



# Social Mobility in Developing Countries: Pathways for Research and Policy

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# Background and Motivation

- Are the chances of a child growing up in China reaching higher income or occupational levels than their parents any higher than those of a child in India?
- And if they are higher, what explains this?
- And what can policy makers do about the lack of social mobility?
- Surprisingly, we know little about the fundamental questions on the inequality of opportunity.

# Why is Social Mobility Important?

- Social mobility—defined as the ability to move from a lower to a higher level of education or occupational status, or from a lower to a higher social class or income group—is the great hope of economic development.
- For many, it should also be one of the fundamental characteristics of a good society: that people should be able to climb as high as they are able, and not to be hindered because of gender, race, class, or economic disadvantage.

# What are the challenges of researching social mobility in developing countries?

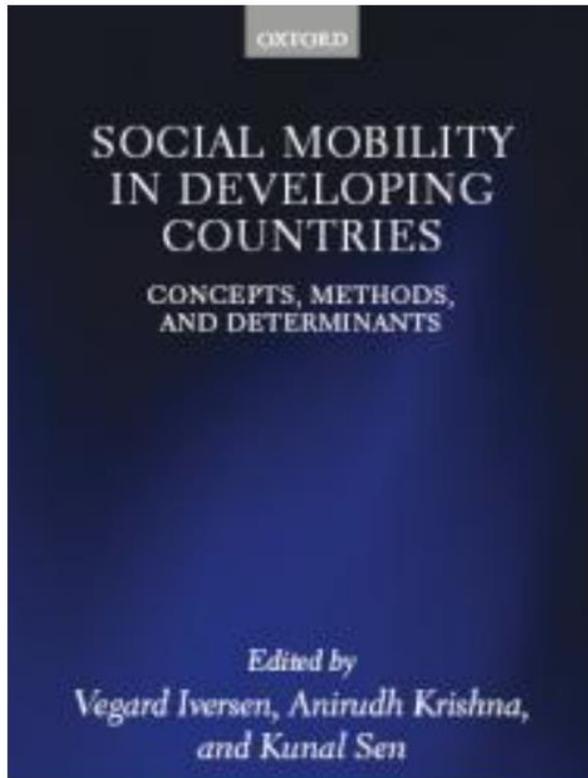
- First, the concepts that we typically use in our analysis of social mobility in developed countries do not travel well to developing country contexts.
- A second reason why there is a knowledge gap in our understanding of social mobility in developing countries is that we do not have the data on income and occupations over many years for the same generation of individuals, let alone over multiple generations—grandparents, parents, and children.

# Understanding the root causes of the lack of mobility

- A final reason why there is a lack of understanding of social mobility in developing countries is that we do not know enough about the drivers of mobility.
- While we know that in rich countries, parental endowments (chiefly, income) and the investments that they make in their children's education are hugely important in determining the life chances of their children, we know that a multitude of other factors also matter in determining social mobility in low- and middle-income countries.

# Outline of my presentation

- An introduction to forthcoming WIDER OUP Book: *Social Mobility in Developing Countries: Concepts, Methods and Determinants*.
- An empirical illustration on how to research social mobility in developing countries.



- To be available Open Access on 21<sup>st</sup> Dec 2021.
- Check WIDER's website.

# Three Questions that the Book addresses

1. How to assess the extent of social mobility in a given development context when the datasets required by conventional analysis and measurement techniques are at best limited and often almost entirely unavailable?
2. How to reliably identify the drivers and the inhibitors of social mobility in particular developing country contexts?
3. How to acquire the knowledge required to design interventions that are likely to raise social mobility, either by increasing upward mobility or by lowering downward mobility?

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# Research Pathways: Three Knowledge Gaps

- First, we lack data and comparable measures of social mobility that provide us with a clear understanding of which countries in the developing world are doing well (and which others are not) by way of achieving intergenerational mobility.
- The lacunae in the measurement of social mobility is most evident for low-income countries, and especially for sub-Saharan Africa
- A second important knowledge gap that needs to be addressed more effectively relates to gender differences in social mobility in developing countries. We know very little about mother–daughter mobility as compared to father–son mobility in low- and middle-income countries.

# Knowledge Gaps – contd.

- A third critical knowledge gap is related to our limited understanding of the drivers of social mobility in developing countries.
- For a poor child born in a slum in Mumbai, Nairobi, or Rio de Janeiro, there can be multiple and simultaneously operating determinants of weak intergenerational mobility, including poor schooling, lack of well-paid jobs, a scarcity of role models in the neighbourhood, and various forms of group-based discrimination.
- Which one is the most important? Or are they all important?

# Research Practice: Three Key Lessons

- Grounded in the many possible combinations of concepts and measures that are available and may be used for intergenerational mobility comparisons, answers to whether one country has more social mobility than another, whether social mobility is increasing or falling over time and whether mobility is higher in rural than in urban areas, are often shrouded in ambiguity.
- Second, measures and methods that have been developed and used to study intergenerational mobility in industrial countries have been applied for the study of often very different low-income countries and contexts without scrutiny of how well these measures could handle these contrasts.
- The third practice dividend are the gains from interdisciplinary conversations. While claims of such gains are regularly encountered and at risk of becoming a trope, the chapters in this volume provide important examples of such value added.

# Six Policy Pathways

- A first set of policies is needed for bringing about broad-based human capital investments — in education, health care, sanitation, etc.
- Second, therefore, policies are required that result in an increase in good jobs and business opportunities. Li's examination of the Chinese experience (in the volume) indicates that the greater part of the rapid mobility the country has seen recently can be attributed to a vast growth of good positions.
- Third, since precarious and volatile livelihoods are characteristic of many developing country contexts, downward mobility needs to be contained before sustained upward mobility becomes a realistic possibility.
- Together, these three policy sets — in support, respectively, of increasing good jobs, gains in human capital development, and a check upon downward mobility — should help raise the tide overall, enabling upward mobility more generally.

# Policy Pathways, contd.

- In addition to the first three sets, a fourth set of policies is required that responds to the concerns arising from Mani and Riley's examination (in the volume) of social networks and role model effects.
- Social networks importantly influence mobility prospects, both in tangible ways — via access to opportunities, information about jobs, referrals, etc. — and in intangible ways, by influencing aspirations and cultural capital and by providing role models.
- Fifth, discrimination will need to be countered directly. Policies aimed at longer-term attitudinal changes are helpful in this regard. As Luke says (in this volume) policies that promote egalitarian views and less-restrictive gender norms among mothers can help bring about greater labour force participation by daughters and daughters-in-law.
- Sixth, and finally, it needs to be remembered that policies to promote social mobility have to be seen as part of a broader suite of policies for social justice and social cohesion. As Kanbur remarks (in the volume), the concern with social mobility should not result in a reduction of focus on income redistribution, partly because redistribution may be necessary for achieving social mobility objectives like equality of educational outcomes.

# An Empirical Illustration: Multigenerational Mobility among Males in India, with Anustup Kundu, forthcoming, *Review of Income and Wealth*

- Most studies of intergenerational mobility focus on adjacent generations, and there is limited knowledge about multigenerational mobility — status transmission across three generations.
- We examine multigenerational educational and occupational mobility in India, using a nationally representative data-set - the India Human Development Survey which contains information about education and occupation for three generations.
- The study of multigenerational mobility enables us to understand to what extent inequality of opportunity has declined in a country over time.
- In societies where there is dynastic transmission of wealth and social standing, intergenerational persistence of economic and social status is likely to occur, inhibiting social progress.

# Examining Multigenerational Mobility in India

- A key limitation for the study of multigenerational mobility is a lack of good data that can span three generations ([Güell et al. 2018](#)).
- In the case of India, we take advantage of a nationally representative data set—the India Human Development Survey (IHDS) 2011–12—which asks heads of households about their father’s main occupation and educational level.
- We can also take advantage of the fact that many households in India are multigenerational.
- We focus on educational and occupational mobility instead of income mobility for two reasons.
- First, the survey questionnaire for the IHDS asks the head of the household about their father’s educational level and occupational status, not about their income.
- Second, in the context of developing countries, the measurement of income is problematic, given the difficulty of obtaining reliable income estimates in economies with large agrarian and informal sectors ([Iversen et al. 2019](#)).

# Occupational and Educational Categories

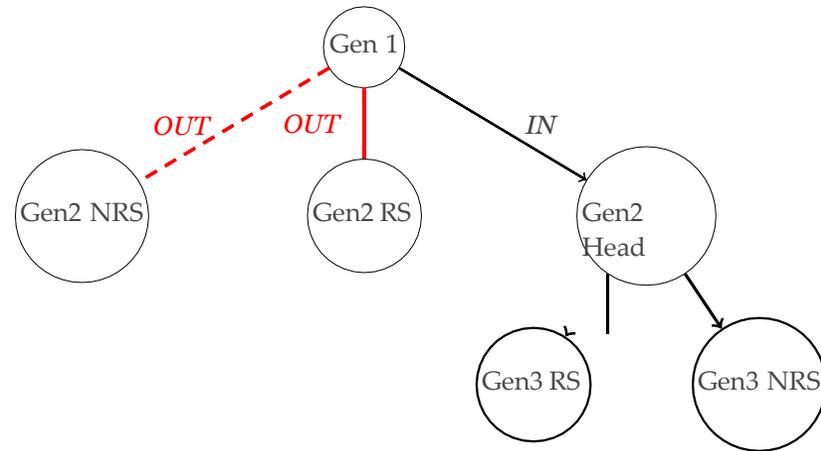
Table 1: Occupational Categories and Codes

Category 6	Professional (Occupation codes 00-29)
Category 5	Clerical and other (Occupation codes 30-39, 40-49)
Category 4	Farmers (Occupation codes 60-62)
Category 3	Higher status vocational occupations (Occupation codes 43, 49, 50-52, 56-59, 79, 84-87).
Category 2	Lower status vocational occupations (often caste based, traditional): 53-55, 68, 71-78, 80-83, 88-93, 96-98
Category 1	Agricultural and other manual labourers, including construction workers (Occupation codes 63-67, 94, 95, 99)

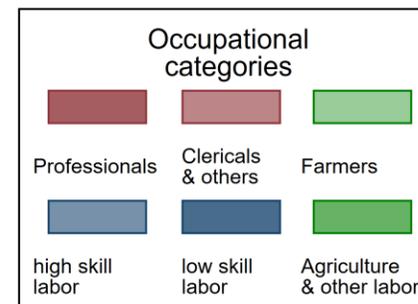
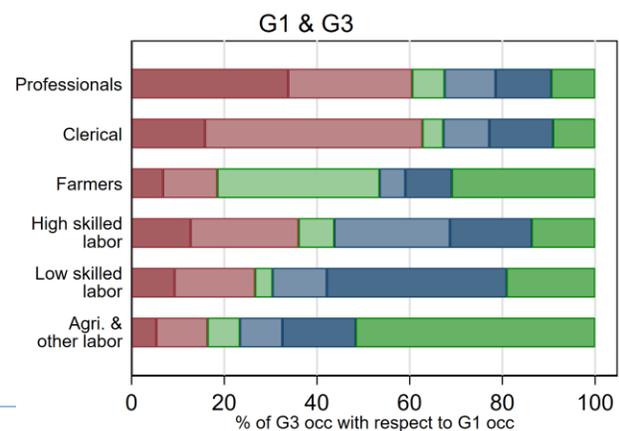
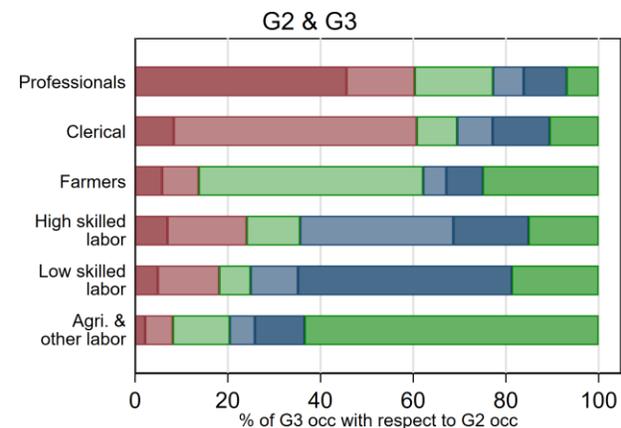
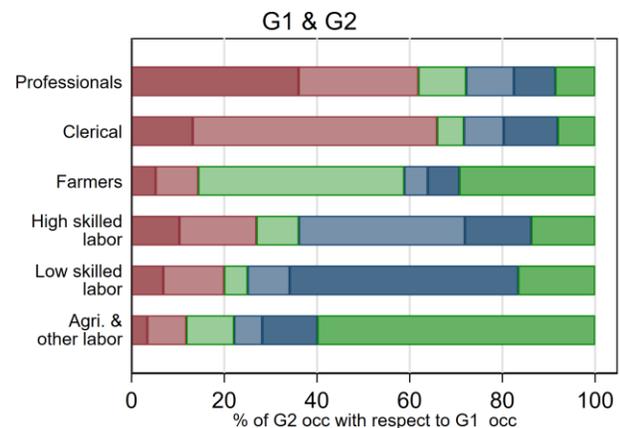
We categorize years of education into seven categories:

- (1) illiterate with less than primary,
- (2) literate with less than primary,
- (3) primary,
- (4) middle,
- (5) secondary,
- (6) higher secondary,
- (7) post-secondary.

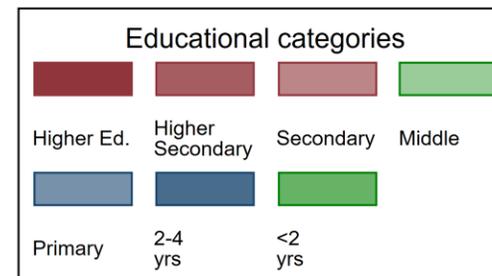
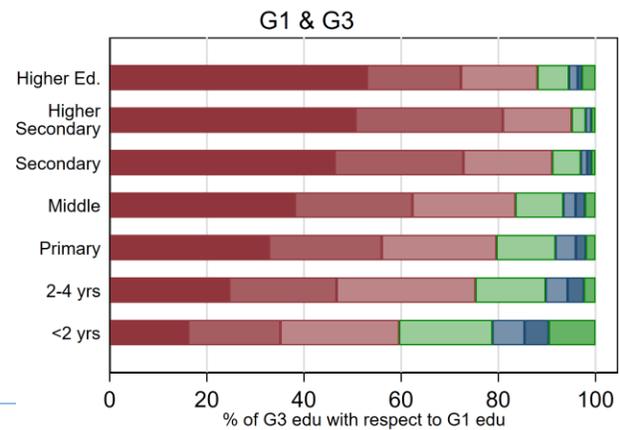
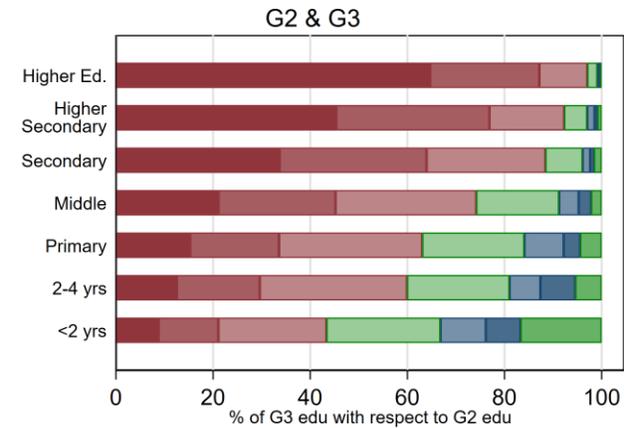
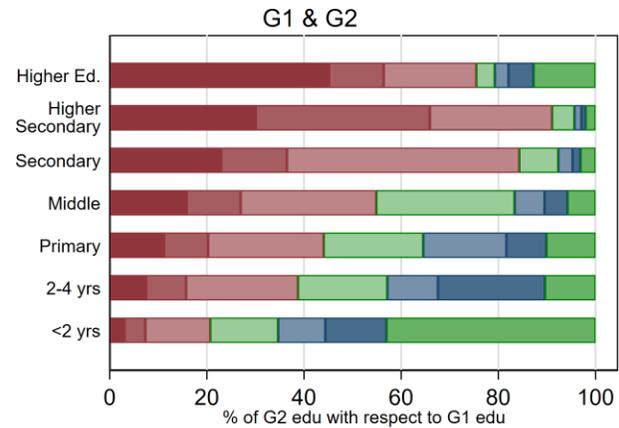
# Generation Tree



# Occupational mobility across generations

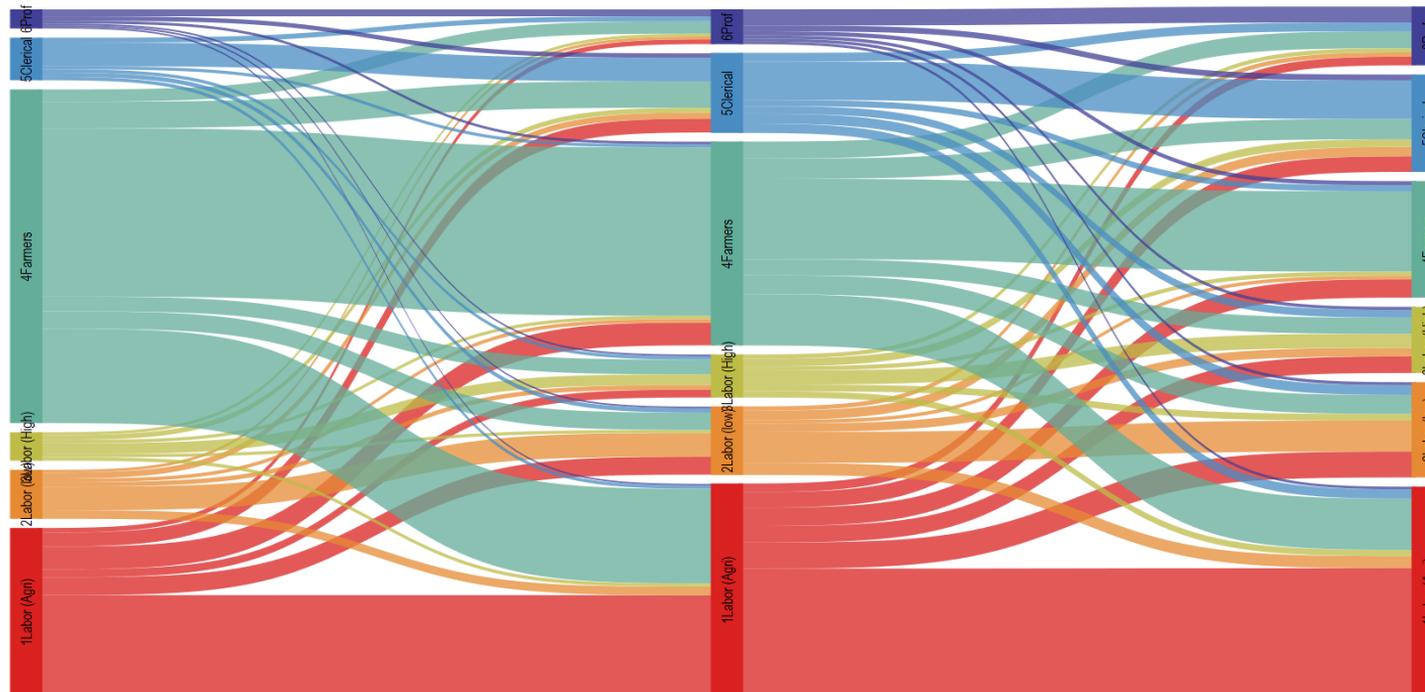


# Educational mobility across generations



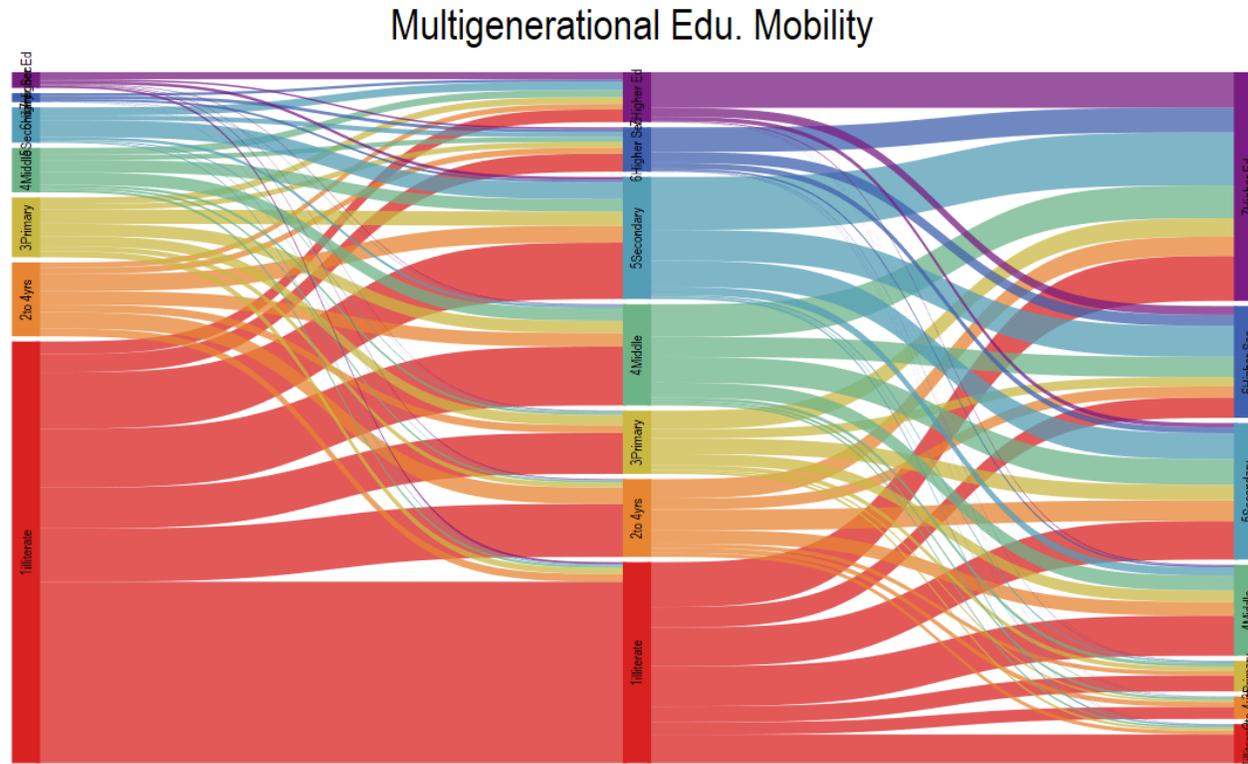
# Transition Paths – Occupational Mobility

Multigenerational Occ. Mobility



Note: (G1-G2-G3). authors' calculations.

# Transition Paths – Educational Mobility



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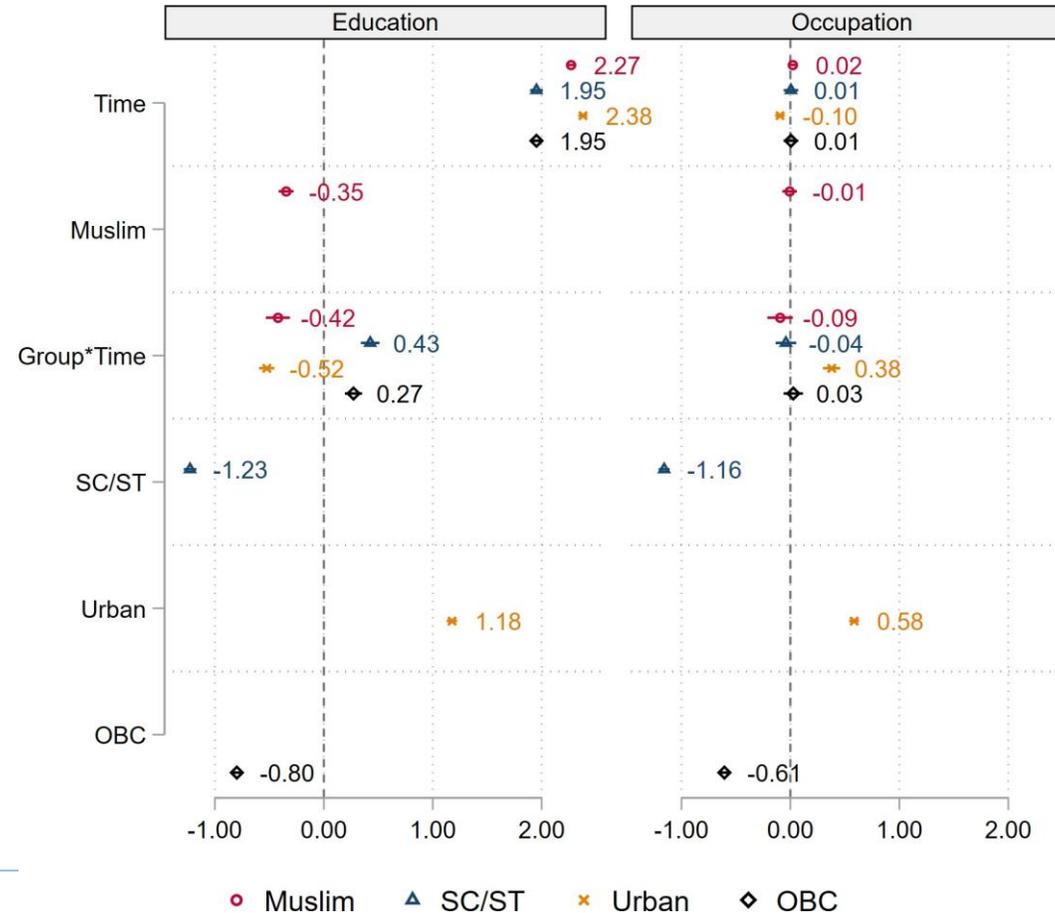
# How Much Has Mobility Among Socially Disadvantaged Groups and Minorities Increased Over Generations?

We use a DD method analogous to the difference in difference (DID) method to exploit the multigenerational nature of our data and to test for differences in mobility across various groups in our sample over generations. We pool generation 1 and generation 2 to estimate

- $$Y_{ij} = \alpha + \gamma S_{ij} + \lambda G_{ij} + \rho(S_{ij} * G_{ij}) \quad (3)$$

where  $i$  is the son–father–grandfather triad and  $j$  is the generation/time, ( $j = 1$  for generation 1,  $j = 2$  for generation 2 and  $j = 3$  for generation 3).  $Y_{ij}$  is the occupation/education of generation  $j$ .  $S_{ij}$  is the location dummy (equal to 1 for urban residents), social group dummy (SC/ST, OBC), or religion dummy (Muslim) (analogous to the ‘treatment’ group dummy in DID).  $G_{ij}$  is the generation/time dummy, which takes a value of 1 for generation 3 and 0 for generations 1 and 2 (analogous to the ‘treatment’ dummy in DID).  $S_{ij} * G_{ij}$  is the interaction term, analogous to the ‘treatment effect’ in a DID model.

# Coefficient plot of regression estimates of eq. 3



# Main Findings

- We find that mobility has increased over generations for education, but not for occupation.
- We also find that there are stark differences across social groups, with individuals belonging to socially disadvantaged communities in lagging behind in social progress.
- Multigenerational mobility for Muslims in education and occupation have decreased in comparison to Hindus over the three generations.
- While we find that there is an increase in educational mobility for other disadvantaged groups such as Scheduled Castes, Scheduled Tribes, and Other Backward Classes compared to General Castes, we do not find evidence of increased occupational mobility over the three generations.

# Conclusions

- Investing in social mobility through policy investments of the types identified in the volume should be a very important part of the future development agenda.
- For too long, a belief has prevailed that a country's GNP must grow first, and poorer people's problems can be resolved later.
- An alternative model of action needs to be considered that turns the old logic around on its head: promote social mobility by addressing the factors that limit poorer people's ability to pull themselves upward.
- Our work on multigenerational mobility in India shows that in spite of India's rapid economic growth and affirmative action programmes, socially disadvantaged groups and minorities are lagging behind in social progress.
- As more and more individuals start to rise higher than earlier, the country's GNP will advance automatically.
- Growth *and* social justice will be promoted by investing in social mobility.





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