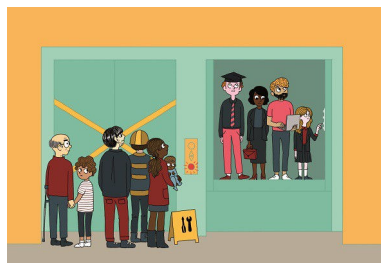


Going up?

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Going up? | Illustration for Going up? article

“All human beings are born equal. But on the following day, they no longer are,” said French author Jean Renard in 1907. This is because sticky floors and ceilings—or rags to rags and riches to riches—define the bottom and top income distributions. Today, it takes four to five generations, on average, for children from the poorest 10% of the population to reach median income levels. Meanwhile, about 50% of children of wealthy parents will themselves remain rich in countries like Germany and the US.

Worse, every four years, a fifth of the middle class’ poorest fall down to the bottom of the income distribution while its upper half enjoys much greater security, as shown in *A Broken Social Elevator? How to Promote Social Mobility*.

What’s more, in countries like Brazil and South Africa where income inequality is high, there is a state of “permanent inequality”, with an underlying feeling that social mobility is but a broken promise. Indeed, low upward mobility increases people’s sense that their voices do not matter and that the system is neither fair nor meritocratic.

Still, mobility is not all about money. It can range from jobs to education and health, and it changes when viewed through each of these lenses. These distortions create unique situations within each country: in places like Japan and Korea, educational mobility is higher than income mobility, but it’s the other way around in Norway and Spain. In the US, job mobility is higher than earnings mobility, while in Finland it’s the reverse, with lower educational mobility on top.

Yet there is nothing inevitable about socio-economic status being passed down between generations. Equal access to quality education is one way to enhance social mobility: countries that spend more on public education tend to achieve higher educational mobility. The same goes for health. Moreover, progressive taxation on wealth, inheritance and combatting tax avoidance leads to less sticky ceilings, while money transfers or benefits to low-income families and improving the school-to-work transition unsticks the floors. And as the report shows, policies that address the likes of residential segregation and sudden unemployment, or aim to improve the work-home balance can enhance social mobility across the board.

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References

A Broken Social Elevator? How to Promote Social Mobility, OECD Publishing, Paris, <http://dx.doi.org/https://doi.org/10.1787/9789264301085-en>