REVIEW

A BROKEN SOCIAL ELEVATOR? HOW TO PROMOTE SOCIAL MOBILITY. OECD REPORT (PARIS, OECD PUBLISHING, 2018)

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ABSTRACT: *The review presents OECD's A 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.*

KEYWORDS: *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–Pickett 2009). Still others accept their existence but consider their current extent excessive (Atkinson 2015).

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However, there is relative agreement that equality of opportunity (at least) is important and desirable. In recent decades, in 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 *A Broken Social Elevator* volume (OECD 2018). The aim of the review is to identify some of the factors that most restrict mobility channels.

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. However, the income of the rest of society may have changed so that while their parents were in the second income quintile from the top, the former are 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 I mentioned in my example above is income or income position, which can be used for inter- and intra-generational mobility. In addition, in the case of inter-generational mobility, we can also talk about educational, health, and occupational[3] 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

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.

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.

increases, health and education mobility have their natural limits. In the case of health mobility, these constraints are more biological. In contrast, 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 cannot 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., the "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–Szelényi 2019).

Moreover, the possibility of upward mobility positively impacts 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. At the same time, immobility increases the sense of exclusion of disadvantaged groups, which may also manifest itself in resistance to the better-off. The risk of downward mobility also affects political participation. Lower social groups are much less likely to feel that their voice is heard, which negatively impacts 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 top (sticky ceiling) of society. Fifty-six per cent of those who start from the bottom income quintile will still be in it after four years, and 43% even over nine years[4] (OECD 2018: 75). This is despite the fact that absolute income change is greater for those who start from the bottom quintile. The ceiling, however, is even stickier, with 68% remaining in the top quintile after four years and 53% after nine years (ibid. 78).

4 For the nine-year period, data are available for only seven 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 polarized: 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 level[5] (ibid. 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 (ibid. 28). In contrast, 48.2% of children of manager parents will also become managers, and only 15.4% will become manual workers in (ibid. 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 (ibid. 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, the proportion is only 16.9% in 16 OECD member states (ibid. 28).

MECHANISMS

Intra-generational income mobility

Intra-generational trends may depend on the following components: (1) aggregate income changes; (2) life-cycle effects; (3) individual characteristics, and (4) unforeseen income shocks. Aggregate income change impacts 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 born,[6] at around 28–30 years of age. After that, however, it decreases slightly, until around 40, when it starts

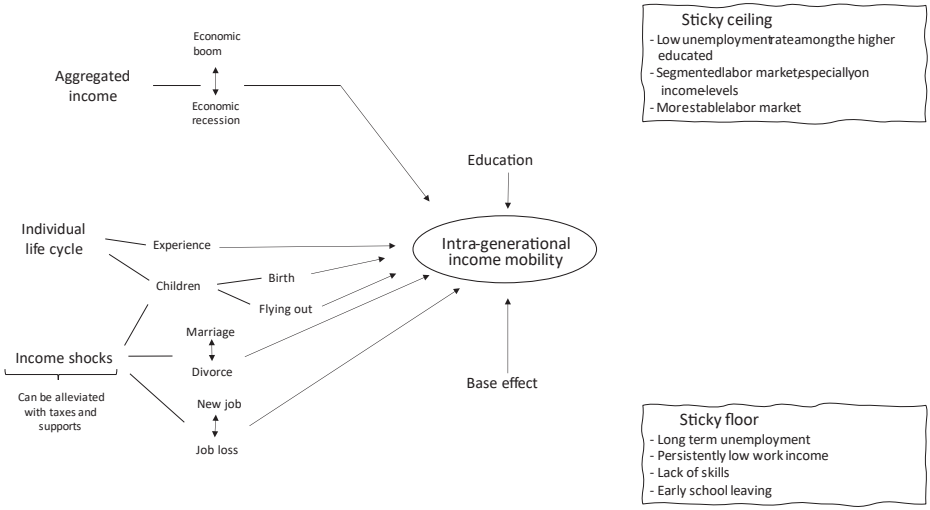
5 Assuming current earnings elasticity and current income levels as constants.

6 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.

to rise again. Around the age of 55, with 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 lives 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). (See Figure 1.)

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

Figure 1. *Mechanisms of intra-generational mobility*



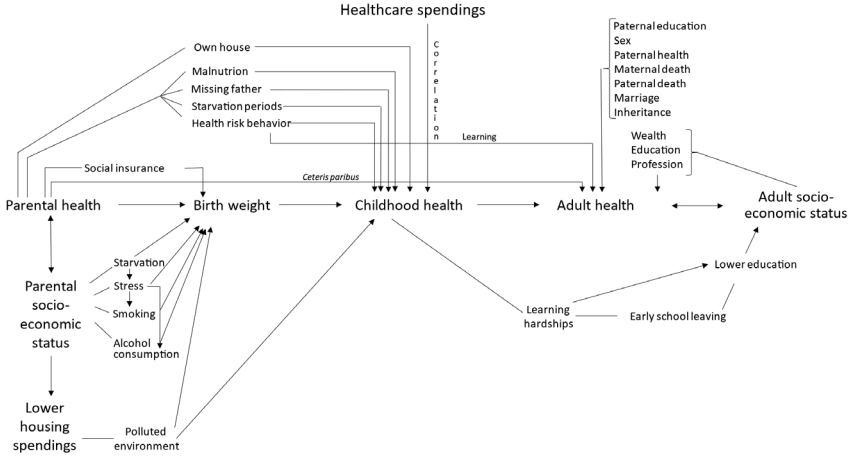
Source: Author's work, based on OECD (2018).

Inter-generational mobility

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 (ibid. 207).

Figure 2. *Mechanisms of health mobility*



Source: Author's work, based on OECD (2018).

Health

As for subjective health perception, in 26 OECD countries, the correlation between parental self-reported health and own self-reported health is 0.215.[7] Children's health starts not just in pregnancy but in the parent's life. More

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

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) 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 the poorer quality housing of parents. However, the existence of social insurance can reduce these effects. (See Figure 2.)

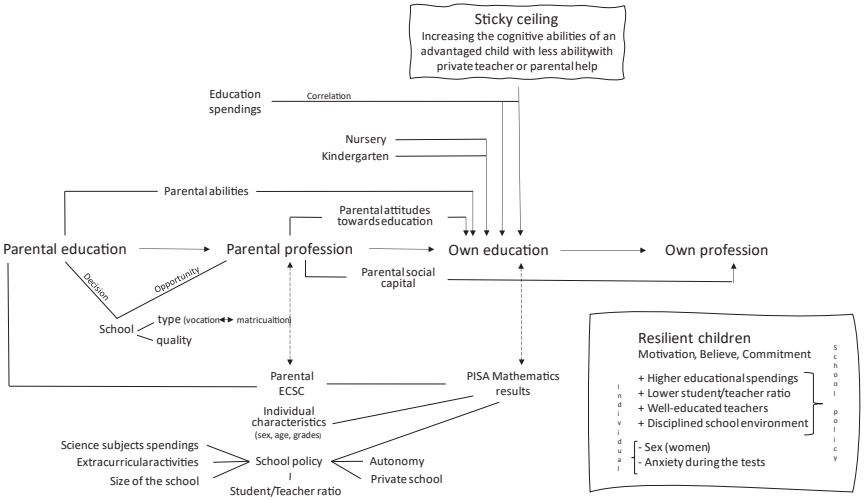
But health inequalities do not stop at birth; they continue into childhood. Malnutrition, periods of starvation during childhood, and the absence of a father have a negative impact on a child's health while having a home of one's own has a positive impact. Childhood health is (should be) also important 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, socioeconomic status (wealth, education, and employment), father's education, gender, parental death, marital status, and hereditary factors also affect adult health (OECD 2018: 240).

Education

In terms of educational mobility, the regression coefficient is 0.57; that is, one additional year of parental education increases the number of years children spend in school by 0.57 (ibid. 39). In terms of macro data, as with health, a correlation between resources devoted to education and educational mobility can be observed, albeit with a slight lag. (See Figure 3.) Education starts with pre-primary education, the availability and quality of which can significantly contribute to reducing school inequalities. Later, school performance, as illustrated by the OECD study of PISA math scores, may depend on parents' socio-economic situation, individual characteristics, and the impact of the school. Schooling may have an effect in that children of better and worse socio-economic status choose different institutions (school selection effect), and some schools may be 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 math 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 student's individual characteristics contribute less, 10.3%, while the effect of school policy[8] is typically relatively smaller, averaging 7.7% (ibid. 262).

Figure 3. *Mechanisms of educational mobility*



Source: Author's work, based on OECD (2018).

The higher socio-economic status of parents can contribute to the higher educational attainment and better skills of children in several ways, in addition to the above. On the one hand, the former can hire private tutors, which depends first and foremost on their financial means, and on the other hand, they can help by providing educational input if their own knowledge 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 greatly, some students are "resilient" to disadvantages. They 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 a role. However, this

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

resilience is partly a consequence of the education system itself: for example, if the school spends more, the school provides more and better-quality services, the student-teacher ratio is lower, the teachers are better qualified, and 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 explanations of 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 dealing with quantitative evidence from a large sample, I find it acceptable that the authors do not address issues that are more difficult to quantify, such as cultural capital transfers (see, for instance, Rivera 2012; Friedman–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 that adequate conclusions may be reached at the aggregate level and, on the other hand, makes it impossible to place the data for individual countries in theoretical frameworks (e.g., about varieties of capitalism, see Hall–Soskice (2001) or on world-systems theory Wallerstein (2004)).

Nevertheless, overall, I find the study useful, first and foremost, in the exploration of potential mechanisms underlying 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.

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