



***SOCIAL MOBILITY IN DEVELOPING
COUNTRIES: CONCEPTS,
METHODS AND DETERMINANTS***

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Background

- Politicians routinely pay homage to social mobility, resonating with a widely held notion of a just society in which “an individual’s expected level of achievement [is] a function only of his effort and not of his circumstances” (Roemer 1998: 21). All should have an equal chance of success, regardless of gender, ethnicity or family background.
- The study of poverty dynamics and persistence: unprecedented post 1981 progress (Deaton 2013), but focus limited to (often marginal) mobility out of - and to a lesser extent - into poverty (Krishna 2013).
 - *This (crucial) subset of mobility events does not feature prominently in the analysis of industrial country data.*
 - *Limited knowledge about more substantive progress (‘large ascents’), its determinants and variation by e.g. location (Chetty et al 2014) and gender.*

The social mobility literature: roots in traditions and methods of studying social mobility in the West

- The literature on theory and estimation challenges (Solon 1999; Black and Devereux 2011) has, in main, developed around research focusing on industrial countries, where increasingly rich, high frequency (e.g. annual income tax records), large panels and other data-sets have opened up a range of opportunities.
- A similar comment extends to the axiomatic literature (with early contributions from e.g. Shorrocks 1978 & 1993; Fields and Ok 1996; Fields 2008 and recently from e.g. Cowell and Flachair 2019): main focus on income mobility.
- Empirical and axiomatic discussions have thus, broadly, taken place – and for the purposes here – with a focus on industrial country settings and without in-depth engagement with whether and in what specific ways developing country settings may be *relevantly* different.

Are developing countries relevantly different?

- While the research interest in social mobility in developing countries has gained rapid traction (See Iversen, Krishna and Sen, WBRO 2019), this raises questions about how well traditions and methods of studying social mobility in industrial countries ‘travel’ and perform in low-income settings (e.g. Torche 2014). It is these questions our UNU-WIDER book project sets out to engage with.

First: some noteworthy exceptions

- Azam and Bhatt (2015) and Emran, Greene and Shilpi (2017) show how the selection bias introduced by coresidence restrictions in large (and otherwise nationally representative data-sets) introduce bias in intergenerational mobility estimates: they also show that the severity of the bias varies across measures.
- The WB (2018) discusses the impacts of ceiling (or floor) effects in analysis of educational mobility.

WBRO review article: relevant differences

- Suggests at least four major differences between industrial and developing country settings that scholars should pay attention to:
- **(1) The analytical constraints imposed by the lack of access to sufficiently granular and nationally representative panel and other data-sets.** Similar comment for reliable and economy-wide official records such as annual income tax returns.
 - *Has made credible income mobility analysis hard and 'forced' scholars to focus on educational or occupational mobility.*

- (2) Different conceptual and methodological considerations (at least four):
 - *(a) should any of the six types or concepts of social mobility discussed by Fields (2006) be prioritized when studying developing countries?;*
 - *(b) do conventional social mobility measures perform satisfactorily in low income settings?; do some measures have better (axiomatic and other) properties?*
 - *(c) are standardized occupational classifications, developed to study social mobility in industrial country settings useful for developing country research?:*
 - *(d) aggravated measurement challenges for key variables: e.g. estimating (permanent) income for parent and offspring generations in contexts dominated by agrarian and informal sectors.*

- (3) **The more severe consequences of some mobility events or patterns in low income settings**
 - *For downward mobility, descents into poverty or deeper into poverty are compelling examples.*
 - *Less obvious – and open to scrutiny - is a disconnect between educational and occupational mobility which might be more pronounced (in general or by gender/identity), harder to correct and a source of more friction and instability in developing countries.*

- (4) **The drivers of mobility, including beyond those conventionally considered in the literature on social mobility in the West** (parental endowments and returns to human capital investment).
 - *credit constraints, information constraints, peer and role model effects, and location (e.g. rural-urban differences) and their differentiated impacts on the mobility of e.g. women and men.*

Some lessons so far and what we expect from this project

- Contradictions in conclusions even for the same measures within the same country: genuine variation in opportunities but also in research practice which affects the value of policy-related insights.
- We are looking for a research practice quality lift along a number of dimensions: improved theory and new theoretical perspectives; greater conceptual clarity; more systematic knowledge about the performance of different measures; directions for strengthening knowledge about the drivers of mobility and the variation in these drivers by location, across women and men, by other identity and by type of mobility.
- Use interdisciplinary dialogue to expand theoretical, methodological and other horizons and open new avenues for social mobility research, in general, and by sector.

Tentative questions for a large ascent and sector-specific agenda: examples from India

- ▶ **Politics:** Jaffrelot's (2003) post-independence research covering MLAs and caste across the country. Chandra's (2016) edited volume on family dynasties in Indian politics.
- ▶ **Occupational inheritance in elite professions** e.g. Clark's (2014) work on medical doctors and judges in WB: Anirudh's work on software firms and engineering colleges: the legal profession (office holders, private law companies). The student mass in law colleges.
- ▶ Are there differences in meritocratic practices between private and government institutions? What do we know e.g. about inclusion within the armed forces (parallels to Jonathan Parry's (1999) findings on the Satnamis and the Steel Plant?)
- ▶ New emerging industries like airlines (private vs Air India). India's private airlines may e.g. have the highest percentage of women pilots in the world.