

## RESEARCH NEWSLETTER

### Intergenerational Mobility

November  
2018



#### FEATURE STORY



### A Lack of Mobility Undermines the Aspirations of Millions

The aspiration for a better life for one's children is universal, but in many countries a person's fate is largely determined by circumstances at birth, according to an unprecedented data collection effort by the World Bank. Until recently, data on intergenerational mobility was spotty, with estimates of intergenerational mobility only available for 42 economies. The launch of the [Global Database on Intergenerational Mobility](#) (GDIM) earlier

this year represents a sea change, with coverage of 148 economies accounting for 96 percent of the world's population. Data from the GDIM indicate that intergenerational mobility is significantly lower in developing economies than in high-income economies, and progress has stalled for the most recent generations covered by the database. [Read More »](#)

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#### RESEARCH HIGHLIGHTS

✓ [Intergenerational Mobility in India: Estimates from New Methods and Administrative Data](#)

[Sam Asher](#), [Paul Novosad](#), [Charlie Rafkin](#), September 2018 | [Fact Sheet](#).

Data from the India Human Development Survey and Socioeconomic and Caste Census (2012), plus new methods, show that overall educational mobility in India has not budged over the last thirty years. This lack of change obscures large differences in mobility across regions and groups; there are substantial mobility gains for Scheduled Castes and Tribes, and substantial losses for Muslims.

✓ [Closer, but No Cigar: Intergenerational Mobility across Caste Groups in India](#)

[Rishabh Sinha](#), *World Bank Policy Research Working Paper 8401*, April 2018.

Caste still determines the intergenerational mobility of men in India, as measured by educational and occupational attainment even after decades of high economic growth.

### ✓ [Growth, Inequality and Poverty: A Robust Relationship?](#)

Gustavo A. Marrero and [Luis Servén](#), *World Bank Policy Research Working Paper 8578*, August 2018.

The direct effect of income inequality on growth remains disputed, but inequality also affects growth indirectly through poverty—and that effect is robustly negative, especially when poverty is already high.

### ✓ [Shared Prosperity: Concepts, Data, and Some Policy Examples](#)

[Francisco H.G. Ferreira](#), [Emanuela Galasso](#), and [Mario Negre](#), *World Bank Policy Research Working Paper 8451*, May 2018.

Data from the World Bank's Global Database of Shared Prosperity (GDSP) for 2008 to 2013 suggest some poverty convergence between Northern and Southern hemispheres—with the possible exception of Africa. Poverty rose in the North and fell in most developing countries not plagued by conflict, severe political instability, or chronic mismanagement.

### ✓ [Estimating Intergenerational Mobility with Incomplete Data: Co-residency and Truncation Bias in Rank-Based Relative and Absolute Mobility Measures](#)

[M. Shahe Emran](#) and [Forhad Shilpi](#), *World Bank Policy Research Working Paper 8414*, April 2018.

Rank-based measures of mobility are more robust to truncation bias arising from co-residency and can be fruitfully used with the standard household surveys such as [Living Standards Measurement Study](#) and [Demographic and Health Surveys](#).

### ✓ [The Roots of Inequality: Estimating Inequality of Opportunity from Regression Trees](#)

[Paolo Brunori](#), [Paul Hufe](#), and [Daniel Gerszon Mahler](#), *World Bank Policy Research Working Paper 8349*, February 2018.

Machine learning offers substantial improvements over existing empirical approaches to measuring inequality of opportunity.

### ✓ [The Whys of Social Exclusion: Insights from Behavioral Economics](#)

[Karla Hoff](#) and [James Walsh](#), *World Bank Policy Research Working Paper 8267*, December 2017.

Even after discriminatory institutions are reformed, oppressed groups may still not participate fully in society because stereotypes, beliefs, and social norms persist. Recent work suggests how to change them.

### ✓ [Dynamics of Child Development: Analysis of a Longitudinal Cohort in a Very Low-Income Country](#)

[Emanuela Galasso](#), [Ann Weber](#), and [Lia C. H. Fernald](#), *World Bank Policy Research Working Paper 7973*, February 2017.

A cohort of children in Madagascar assessed at 3-6 and 7-10 years of age show widening gaps based on socioeconomic status in vocabulary, cognition, sustained attention, and working memory that translate into sizeable gaps in learning outcomes at school.

### ✓ [Unequal Opportunity, Unequal Growth](#)

Gustavo A. Marrero, [Juan Gabriel Rodríguez](#), and [Roy van der Weide](#), *World Bank Policy Research Working Paper 7853*, October 2016 | [Blog](#).

The negative association between inequality and income growth, particularly growth prospects among the poor, is largely channeled through inequality of opportunity. When inequality of opportunity is controlled for, the importance of total income inequality is reduced.

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## RELATED BLOGS

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### **Multigenerational mobility in the developing world**

[Daniel Mahler](#), [Christoph Lakner](#), [Roy van der Weide](#), [Ambar Narayan](#) | *Let's Talk Development*, 07/12/2018.

A large body of literature shows the outcomes of children are tied to the outcomes of their parents or, in other words, that children's life prospects are based on their family background. But there is no reason to believe that such "persistence" of outcomes is limited to two generations. Social mobility (or lack thereof) depends not just on how parents influence the outcomes of their children, but also on how outcomes persist across multiple generations, from grandparents to grandchildren.

[Read the blog »](#)

### **Intergenerational mobility across the world**

[Ambar Narayan](#) and [Roy van der Weide](#) | *Vox*, 7/2/18.

Intergenerational mobility is important for both fairness and economic efficiency in a society. Data from a new global study spanning five decades shows that average relative mobility is lower in developing economies, with no sign that the gap with developed countries is getting smaller. In addition, income mobility in several developing economies is much lower than their levels of educational mobility would lead us to expect. Labour market deficiencies appear to be contributing to this gap between mobility in education and income.

[Read the column »](#)

### **Are men the new weaker sex? The rise of the reverse gender gap in education**

[Francisco Ferreira](#) | *Let's Talk Development*, 6/26/2018.

It is probably fair to say that the World Bank's latest report on intergenerational mobility—[Fair Progress? Economic Mobility across Generations around the World](#)—is the first-ever attempt to paint a truly global picture of how achievement—or the lack thereof—is transmitted across generations. Though there are results for income mobility for a subset of countries, most of the analysis focuses on educational attainment across 148 economies, representing over 95% of the world's population.

[Read the blog »](#)

### **In which countries do children have the best chances to surpass their parent's education?**

[Roy van der Weide](#) and [Ambar Narayan](#) | *Let's Talk Development*, 6/18/2018.

In most economies, parents would like to see their children have a higher standard of living, and with it a better life, than they had themselves. When children are asked, they too tend to consider their parents a natural benchmark to compare their economic progress against. A simple measure that captures this notion of progress is the percentage of children who managed

to surpass their parents, which we will refer to as absolute mobility.

[Read the blog »](#)

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## UPCOMING EVENTS

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- December 3, 2018: [Policy Research Talk | Closing the Gap: A Research Agenda to Drive Human Capital Investment](#)
- December 4, 2018: [DIME Event: Bureaucracy and State Capability: Frontier Diagnostics](#)
- January 15–16, 2019: [Globalization: Contents and Discontents](#) (Kuala Lumpur)
- January 22, 2019: [Policy Research Talk | Inequality as Cholesterol: Attempting to Quantify Inequality of Opportunity](#)
- March 25–29, 2019: [Land and Poverty Conference 2019: Catalyzing Innovation](#)

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## ANNOUNCEMENTS

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### **New Poverty Report**

The 2018 Poverty and Shared Prosperity Report: Piecing Together the Poverty Puzzle broadens the ways we define and measure poverty. It presents a new measure of societal poverty, integrating the absolute concept of extreme poverty and a notion of relative poverty reflecting differences in needs across countries. It introduces a multi-dimensional poverty measure that is anchored on household consumption and the international poverty line of \$1.90 per person per day but broadens the measure by including information on access to education and basic infrastructure. Finally, it investigates differences in poverty within households, including by age and gender.

[Report website](#) | [Blog: Nearly 1 in 2 in the world lives under \\$5.50 a day »](#)

### **World Development Indicators website is now continuously updated**

The World Development Indicators (WDI) now offers a continuously updated website, still backed by 1,600 indicators currently available for 217 economies, and data going back more than 50 years, from officially recognized sources including national, regional, and global estimates that used to be available as a booklet/PDF. The new WDI website brings interpretation and visualization to the foreground, helping users go beyond the [data](#) to the [stories](#) they tell.

### **New webinar series on Social Inclusion**

Asylum Seekers in the European Union: Building Evidence to Inform Policy Making In 2015 and 2016, migrant flows into the EU surged, with Greece and Italy the main entry points. Many of the migrants applied for international protection in Europe, becoming asylum seekers. This spike in EU asylum seekers, as well as the increasing numbers of those granted refugee status, brought a need for information on who they are—their sociodemographic characteristics; their education and work experience; their experience on the journey to Italy and Greece; and what it cost them financially, physically, and emotionally to get there.

[Presentation](#) | [Video »](#)

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## BLOGS

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## **Making room for Africa's urban billion**

[Sebastian Kriticos](#) | Let's Talk Development, 11/05/2018

By 2050, more than a billion people will be living in African cities and towns. As more and more of the continent's population—60 percent of whom live in the countryside—move to urban areas, pressures on land can only intensify. How should we make room for this massive urban expansion? How will city structures have to change to accommodate Africa's urban billion? And could well-directed policy help spring African cities out of the low-development trap? These questions were at the core of discussions at the World Bank's 5th [Urbanization and Poverty Reduction](#) research conference on September 7th 2018.

[Read the blog »](#)

## **Does monetary poverty capture all aspects of poverty?**

[Daniel Mahler](#), [Jed Friedman](#), [Maria Ana Lugo](#), and [Dhiraj Sharma](#) | Let's Talk Development, 10/30/2018.

Poverty is a complex concept. A widespread view argues that important aspects of poverty cannot be measured in monetary terms—in fact, to successfully address poverty, we need to measure it in all its facets. The recent release of the 2018 edition of the [Poverty and Shared Prosperity Report](#) contains the World Bank's first attempt at measuring multidimensional poverty at a global level. Global measures of multidimensional poverty have a rich history, a prominent example being the annual [Global MPI](#) produced by the United Nations Development Programme with the [Oxford Poverty & Human Development Initiative](#).

[Read the blog »](#)

## **Most good you can do. But for whom?**

[Berk Özler](#) | Development Impact, 10/22/18

It's hard to argue against the idea that giving cash to someone in need is the best you can do for that person in most circumstances: money maximizes your choice set and any conditions, strings attached, etc. makes that set smaller. With the advance of mobile technologies and better, bigger data, you can now send someone anywhere in the world money and make that person's life instantly better—at least in the short run. But, what if I told you that with every dollar you send to one poor person, you're taking away food from a few other people? How should we evaluate the impact of your transfer then?

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## **Cash transfers and adult labour outcomes in developing countries: Why does the Econ 101 labour-leisure trade-off model lead us astray?**

Sarah Baird, [David McKenzie](#), and [Berk Özler](#) | VoxDev, 10/19/18

*Missing markets, price effects, and dynamic and general equilibrium effects help explain why poor people do not work less when given cash.*

[Read the column »](#)

There is growing interest in the promise of cash transfers in the form of government transfers, humanitarian donations, and person-to-person remittances to improve outcomes for poor people around the world (e.g. Blattman and Niehaus 2014, ODI 2015). However, many policymakers and indeed, much of the general public, are concerned that simply giving cash to people may reduce their desire to work (Banerjee et al. 2017).


[Read the article »](#)

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This newsletter is produced by the Development Research Group, part of the Development Economics Vice Presidency of the World Bank Group. Please send your comments and feedback to: [research@worldbank.org](mailto:research@worldbank.org).

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