

International Transfers Patterns and the Demonstration Effect in China: Evidence from CHARLS National Survey

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ABSTRACT

Informal support within the family as a social norm is a traditional source of old-age care in China. Using China Health and Retirement Longitudinal Study (CHARLS), this study investigates the determinants and patterns of intergenerational transfers among four generations. Based on the demonstration effect model, we find that children's transfers to parents are conditioned on what the parents do to the grandparents.

JEL classification: D10; R20; J14; I30

KEY WORDS: Intergenerational Transfers, Transfers Patterns, Demonstration Effect

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