

REVIEW ABOUT OECD'S BROKEN SOCIAL ELEVATOR? HOW TO PROMOTE SOCIAL MOBILITY VOLUME¹

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Abstract: The review presents OECD's Broken Social Elevator? How to Promote Social Mobility volume. Its primary aim is to identify the mechanisms that hinder social mobility, focusing in particular on inter-generational mobility and the lack of it. The mechanisms are presented in three groups - property, health and education - which are not only mechanisms of mobility but also indicators of it. The three groups can of course be broken down purely analytically, but in reality, they are closely intertwined and mutually reinforcing. In addition to this, albeit with less emphasis, I also present the chapter on intra-generational mobility. I also discuss the possible consequences of low social mobility and make some critiques, first and foremost concerning the sometimes somewhat over-generalized conclusions of the book.

Key words: OECD, mobility, sticky ceiling, sticky floor

INTRODUCTION

There have long been debates about whether social inequalities are harmful, acceptable, or even desirable, especially in terms of the inequality of outcomes (Atkinson 2015). Davis and Moore (1945) argue that inequalities allow the most suitable and motivated individuals to be placed in the right positions. Others emphasize the negative effects of inequalities on society (Wilkinson and Pickett, 2009). Still others accept their existence but consider their current extent excessive (Atkinson, 2015).

However, there is relative agreement that equality of opportunity (at least) is important and desirable. In recent decades, by contrast, we have seen that where you were born plays an increasingly important role in what you achieve in life. Mapping mobility channels is therefore of paramount importance in addressing social problems. In my review, I would like to contribute to this mapping based on OECD's Broken Social Elevator volume. The aim of the review is to identify some of the points that most restrict mobility channel.

WHAT IS SOCIAL MOBILITY AND WHY IS IT IMPORTANT TO ANALYZE IT?

Social mobility is a multifaceted concept. We distinguish between intra- and inter-generational mobility on the one hand, and absolute and relative mobility on the other. Intra-generational mobility refers to the progression or regression of individuals within their lifetime, while inter-generational mobility refers to changes between generations.² Absolute mobility is when there is an absolute change in the position of the individual or between generations, and relative mobility (or fluidity) is when there is a change in someone's relative position in society (Andorka, 2006). For example, someone may earn slightly more than their parents, and thus be upwardly mobile in absolute income terms, but the income of the rest of society may have changed so that while their parents were in the second income quintile from the top, they are

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² It is important to emphasize that although many people identify mobility with progress, this is by no means the case, as mobility can also mean a step backwards.

now only in the third quintile, with this higher income in absolute terms downwardly mobile in relative terms.

In addition, it is also important to define how we measure mobility. One possibility, which I mentioned in my example above, is income or income position, which can be used for both inter- and intra-generational mobility. In addition, in the case of inter-generational mobility, we can also talk about educational, health and occupational³ mobility. Moreover, all these are closely interrelated. Better health and higher education usually lead to better occupations and higher incomes. The different types of mobility have different characteristics. While income mobility, for example, is sustainable in the long term as productivity increases, health and education mobility have their own natural limits. In the case of health mobility, these constraints are more biological, while in the case of education they are statistical: in recent decades, there has been an educational expansion in developed countries, with a significant increase in the proportion of people with tertiary education whose children with similar tertiary education credentials are no longer considered mobile (OECD, 2018).

The possibility of upward mobility is crucial, as its absence affects the very foundations of economic growth. On the one hand, if those at the bottom of society do not have the opportunity to move up, i.e. the “floor is sticky”, there will be a wealth of potential talent that will not be able to flourish. On the other hand, potential investments and businesses that might otherwise have been realized will not come into existence because the necessary resources will be lacking (see OECD, 2015). The lack of downward mobility of those at the top, i.e. “sticky ceiling”, is equally damaging, as it can lead to the creation of rents at the expense of society due to unequal access to education and economic resources (Mihályi and Szelényi, 2019).

Moreover, the possibility of upward mobility has a positive impact on satisfaction and well-being, while the risk of downward mobility undermines social trust and increases stress. The perception of equal opportunities reduces the likelihood of social conflict, while immobility increases the sense of exclusion of disadvantaged groups, which may also manifest itself in resistance to the better-off⁴. The risk of downward mobility also affects political participation. Lower social groups are much less likely to feel that their voice is heard, which has a negative impact on trust in government, and can also reduce turnout at the polls and lead to a rise in extremism (OECD, 2018).

MAIN TRENDS

A major problem is low intra-generational mobility, especially at the bottom (sticky floor) and at the top (sticky ceiling) of society. 56% of those who start from the bottom income quintile will still be in the bottom quintile after 4 years, and 43% even over 9 years⁵ (OECD, 2018: 75). This is despite the fact that absolute income change is higher for those who start from the bottom quintile. The ceiling, however, is even stickier, with 68% remaining in the top quintile after 4 years and 53% after 9 years (OECD, 2018: 78).

³ As occupation, especially in the neo-Weberian literature, is the basis of class position, it is central to mobility studies (Atkinson, 2015). However, in this review, as in the paper, I do not focus on this.

⁴ This is what Hirschman and Rotschild call 'tunnel effect', referring to the imaginary event when traffic in a traffic jam on a two-lane motorway is allowed to pass in the lane next to us, while traffic remains at a standstill in our lane (Hirshman and Rotschild, 1973).

⁵ For the 9-year period, data are available for only 7 countries for both ceiling and floor, with unweighted averages of 43% and 53% respectively.

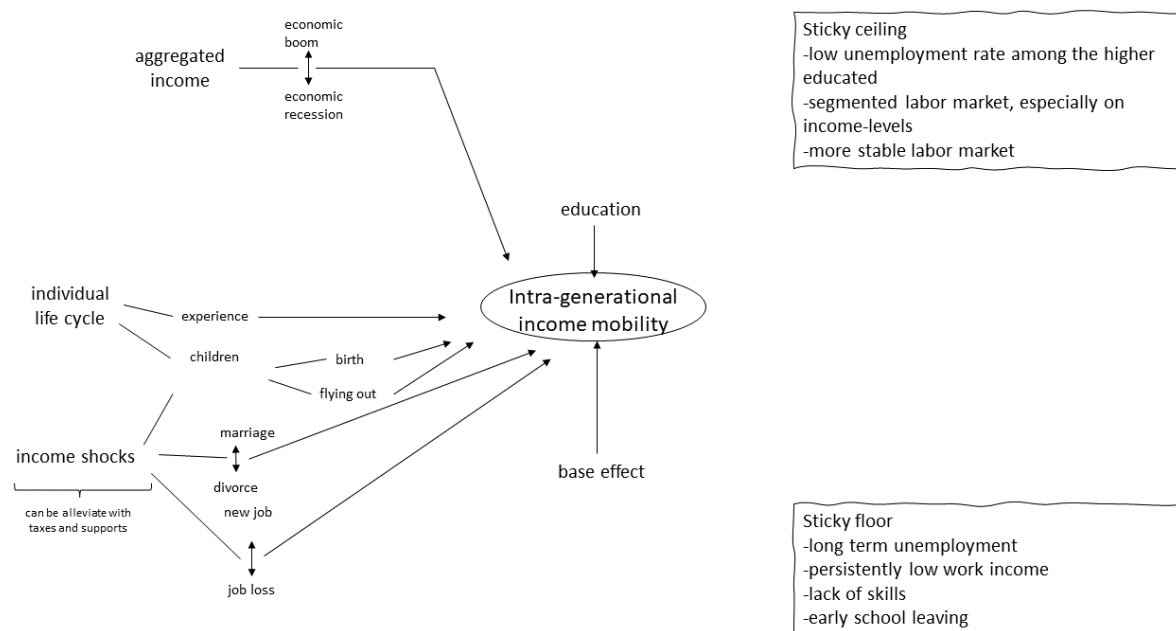
Moreover, mobility has declined since the 1990s within 21 OECD countries, and floors and ceilings have become stickier. In addition, the middle quintiles have also become polarised: comparing four-year periods in the 1990s and 2010s, the odds of downward mobility from the second-lowest quartile have increased and the odds of upward mobility have decreased, while the odds of upward mobility from the second-highest quartile have increased and the odds of downward mobility have decreased.

As for inter-generational mobility, it takes an average of 4.5 generations in 24 OECD countries for someone in the bottom 10% to reach the average income level⁶ (OECD, 2018: 27). Similarly, the type of work someone will do is largely determined by their parent's job. While 36.5% of the children of manual laborer parents will themselves become manual workers, only 24.1% will become managers in 26 OECD countries (OECD, 2018: 28). In contrast, 48.2% of children of manager parents will also become managers and only 15.4% will become manual workers in (OECD, 2018: 30). Another good example of the sticky ceiling is that while 41,8% of children of parents in the top income quartile are themselves in the top quartile, only 16% slip back into the bottom quartile in 16 OECD countries (OECD, 2018: 30). As for the income mobility of those from the lower income quartile, 30.7% of children of fathers from the bottom income group will end in the same income group, while in case of children of those in the top income quartile, it is only 16.9% in 16 OECD member states (OECD, 2018: 28).

MECHANISMS

Intra-generational income mobility

1. Figure - Mechanisms of intra-generational mobility



Source: Own work, based on OECD, 2018

Intra-generational trends may depend on the following components: 1. aggregate income changes, 2. life-cycle effects, 3. individual characteristics, 4. unforeseen income shocks.

⁶ Assuming current earnings elasticity and current income levels as constants.

Aggregate income change has an impact on absolute mobility by definition, but its impact on relative mobility also depends on how income change is distributed. Over the life-cycle, early in the career, the acquisition of first work experience has a positive effect on incomes, which thus increase steadily until the first child is born⁷, at around 28-30 years of age. After that, however, it decreases slightly, until around the age of 40, when it starts to rise again. Around the age of 55, with the gradual exit from the labor market, it starts to decline again and reaches a level close to the starting point. Individual trends are the result of some observable (e.g. educational attainment) and unobservable (e.g. motivation) factors, while income shocks are understood as sudden (external) changes in the life of individuals, e.g. loss of a job, divorce, etc. However, income shocks do not usually affect people in different economic situations equally. People in the lowest income quintile are less able to mitigate shocks through savings, perhaps through their network of contacts. This can be a major contributor to the stickiness of the floor (i.e., in other words, households with liquidity constraints at the bottom are more likely to have a sticky floor).

Apart from these, low unemployment rate among the higher educated, segmented labor market especially on income-levels and more stable labor market makes ceiling stickier, while long term unemployment, persistently low work income, lack of skills, and early school leaving make the floor stickier.

Inter-generational mobility

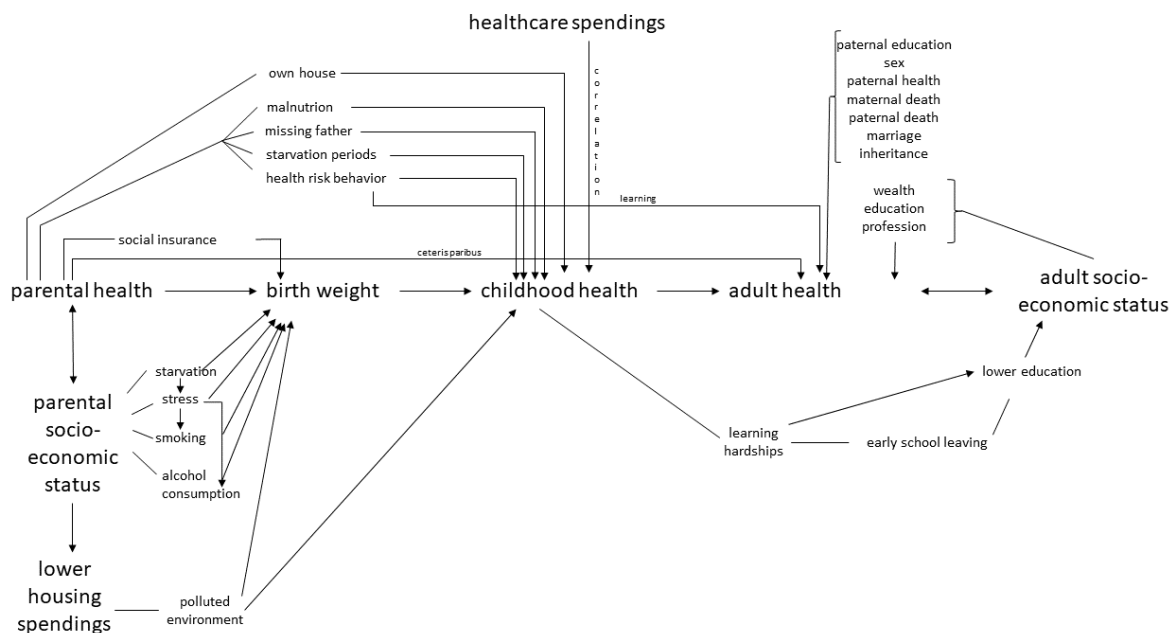
1. Property

In recent decades, the role of wealth in the transmission of inequalities has received increasing attention in the international literature (see Piketty, 2014), which usually reports that children of wealthier parents are more likely to be wealthy themselves. On average 50.5% of the top fifth in OECD countries report having inherited in their lifetime. In contrast, 11.4% of respondents in the bottom fifth of the population have inherited (OECD, 2018: 207). The differences are even more shocking when looking at how much more the top fifth inherit on average than the bottom fifth. In the OECD countries it is almost 50 times (OECD, 2018: 207).

⁷ In this case, we are talking about equivalent income, which can be calculated on the basis of household data. The study uses the square root of household size to calculate equivalent income.

2. Health

2. Figure - Mechanisms of health mobility



Source - Own work, based on OECD, 2018

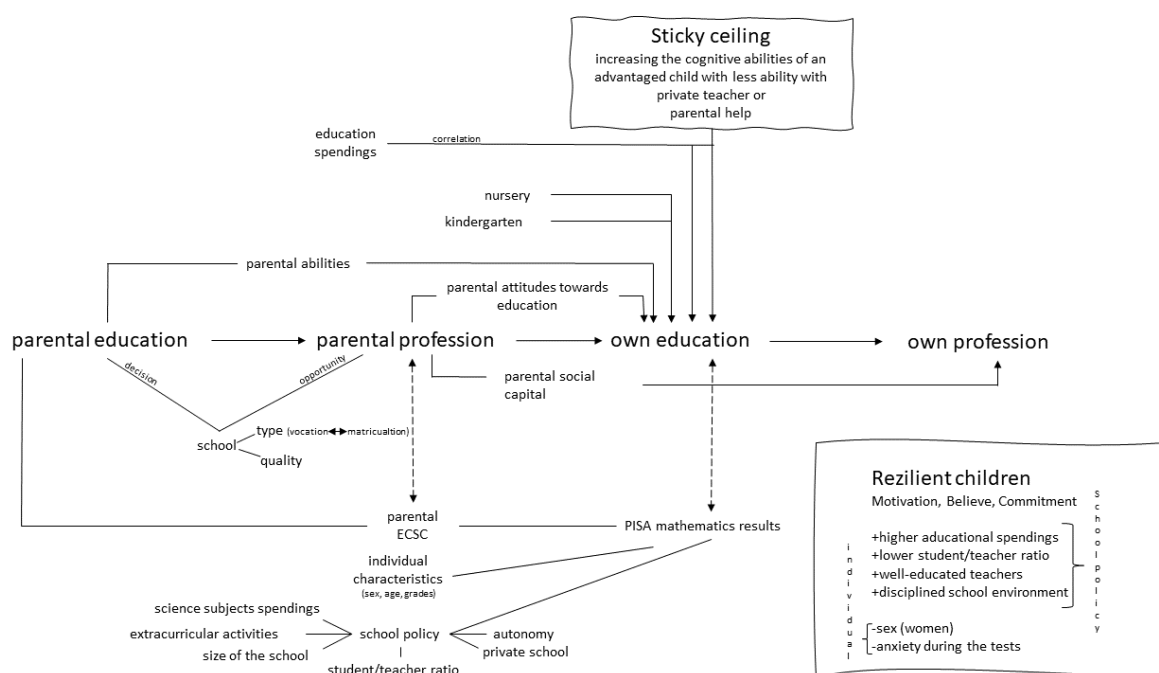
As for subjective health perception, in 26 OECD countries, the correlation between parental self-reported health and own self-reported health is 0,215⁸. Children's health starts not just in pregnancy, but in the life of the parent. More disadvantaged mothers are more susceptible to infectious diseases and are more often malnourished. During pregnancy, they are more likely to experience higher levels of stress and (presumably partly as a result of it) are more prone to engage in health risk behaviors such as smoking and alcohol consumption. Moreover, economic hardship can also affect the unborn child through poorer quality housing of parents. However, the existence of social insurance can reduce these effects.

But health inequalities do not stop at birth, they continue into childhood. Malnutrition, periods of starvation during childhood, and the absence of a father have a negative impact on a child's health, while having a home of one's own has a positive impact. Childhood health is (should be) also important because it has a major impact on adult health and thus on later socio-economic status, both directly and through education. Children with health problems are more likely to have learning difficulties, to be early school leavers and to have lower educational attainment in adulthood. In addition, socio-economic status (wealth, education and employment), father's education, gender, parental death, marital status and hereditary factors also affect adult health (OECD, 2018: 240).

⁸ Respondents rate their own health on a scale of 1 to 100.

3. Education

3. Figure - Mechanisms of educational mobility



Source - Own work, based on OECD, 2018

In terms of educational mobility, the regression coefficient is 0,57, that is, 1 additional year of parental education increases the number of years children spent in school by 0,57 (OECD, 2018: 39). In terms of macro data, as in health, a correlation between resources devoted to education and educational mobility can be observed in education, albeit with a slight lag. Education starts with pre-primary education, the availability and quality of which can make a major contribution to reducing school inequalities. Later, school performance, as illustrated by the OECD study of PISA maths scores, may depend on the socio-economic situation of parents, individual characteristics and the impact of school. Schooling may have an effect in that children of better and worse socio-economic status choose different institutions (school selection effect), and in that some schools may be of better quality than others (school policy effect). The former may depend on the parent's choice of residence, the choice of school within the residence, and the career path proposed for the child (vocational or academic). These may be related to the parents' information and financial means. Moreover, all of this can be reinforced by the school selection system itself. The policy impact of the school depends on whether the institution is a private school, the student/teacher ratio, the autonomy of the institution, the availability of extra-curricular activities and the resources available for teaching academic subjects. In fact, the data show that PISA maths scores are strongly determined by the institution a child attends (school selection effect), which determines 33.5% of the results, compared to 14.5% for family background. The individual characteristics of the student weigh less, 10.3%, while the effect of school policy⁹ is typically relatively low, averaging 7.7% (OECD, 2018: 262).

⁹ This includes resources devoted to real subjects, the availability of extra-curricular activities, school size, student/teacher ratio, autonomy and private schooling.

Higher socio-economic status of parents can contribute to higher educational attainment and better skills of children in several ways in addition to the above. On the one hand, they can hire a private tutor, which depends first and foremost on their financial means, and on the other hand, they can help themselves with the curriculum, if their educational level is adequate. In addition, parents with higher status tend to have a different attitude towards school and are more involved in their children's education (see also Lareau, 1987).

Although family background matters a lot, some students are "resilient" to disadvantages. They are those who come from the bottom quartile in terms of their parents' ECSC scores but perform in the top quartile in PISA assessments. In their case, motivation, commitment, and belief in themselves can play role. However, this resilience is partly a consequence of the education system itself: if the school spends more, if the school provides more and better-quality services, if the student-teacher ratio is lower, if the teachers are better qualified, if the school environment is disciplined, students are more likely to be resilient. On average 29.2% of students in OECD countries are considered resilient (OECD, 2018: 267).

CONCLUSION

The authors of the study have taken a big step forward in trying to provide comprehensive answers to why and how inequalities are inherited in OECD countries. The richness of the data in the study is commendable, with the authors seeking to provide quantitative evidence for each mechanism. In the pursuit of quantitative evidence from a large sample, I find it acceptable that the authors do not address questions which are more difficult to quantify, such as cultural capital transfers (see for instance Rivera, 2012; Friedman and Laurison, 2019; Lareau, 1987). However, I find it regrettable that in many cases the data are extremely incomplete, which on the one hand makes it more doubtful to draw conclusions at the aggregate level, and on the other hand makes it impossible to place the data for individual countries in particular theoretical frameworks (e.g. varieties of capitalism (see Hall and Soskice, 2001) or world-systems theory (see Wallerstein, 2004)).

Nevertheless, overall, I find the study useful, first and foremost to explore possible mechanisms for the loss of mobility. In my review I have focused on the inheritance of property, health and education. These all form a coherent system but can also be analyzed separately. The aim of this review is not to compare and attempt to estimate these effects, or the weight of each, but merely to open the way for further analysis by exploring the mechanisms.

LITERATURE

The volume on which this review is based:

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