after 1985 have received nearly 12 years of education. It is noteworthy that although people born in the 1970s were affected by the Compulsory Education Law, many of them still have not completed 9 years of compulsory schooling. For instance, the average years of schooling for the 1970 to 1974 age cohort is only 8.51, indicating that the law is not strictly enforced as stated (Song, 2012).

4 | REGRESSION RESULTS OF INTERGENERATIONAL EDUCATION MOBILITY

4.1 | OLS estimations

We first use the following standard linear model to estimate the marginal effects of paternal years of education on the education attainment of the next generation. The estimation equation is as follows.

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TABLE 1 Descriptive statistics of key variables

Panel A: All samples

Panel A: All samples					
Variable	Obs	Mean	Std. Dev.	Min	Max
Children's education	5,850	11.02	3.34	0	22
Father's education	5,850	7.70	3.09	0	20
Mother's education	5,850	6.37	3.52	0	19
Age	5,850	30.73	5.30	23	51
Urban	5,850	0.18	0.38	0	1
Male	5,850	0.71	0.45	0	1
Minority	5,850	0.07	0.25	0	1
Number of siblings	5,816	2.43	1.91	0	12
Panel B: Urban sample					
Children's education	1,052	13.71	2.88	0	22
Father's education	1,052	10.07	3.17	0	20
Mother's education	1,052	9.33	3.36	0	19
Age	1,052	30.12	4.90	23	50
Male	1,052	0.61	0.49	0	1
Minority	1,052	0.06	0.23	0	1
Number of siblings	1,047	2.11	1.87	0	10
Panel A: Rural sample					
Children's education	4,798	10.44	3.14	0	21
Father's education	4,798	7.18	2.82	0	18
Mother's education	4,798	5.72	3.21	0	16
Age	4,798	30.86	5.37	23	51
Male	4,798	0.74	0.44	0	1
Minority	4,798	0.07	0.25	0	1
Number of siblings	4,769	2.51	1.91	0	12

Note. Urban (rural) means that the head of the household where the child comes from held urban (rural) hukou at the age of 13. Education is measured by years of schooling. The other variables are self-explanatory.

$$Edu_i^C = \alpha_0 + \alpha_1 E du_i^P + X_i'\beta + \varepsilon_i, \tag{1}$$

where the superscripts C and P represent the child and the parent (either mother or father), respectively; *Edu* denotes years of formal schooling; X is a vector of control variables for the child including gender, minority dummy, birth cohort dummies, and residential province dummies, which explicitly control for demographic and locational factors that may affect years of schooling. Moreover, a number of existing studies have explored the quantity–quality tradeoff in that there may exist a negative relationship between the number of siblings and years of schooling for each person (Qian, 2009; Shen, 2017). Thus, we also control for the number of siblings in our regressions. In summary, this model captures the overall effect of parental education on children's education after controlling for various covariates. The main results are displayed in Table 3. The coefficients found below are comparable with those in other studies such as Black and Devereux

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Birth cohort		Years for chi		oling		Years for fat		oling		Years for mo		oling	
of child	Share (%)	Mean	S.D.	Min	Max	Mean	S.D.	Min	Max	Mean	S.D.	Min	Max
1965-1969	0.80	7.87	3.24	0	16	5.53	3.43	0	15	3.57	3.56	0	15
1970–1974	4.27	8.51	2.92	0	17	5.50	3.12	0	15	3.82	3.00	0	15
1975–1979	9.66	9.68	3.02	0	19	6.58	3.40	0	18	4.60	3.62	0	18
1980–1984	21.01	10.45	3.18	0	21	7.31	3.10	0	17	5.93	3.50	0	17
1985–1989	42.65	11.52	3.32	0	22	8.12	2.89	0	19	6.90	3.32	0	18
1990–1994	21.61	11.82	3.15	0	19	8.28	2.91	0	20	7.15	3.37	0	19

TABLE 2 Descriptive statistics by children's birth cohorts

(2011) and Chen, Naidu, Yu, and Yuchtman (2015). For example, Chen et al. (2015) examined the effect of father's education on children's education among urban Chinese. For the same birth cohort, their estimate is around 0.35, which is similar to our results for the urban sample.

Several interesting results stand out from the table above. First, on average, the regression coefficients on parental education are larger for the urban sample than for the rural one, suggesting lower intergenerational education mobility in urban China. This may occur for two reasons. On the one hand, rural parents on average receive significantly less education than urban parents, which makes more room for intergenerational mobility. On the other hand, urban areas have more good schools and educational resources, which enable people to accumulate their advantage over generations.

Second, if we compare the mobility between sons and daughters, we find that the regression coefficient is larger for sons in cities, but smaller for them in rural areas. As we know, the OLS results incorporate both the nature and nurture effects since we cannot control for unobserved inherent capabilities. However, the difference between sons and daughters in terms of the mobility pattern in different geographic areas is hard to explain by the nature effect. It is very likely that parents tend to allocate more educational resources to sons in both urban and rural areas, so we see more persistence in education for sons in urban areas where sufficient education resources are available. In contrast, more persistence occurs for girls in rural areas where education resources are scarce and thus low-level education is easier to transmit for daughters.

Finally, the coefficients on the control variables differ significantly between urban and rural sample. For example, the quantity-quality tradeoff is more relevant in rural areas in that the number of siblings is negatively associated with a person's years of schooling, but this effect seems nonexistent in urban areas. Moreover, belonging in the minority group increases years of schooling for the urban sample but reduces education for the rural counterpart. One possible reason may be that urban minorities can obtain some priorities when entering high school or college, but minorities in rural areas may not have sufficient access to education resources.

We further run OLS regressions for fathers with different levels of education. As it turns out in Table 4, more persistence tends to occur for a higher level of education in urban areas but for a lower level of education in rural areas. That is, higher-educated people tend to accumulate their advantages over time by transmitting more education to the next generation. Besides, this persistence is indeed even larger in urban areas since the regression coefficient for people whose parents hold a high school degree is 0.444 which is much larger than 0.281 for the rural counterpart.

The high persistence found in rural areas for the lowest education group is an important finding for policy purposes. This might provide some evidence for educational poverty traps in that parents

TABLE 3 OLS regression results for urban		and rural sample				
	(1)	(2)	(3)	(4)	(5)	(9)
OLS	Father-child	Mother-child	Father-son	Father-daughter	Mother-son	Mother-daughter
Panel A: Urban sample						
Father's education	0.368^{***}		0.385***	0.328***		
	(0.0258)		(0.0345)	(0.0394)		
Mother's education		0.362***			0.405***	0.274***
		(0.0248)			(0.0319)	(0.0402)
Male	-0.608***	-0.666***				
	(0.164)	(0.162)				
Minority	0.677*	0.640^{*}	1.030*	0.206	0.941^{*}	0.196
	(0.354)	(0.353)	(0.526)	(0.468)	(0.513)	(0.481)
No. of siblings	0.0135	0.0237	-0.0411	0.0936	-0.0421	0.107*
	(0.0422)	(0.0421)	(0.0577)	(0.0616)	(0.0563)	(0.0633)
Province dummies	Yes	Yes	Yes	Yes	Yes	Yes
Birth cohort dummies	Yes	Yes	Yes	Yes	Yes	Yes
Observations	1,047	1,047	635	412	635	412
R^2	0.264	0.271	0.276	0.206	0.311	0.164
Panel B: Rural sample						
Father's education	0.280^{***}		0.267^{***}	0.316***		
	(0.0152)		(0.0168)	(0.0344)		
Mother's education		0.239^{***}			0.214^{***}	0.318^{***}
		(0.0139)			(0.0155)	(0.0306)
Male	-0.808***	-0.767***				
	(0.0937)	(0.0943)				
						(Continues)

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OLS	(1) Father-child	(2) Mother-child	(3) Father-son	(4) Father-daughter	(5) Mother-son	(6) Mother-daughter
Minority	-0.501^{***}	-0.539***	-0.313	-0.755*	-0.290	-0.888^{**}
	(0.188)	(0.189)	(0.214)	(0.398)	(0.216)	(0.394)
No. of siblings	-0.0371^{*}	-0.0301	-0.0463*	0.000104	-0.0393	0.00831
	(0.0215)	(0.0216)	(0.0240)	(0.0466)	(0.0242)	(0.0462)
Province dummies	Yes	Yes	Yes	Yes	Yes	Yes
Birth cohort dummies	Yes	Yes	Yes	Yes	Yes	Yes
Observations	4,769	4,769	3,510	1,259	3,510	1,259
R^2	0.219	0.212	0.197	0.219	0.183	0.232
Note. Birth cohorts are defined by 5-year interval as	5-year interval as displayed	l in Table 2. Education is me	asured by years of schoo	displayed in Table 2. Education is measured by years of schooling. Standard errors in parentheses *** $p < 0.01$; ** $p < 0.05$; * $p < 0.1$.	ses *** $p < 0.01$; ** $p < 0$.05; $*p < 0.1$.

TABLE 3 (Continued)

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	(1)	(2)	(3)	(4)
OLS	Primary & below	Middle	High	College & graduate
Panel A: Urban sample				
Father's education	0.118	0.364*	0.444**	0.136
	(0.179)	(0.185)	(0.196)	(0.115)
Male	-0.398	-0.933***	-0.556**	-0.0345
	(0.691)	(0.269)	(0.280)	(0.308)
Minority	1.582	1.317*	0.661	-1.004
	(1.307)	(0.690)	(0.561)	(0.713)
No. of siblings	-0.00715	0.133*	-0.0290	-0.116
	(0.184)	(0.0688)	(0.0743)	(0.0807)
Province dummies	Yes	Yes	Yes	Yes
Birth cohort dummies	Yes	Yes	Yes	Yes
Observations	116	418	332	181
R^2	0.305	0.196	0.080	0.145
Panel B: Rural sample				
Father's education	0.143***	0.241***	0.281*	0.269
	(0.0351)	(0.0779)	(0.144)	(0.522)
Male	-0.500***	-0.939***	-0.943***	-0.666
	(0.153)	(0.134)	(0.258)	(0.897)
Minority	-0.489*	-0.726***	0.877	3.320
	(0.290)	(0.277)	(0.568)	(2.713)
No. of siblings	-0.0307	-0.0386	-0.00168	-0.0855
	(0.0327)	(0.0321)	(0.0622)	(0.242)
Province dummies	Yes	Yes	Yes	Yes
Birth cohort dummies	Yes	Yes	Yes	Yes
Observations	1,797	2,302	609	61
R^2	0.164	0.134	0.206	0.484

TABLE 4 OLS regression results by fathers' education level

Note. Birth cohorts are defined by 5-year interval as displayed in Table 2. Education is measured by years of schooling. Standard errors in parentheses ***p < 0.01; **p < 0.05; *p < 0.1.

can pass their low education to their children, which may create persistent poverty in income over generations.

To lend more support on the different mobility between urban and rural China, we show another piece of evidence using an intergenerational education correlation that adjusts the differential variances in schooling across generations (Hertz et al., 2008; Black & Devereux, 2011). That is, the correlation coefficients can factor out the cross-sectional dispersion of education in two generations. The results are shown in Table 5.

As can be seen, our previous results keep unchanged. The correlation coefficient is larger in urban areas than that in rural China, implying larger intergenerational persistence in education for the urban sample. Additionally, the correlation coefficient is larger for sons in cities, but larger for

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TABLE 5 Correlation coefficients for urban and rural sample	

	Urban			Rural		
Correlation coefficient	All child.	Son	Daughter	All child.	Son	Daughter
Father's education	0.441	0.4505	0.3898	0.3369	0.3309	0.3374
Mother's education	0.4518	0.4938	0.3372	0.3421	0.3171	0.3739
Observations	1,047	635	412	4,769	3,510	1,259

Note. Education is measured by years of schooling.

daughters in rural areas. Finally, our results are comparable with previous studies such as Black and Devereux (2011). They find that the correlation coefficient is 0.34 for rural China, which is very similar to our estimates below.

4.2 | Instrumental variable estimations

This section aims to disentangle the nurture effect from the nature effect in intergenerational transmission of education. Estimating the nurture effect is important, because it can tell us the extent to which public policy can reduce education inequality in the current generation and subsequent generations, and hence can affect income inequality. As mentioned in previous sections, we will make use of the instrument generated by the Cultural Revolution since people born in different years were affected by this political event differently.

Several existing studies have summarized school interruption during the CR in terms of the impact on missed years of schooling for different age cohorts (Meng & Gregory, 2002; Chen, 2010; Meng & Zhao, 2013). These impacts on different birth cohorts in urban and rural areas are clearly displayed by Appendix Tables A1 and A2, respectively, which are revised versions from Chen (2010).⁴ Since the historical background has been detailed in these above-mentioned papers, we briefly summarize the key components here for simplicity.

4.2.1 | School interruptions in urban areas

According to the historical documents and several existing studies (Pepper, 1996; Chen, 2010), the large scale school interruption in urban China can be divided into the following four periods:

- (1) 1966 to 1968. Education at all levels was stopped; no teaching was carried out and no new students were admitted.
- (2) 1968 to 1971. Primary and middle schools were reopened. Children aged 7 to 9 could begin primary school and students who would have completed primary school in 1966 to 1968 were allowed to attend middle school. However, at the same time, in the reopened middle schools, the original national standardized curriculum and teaching materials were completely abolished. Not until 1971 were recovered curricula made available. That is, although middle schools reopened in principle, most of the children mainly took excursions to the countryside to work rather than learning. Later, most of these students, the so-called "educated youths" were sent to the rural areas to be "re-educated by peasants" because of the lack of employment opportunities in cities. Thus, in our analysis, we assume that middle schools were actually closed in this period. In the meantime, the original 6–3–3 schooling system (i.e., 6 years of primary, 3 years of middle school and 3 years of high school) was cut to be 5–2–2, which continued until 1973.

- (3) 1971 to 1976. High schools resumed the admission of new graduates directly from middle schools but had been cut to 2 years until 1973. The middle school curriculum was recovered during this time.
- (4) 1976 to 1981. After the Cultural Revolution officially ended in 1976, the original 6–3–3 schooling system was recovered. National College Entrance Examinations were resumed in 1977, and everyone who had missed their chance of college education because of the Cultural Revolution (e.g., "educated youths") was permitted to take the exams.

Based on the events introduced above, Table A1 summarizes the expected interruptions encountered by urban individuals born in different years, assuming they had the potential to complete high school had the Cultural Revolution not occurred. The last column estimates the expected total years of interruptions encountered by an urban individual.⁵ We will use this column as the instrument to estimate the nurture effect in intergenerational education mobility.

We take the 1956 birth cohort as an example to explain Appendix Table A1. If these people started primary school on time at 7 years of age, then they had completed 3 years of primary education when the CR began. Because all schools were closed between 1966 and 1968, their primary education was cut short by 2 years. In 1968, these students went back to the primary school and completed their primary education. In 1969, these students entered middle school even though they missed 2 years of primary education. However, as we claimed previously, middle school students in this period mainly took excursions to the countryside to work rather than learning, and hence they missed another 3 years of middle school education. In 1971, they started to attend high schools and missed another year of high school education compared with earlier cohorts since high school had been cut to 2 years. Hence, this cohort missed two years in primary school, three years in middle school, and one year in high school during the CR.

4.2.2 | School interruptions in rural areas

Indeed, popularizing education in rural China was on Chinese Communist Party (CCP)'s political agenda in the Maoist era. The effort to boost rural enrollment was made as early as in the Great Leap Forward (GLF) movement in 1958 to 1961, whose education component was known as "the Cultural Revolution in 1958" (Pepper, 1996). The major practice of the 1958 Cultural Revolution was the establishment of a large number of collectively run agricultural primary and middle schools in 1958 to 1961. However, many middle schools in rural areas were closed in 1961 to 1963 because of the economic crisis that followed immediately after the GLF, but they were revived in 1964 to 1965. In 1965, there were more than 60,000 agricultural middle schools nation-wide, almost tripling the number in 1958 (22,579).

Considered as a product of "Bourgeois ideology", however, all agricultural middle schools built in the late 1950s as well as many primary schools were closed during the initial stage of the Chinese Cultural Revolution (1966–1969) (Pepper, 1996). Things started to change in 1969, when the government decided to implement a radical education reform in rural China. The central government in 1969 required that every village-level collective should build its own complete primary school and that each commune should build its own combined middle/high school.⁶ Despite the limited funding resources available from the state, most local governments managed to complete these tasks, an important reason being that many of these commune-run secondary schools were built on the foundations of the previously closed middle schools.⁷ The national number of rural secondary schools soared from 604 in 1965 to 11,819 in 1971, and continued to grow to 50,916 in 1977. In retrospect, rapid expansion of rural schools seems to represent the general theme of China's rural education system in the Maoist era. Both the "Cultural Revolution in 1958" and rural education reform in 1969 aimed to achieve universal secondary school enrollment in rural China. The initial phase of the Chinese Cultural Revolution in 1966 to 1969, along with the GLF crisis in 1961 to 1963, however, broke the continuity of these two campaigns to expand rural school systems, and thus represented major interruptions.⁸ Table A2 summarizes the expected education interruptions experienced by the cohorts at school age around the Cultural Revolution years for rural residents. It lists the expected years of education interruptions encountered by rural individuals born in different years, assuming the "counterfactual" of China's rural education system was that the peak years of rapid school expansion extended from 1958 and uninterrupted to the early 1970s. It is noteworthy that the interruptions in rural areas were generated by both the CR and post-GLP crisis, which is different from interruptions in urban China solely generated by the CR.

4.2.3 | Identification strategy

The comparison in terms of formal years of schooling between cohort groups who encountered CR (the treatment groups) and those who did not encounter these shocks (the control groups) provides exogenous variation in individuals' educational attainment. Control groups should be chosen in a way that they are similar to the treatment groups in all aspects, except that they did not encounter education interruptions.

There are two appropriate control groups: (1) the group of individuals born in 1962 to 1966 (the After-CR group), and (2) the group of individuals born in 1942 to 1946 (the Before-CR group). The After-CR group consists of those whose education was not interrupted, even though they were born before the Cultural Revolution and were attending school during the Cultural Revolution. For urban residents, these individuals started their primary education after schools were reopened (in 1968) and finished their secondary school education after colleges and universities resumed normal recruitment (in 1977). The Before-CR group is the group of individuals who had completed their high school education just before the Cultural Revolution. The reason to restrict the Before-CR group to individuals born after 1942 is that those parents obtained their education mainly under the pre-communist system, which may differ from the system that operated after 1949, and part of their education may have also been interrupted by World War II and the Civil War.

For rural residents, the Before-CR and After-CR are also suitable control groups, although with somewhat different reasons. The After-CR group consists of those who were fully exposed to the radical education reform of 1969, entering primary school after 1969 and entering secondary schools in the peak years of school expansion. The Before-CR group consists of individuals whose middle school education was exposed to the peak years of another school expansion campaign, that is, the "Cultural Revolution in 1958." These two cohorts represented those who were exposed to the peak years of rapid school expansion at their school age.

4.2.4 | Results of IV estimations

In what follows, we make use of the total expected years interrupted provided by the two Appendix tables as instruments for parental education. The first-stage results are provided in Table 6. As is seen, the exposure to the CR indeed leads a reduction in parental years of schooling in both urban and rural areas. Females tend to be affected more by the Cultural Revolution, especially in rural areas.

Since the instrumental variable approach employed exogenous instruments for parental education which are not correlated with parents' inherent abilities, it captures the nurture effect. The results estimated by two-stage least squares are provided in Table 7.⁹ First, the *F*-statistics of testing the joint significance of IVs in the first-stage are mostly larger than the rule-of-thumb value 10, partly verifying the use of our instruments. Second, the IV results show that the nurture effect is larger and more significant for fathers, especially in urban areas. That is, fathers' education has a more significant impact on children's education through the nurture effect. Specifically, the empirical results suggest that a 1-year decrease in father's schooling because of school interruption during the CR leads to a 0.596- and 0.540-year decrease in the child's schooling for urban and rural areas, respectively.¹⁰

Finally, several previous findings from the OLS regressions remain true. For example, the regression coefficients on parental education are larger in urban than in rural areas. The rationale might be that urban areas have more good schools and educational resources, which enable people to accumulate their advantage over generations. Lastly, we find that the regression coefficient is much larger for sons than for daughters in cities, suggesting the son preference in terms of allocating educational resources.

4.3 | Possible mechanisms

We know from the last section that fathers' education significantly affects children's education through the nurture effect, but the specific mechanism is unknown. Fortunately, we have the information for fathers' annual income in the CHIP dataset, which enables us to test the income channel proposed by previous literature (Black & Devereux; 2011).¹¹ Table 8 and 9 report the OLS and IV regression results after controlling for father's annual income, respectively.

As it turns out, most of the coefficients become smaller than their counterparts without controlling for father's income, suggesting that father's education passes on to children's education partly through the income channel. That is, better-educated fathers earn higher income, which offers children more educational resources, making their children more educated. In contrast, lower-educated fathers earn less income and can offer fewer educational resources, making their children less educated. Accordingly, creating more equal educational opportunities and offering low-income family educational subsidies would reduce intergenerational education persistence and lower inequality.

	Father's educ	cation		Mother's edu	cation	
First stage	All	Urban	Rural	All	Urban	Rural
Father's interruption	-0.176***	-0.182***	-0.257***			
	(0.0186)	(0.0364)	(0.0204)			
Mother's interruption				-0.307***	-0.146***	-0.459***
				(0.0213)	(0.0398)	(0.0225)
Controls	Yes	Yes	Yes	Yes	Yes	Yes
Observations	5,850	920	4,930	5,850	844	5,006
R^2	0.015	0.027	0.031	0.034	0.016	0.077

TABLE 6 Results from the first stage regression

Note. The dependent variable is the actual years of parental schooling. Father's interruption and mother's interruption denote the expected years of interruption due to Cultural Revolution for fathers and mothers, respectively. Standard errors in parentheses. ***p < 0.01.

TABLE 7 Instrumental variable estimations	iable estimations						516
2SLS	(1) Father-Child	(2) Mother-Child	(3) Father-Son	(4) Father–Daughter	(5) Mother-Son	(6) Mother-Daughter	-WII
Panel A: Urban sample							ĹE
Father's education	0.596***		0.683^{**}	0.445			Y—
	(0.228)		(0.347)	(0.287)			
Mother's education		0.0186			0.134	-0.211	
		(0.231)			(0.314)	(0.359)	
Male	-0.490 **	-0.792***					
	(0.205)	(0.194)					
Minority	0.788^{**}	0.506	1.114^{**}	0.273	0.927*	-0.119	
	(0.379)	(0.390)	(0.555)	(0.488)	(0.532)	(0.594)	
No of siblings	0.0249	-0.00326	-0.0243	0.0992	-0.0559	0.0558	
	(0.0447)	(0.0488)	(0.0630)	(0.0620)	(0.0605)	(0.0814)	
Province dummies	Yes	Yes	Yes	Yes	Yes	Yes	
Birth cohort dummies	Yes	Yes	Yes	Yes	Yes	Yes	
Observations	1,047	1,047	635	412	635	412	
First-stage F-stat	13.897	13.738	6.589	7.194	6.845	6.442	
Panel B: Rural sample							
Father's education	0.540^{***}		0.537***	0.511*			
	(0.118)		(0.126)	(0.277)			
Mother's education		0.178^{**}			0.180^{**}	0.202	
		(0.0751)			(0.0905)	(0.131)	
Male	-0.760***	-0.791^{***}					
	(0.0986)	(0.0984)					CHI
						(Continues)	EN et

2SLS	(1) Father-Child	(2) Mother-Child	(3) Father-Son	(4) Father-Daughter	(5) Mother-Son	(6) Mother-Daughter
Minority	-0.474**	-0.536^{***}	-0.345	-0.674	-0.288	-0.887^{**}
	(0.193)	(0.189)	(0.222)	(0.414)	(0.216)	(0.392)
No. of siblings	-0.0325	-0.0331	-0.0431^{*}	0.00847	-0.0409*	0.000388
	(0.0221)	(0.0219)	(0.0248)	(0.0481)	(0.0245)	(0.0467)
Province dummies	Yes	Yes	Yes	Yes	Yes	Yes
Birth cohort dummies	Yes	Yes	Yes	Yes	Yes	Yes
Observations	4,769	4,769	3,510	1,259	3,510	1,259
First-stage F-stat	84.589	168.416	67.122	19.275	104.745	70.337
Note. Birth cohorts are defined by 5-year interval as displayed in Table 2. Education is measured by years of schooling. Standard errors in parentheses. ***p < 0.01; **p < 0.05; *p < 0.1.	5-year interval as displayed	l in Table 2. Education is me	easured by years of schoo	ling. Standard errors in parenthe	ses. *** <i>p</i> < 0.01; ** <i>p</i> <	0.05; *p < 0.1.

TABLE 7 (Continued)

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TABLE 8 OLS estimations controlling for father's income	s controlling for father's	income				
SIO	(1) Father-Child	(2) Mother-Child	(3) Father-Son	(4) Father–Daughter	(5) Mother-Son	(6) Mother-Daughter
Panel A: Urban sample						
Father's education	0.359***		0.361^{***}	0.329***		E)
	(0.0286)		(0.0368)	(0.0473)		-
Mother's education		0.369***			0.378^{***}	0.317***
		(0.0270)			(0.0336)	(0.0481)
Log (father's income)	0.676***	0.646***	0.677***	0.757***	0.677***	0.677***
	(0.116)	(0.115)	(0.150)	(0.192)	(0.145)	(0.195)
Male	-0.735^{***}	-0.782***				
	(0.181)	(0.178)				
Minority	0.422	0.353	0.648	-0.107	0.581	-0.176
	(0.404)	(0.397)	(0.577)	(0.558)	(0.562)	(0.563)
No. of siblings	0.0431	0.0391	0.0203	0.0898	0.00874	0.0870
	(0.0460)	(0.0453)	(0.0600)	(0.0718)	(0.0584)	(0.0724)
Province dummies	Yes	Yes	Yes	Yes	Yes	Yes
Birth cohort dummies	Yes	Yes	Yes	Yes	Yes	Yes
Observations	762	762	484	278	484	278
R^2	0.330	0.351	0.345	0.292	0.379	0.280
Panel B: Rural sample						
Father's education	0.257^{***}		0.245^{***}	0.300^{***}		
	(0.0161)		(0.0175)	(0.0396)		
Mother's education		0.211***			0.190^{***}	0.296***
		(0.0148)			(0.0162)	(0.0351)
						(Continues)

TABLE 8 OLS estimations controlling for father's income

STIO	(1) Father-Child	(2) Mother-Child	(3) Father-Son	(4) Father-Daughter	(5) Mother-Son	(6) Mother-Daughter
Log (father's income)	0.531^{***}	0.533^{***}	0.532^{***}	0.466***	0.532^{***}	0.484^{***}
	(0.0638)	(0.0642)	(0.0697)	(0.156)	(0.0704)	(0.154)
Male	-1.103^{***}	-1.066^{***}				
	(0.104)	(0.105)				
Minority	-0.461^{**}	-0.426^{**}	-0.231	-0.953**	-0.139	-1.070^{**}
	(0.206)	(0.208)	(0.233)	(0.465)	(0.235)	(0.461)
No. of siblings	-0.0270	-0.0254	-0.0242	-0.0163	-0.0207	-0.0225
	(0.0225)	(0.0226)	(0.0248)	(0.0519)	(0.0251)	(0.0514)
Province dumnies	Yes	Yes	Yes	Yes	Yes	Yes
Birth cohort dumnies	Yes	Yes	Yes	Yes	Yes	Yes
Observations	3,733	3,733	2,887	846	2,887	846
R^2	0.228	0.219	0.200	0.231	0.185	0.244
Note. Birth cohorts are defined by 5-year interval as displayed in Table 2. Education is measured by years of schooling. Standard errors in parentheses. $***p < 0.01$; $**p < 0.05$; $*p < 0.1$.	5-year interval as displayed	in Table 2. Education is me	asured by years of schoo	ling. Standard errors in parenthe	ses. *** $p < 0.01$; ** $p < 0$	0.05; *p < 0.1.

TABLE 8 (Continued)

TABLE 9 IV estimations controlling for father's income	controlling for father's in	come					520
2SLS	(1) Father-Child	(2) Mother-Child	(3) Father-Son	(4) Father–Daughter	(5) Mother-Son	(6) Mother-Daughter	-WII
Panel A: Urban sample							ĿE
Father's education	0.742***		0.863**	0.436			Y–
	(0.286)		(0.431)	(0.384)			
Mother's education		0.351			0.573*	-0.378	
		(0.227)			(0.314)	(0.574)	
log(father's income)	0.490^{***}	0.656***	0.362	0.723***	0.561**	1.084^{***}	
	(0.188)	(0.169)	(0.320)	(0.222)	(0.237)	(0.419)	
Male	-0.431	-0.794^{***}					
	(0.301)	(0.227)					
Minority	0.432	0.355	0.661	-0.107	0.551	-0.0203	
	(0.442)	(0.392)	(0.666)	(0.540)	(0.569)	(0.738)	
No. of siblings	0.0674	0.0383	0.0548	0.0958	0.0155	0.0523	
	(0.0536)	(0.0460)	(0.0752)	(0.0727)	(0.0598)	(0.0978)	
Province dummies	Yes	Yes	Yes	Yes	Yes	Yes	
Birth cohort dummies	Yes	Yes	Yes	Yes	Yes	Yes	
Observations	762	762	484	278	484	278	
<i>F</i> -stat	8.931	10.246	4.474	3.666	5.399	3.017	
Panel B: Rural sample							
Father's education	0.433^{***}		0.405^{***}	0.480			
	(0.124)		(0.127)	(0.348)			
Mother's education		0.154^{**}			0.148*	0.200	
		(0.0761)			(0.0890)	(0.141)	CHI
						(Continues)	EN et

2SLS	(1) Father-Child	(2) Mother-Child	(3) Father-Son	(4) Father-Daughter	(5) Mother-Son	(6) Mother-Daughter
log(father's income)	0.497^{***}	0.545***	0.505***	0.416**	0.541^{***}	0.505^{***}
	(0.0687)	(0.0662)	(0.0735)	(0.182)	(0.0726)	(0.155)
Male	-1.053^{***}	-1.096^{***}				
	(0.111)	(0.112)				
Minority	-0.476**	-0.430^{**}	-0.278	-0.877*	-0.144	-1.073^{**}
	(0.209)	(0.207)	(0.238)	(0.485)	(0.234)	(0.455)
No. of siblings	-0.0248	-0.0267	-0.0229	-0.00907	-0.0219	-0.0244
	(0.0228)	(0.0226)	(0.0251)	(0.0535)	(0.0251)	(0.0509)
Province dummies	Yes	Yes	Yes	Yes	Yes	Yes
Birth cohort dummies	Yes	Yes	Yes	Yes	Yes	Yes
Observations	3,733	3,733	2,887	846	2,887	846
<i>F</i> -stat	65.171	144.319	56.646	10.658	96.981	52.575
Note. Birth cohorts are defined by 5-year interval as displayed in Table 2. Education is measured by years of schooling. Standard errors in parentheses. $***p < 0.01$; $**p < 0.05$; $*p < 0.1$.	5-year interval as displayed	in Table 2. Education is me	asured by years of schoo	ling. Standard errors in parenthe	ses. *** $p < 0.01$; ** $p < 0.01$;	0.05; *p < 0.1.

TABLE 9 (Continued)

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Meanwhile, it should be noted that even after controlling for father's income, parental education still has a significantly positive effect on children's education through the nurture effect, as suggested in Table 9. This indicates that beyond the income channel, there exist other channels through which parental education can affect children's education, such as better home environment, and so on.

5 | CONCLUSION

In this paper, we estimate the effect of parental education on children's education in China using OLS and IV regressions with the newly released CHIP 2013 dataset. By virtue of the instruments generated by the Cultural Revolution in China as proposed by Meng and Gregory (2002), Chen (2010), and Meng and Zhao (2013), we estimate the nurture effect of the intergenerational transmission and its potential mechanisms.

Several important findings stand out from our empirical analyses. First, on average, the regression coefficients on parental education are larger in cities than in rural areas, suggesting lower intergenerational education mobility in urban China. This may occur because urban areas have more good schools and educational resources, which enable people to accumulate their advantage over generations. Second, more intergenerational persistence in education tends to occur for a higher level of education in urban areas but for lower levels of education in rural areas. The high persistence found in rural areas for the lowest education group might be some evidence for educational poverty traps in that parents can pass their low education to their children, which may create persistent poverty in income over generations.

The results from IV estimation show that the nurture effect is larger and more significant for fathers than for mothers. Specifically, the empirical results suggest that a 1-year decrease in father's schooling because of school interruption during the CR leads to a 0.596- and 0.540year decrease in the child's schooling for urban and rural areas, respectively. A deeper investigation of the mechanism behind this nurture effect informs us that father's education passes on to children's education partly through the income channel. That is, better-educated fathers earn a higher income, which offers children more educational resources, making their children more educated. Another notable finding is that even after controlling for father's income, parental education still has a significantly positive effect on children's education through the nurture effect. This indicates that beyond the income channel there exist other channels such as better home environment. Future research to test these channels would thus be desirable and valuable.

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ENDNOTES

- ¹ One exception is Song (2012), which identifies the causal effect of popularizing compulsory schooling on poverty reduction in China.
- ² People inherit the hukou status at birth from their parents, and it is very hard to convert hukou from rural to urban for the parents' generation (Song, 2014). Accordingly, the urban/rural divide is roughly applicable for the children's generation as well. Moreover, we use 13 years old as the age cutoff because the survey questionnaire only uses this age cutoff to identify the hukou type.
- ³ The authors also use the entire sample (without restricting our sample according to the parents and children's year of birth) to conduct the descriptive analysis, and the results show that 70% of the children are male, which is comparable with the value using our restricted sample.
- ⁴ Chen (2010) first proposed a set of instruments in both urban and rural areas according to historical documents he collected. However, the instruments he used were not exactly consistent with the text. In this paper, we double checked some historical materials and made up our revised instruments, which are slightly different from Chen's paper.
- ⁵ Note that Table A1 lists the expected, as opposed to the actual, education interruptions encountered by these individuals. Without further information, it is difficult to estimate the actual education interruptions they encountered since the schooling system may be slightly different across regions. The same is true for Table A2.
- ⁶ Refer to *People's Daily* on May 12, 1969.
- ⁷ See Chen (2010) for more details.
- ⁸ We keep the assumption made by Chen (2010) that the interruption started in early 1961 and ended in late 1963, so the 1961 to 1963 period is corresponds to a 3-year interruption.
- ⁹ Because our instruments are not region or province-specific, we employ usual standard errors instead of clustered ones.
- ¹⁰ Several existing studies have found that the effect tends to be larger in magnitude when using the IV estimation (Meng & Zhao, 2013; Song, Yang, & Yang, 2016). When the nurture effect is heterogeneous, the IV estimate could be lower or higher than the OLS estimate as it is a weighted Local Average Treatment Effect (LATE), which captures the effect for the particular group the instruments identify. That is to say that it identifies an effect for a subgroup of individuals whose (parental) treatment status is changed by the random shock identified by the instrument. The degree to which the LATE is applicable to the whole population depends on how "local" the estimate is and how heterogeneous the population is.
- ¹¹ In the dataset, father's income in urban areas is measured by the annual labor earnings in the survey year, while rural income is only defined as father's labor earnings from nonagriculture work.

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	(1)	(2) Primarv	(3)	(4)	(5) Expected vears	(6) Expected vears	(7) Expected vears	(8) Expected vears	(9) Expected vears
Treatment groups	Birth year	school starting year	Middle school starting year	High school starting year	of delayed enrollment	interrupted in primary school	interrupted in middle school	interrupted in high school	interrupted = $(5)+(6) +(7)+(8)$
Interrupted	1948	1955	1961	1964				1	1
high school	1949	1956	1962	1965				7	2
	1950	1957	1963	1966				ю	Э
Interrupted middle	1951	1958	1964	1967			1	3	4
and high school	1952	1959	1965	1968			2	Э	5
	1953	1960	1968	1970			3	3	6
	1954	1961	1968	1970		1	3	3	7
	1955	1962	1968	1970		2	3	3	8
	1956	1963	1969	1971		2	3	1	6
	1957	1964	1970	1972		2	2	1	5
	1958	1965	1971	1973		2	1	1	4
Interrupted	1959	1968	1973	1976	2	1			З
primary education	1960	1968	1973	1976	1	1			2
	1961	1968	1973	1976		1			1

APPENDIX

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Treatment groups	Birth year	Primary school starting year	Middle school starting year	Interrupted primary school	(5) Interrupted middle school	(o) Expected years of interruption = (4) + (5)
CR1: post-GLF crisis at middle	1947	1954	1960		2	2
school	1948	1955	1961		c	3
	1949	1956	1962	2	2	4
	1950	1957	1963	3	1	4
CR2: post-GLF crisis at primary	1951	1958	1964	3	1	4
school; middle school closure between 1966 and 1968	1952	1959	1965	3	7	5
CR3: post-GLF crisis at primary	1953	1960	1966	3	c,	9
school; middle school closure	1954	1961	1967	4	2	9
between 1960 and 1968	1955	1962	1968	3	1	4
CR4: primary education interrupted	1956	1963	1969	2		2
between 1966 and 1968; 1969	1957	1964	1969	3		3
Education reform at middle school	1958	1965	1970	3		3
CR5: primary education interrupted	1959	1966	1971	3		3
between 1966 and 1968; 1969	1960	1967	1972	2		2
Education reform at primary level	1961	1968	1973	1		1

TABLE A2 Expected education interruptions: Rural residents born between 1947 and 1961