

## Social mobility

In this TUC report, we look at the evidence on social mobility in Britain today. What is it? Is there more or less of it than there used to be? How does it relate to equality?

### **Social mobility and the new government**

Before the election Mr Cameron and Mr Clegg often criticised the then government for failing to reduce inequality or increase social mobility. Since then, the new Ministers have given very few hostages to fortune on inequality, but they have been very clear about their commitment to social mobility.

*“The Government believes that there are many barriers to social mobility and equal opportunities in Britain today, with too many children held back because of their social background, and too many people of all ages held back because of their gender, race, religion or sexuality. We need concerted government action to tear down these barriers and help to build a fairer society.”*

Coalition Programme for Government<sup>1</sup>

*“We both want a Britain where social mobility is unlocked; where everyone, regardless of background, has the chance to rise as high as their talents and ambition allow them. To pave the way, we have both agreed to sweeping reform of welfare, taxes and, most of all, our schools – with a breaking open of the state monopoly and extra money following the poorest pupils so that they, at last, get to go to the best schools, not the worst.”*

David Cameron and Nick Clegg<sup>2</sup>

*“Schools should really be engines of social mobility that overcome the disadvantages of birth. Unfortunately, at the moment, despite the best efforts of many people, the situation gets worse. That is why we need early intervention and the radical school reform that we have advanced.”*

Michael Gove<sup>3</sup>

*“It is time to consider whether our affordable housing system can be better used and whether one of the benefits would be greater social mobility.”*

Grant Shapps<sup>4</sup>

For the new government social mobility is a goal, a justification for policies and the lack of social mobility is an indictment of its Labour predecessor. This commitment does not, in fact, mark a huge break - Tony Blair and Gordon Brown were equally enthusiastic. It was the last government that set up a Panel on Fair Access to the Professions (chaired by Alan Milburn MP); they accepted the Panel's recommendations, including the creation of a Social Mobility Commission to carry out research, monitor progress and provide advice to government.<sup>5</sup>

### **What do we mean by social mobility?**

Economists distinguish between ‘absolute’ and ‘relative’ social mobility (also known as ‘social fluidity’). Absolute social mobility refers to the gradual process by which the proportion of the

population in different classes changes. Very often, this is what politicians are thinking about when they say they want more social mobility, because their memory is of the 20<sup>th</sup> century's movement of millions of people from the manual working class to the middle class. Politicians enjoyed this change because it was a positive-sum game: many people gained and very few lost out.<sup>6</sup>

But we are not going to focus on absolute social mobility. It takes place over a long timescale and there is little evidence that anything governments do will speed it up or slow it down. The absolute social mobility of the 20<sup>th</sup> century followed a similar pattern in different countries, despite their different policies, institutions and histories. As an important study noted,

*“there has been a marked convergence in the class structures of European countries and in their patterns of absolute mobility, and these things are true for both men and women.”<sup>7</sup>*

Relative social mobility refers to changes in the individuals' positions in relation to others in society. It can provide a good means to measure the chances that particular groups within society have of improving their circumstances.

Some economists have also studied how much individuals' positions change within their lifetimes (often referred to as 'income mobility' or 'intra-generational mobility') and politicians have been very interested in the question of whether poverty is usually a temporary phenomenon – in which case it might be seen as less serious than otherwise. Gardiner and Hills found that there is quite a lot of this type of mobility in Britain: only 40 per cent of the population, observed over 4 years, have a 'flat' income trajectory. But most income mobility is 'short-range' and there is not enough of it to make poverty less a matter for concern:

*“43 per cent of poverty years are spent in the 'poor flat' income trajectories and a further 24 per cent are spent 'blipping out of poverty' or in 'repeated poverty'.”<sup>8</sup>*

Most political and media discussion has however concentrated on inter-generational social mobility: to what extent is your income determined by your parents' income?

### **How is Britain doing?**

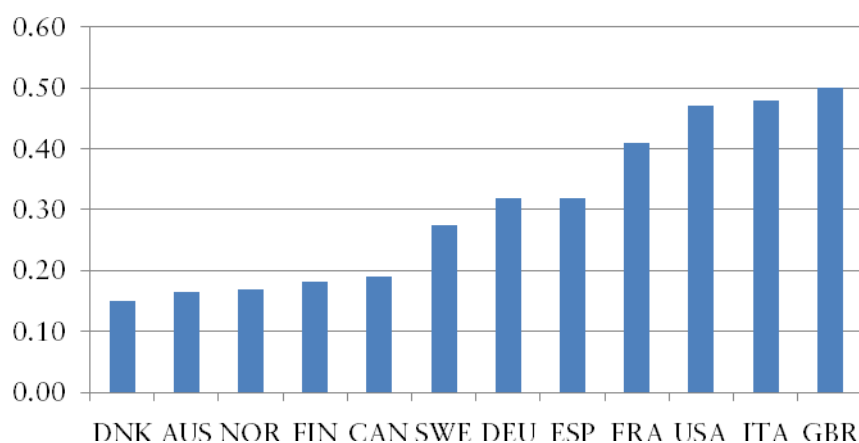
Social mobility is a unique issue: politicians from all parties, commentators from all newspapers and most academic researchers agree that Britain is less mobile than other countries – and they are right.

In March, the Organisation for Economic Co-operation and Development's annual *Going for Growth Report* looked at intergenerational social mobility. They found that

*“Mobility in earnings, wages and education across generations is relatively low in France, southern European countries, the United Kingdom and the United States. By contrast, such mobility tends to be higher in Australia, Canada and the Nordic countries.”<sup>9</sup>*

They found that what you earn is more closely linked to what your parents earned in Britain than in any of the other countries they had data for:

### Strength of the link between individual and parental earnings<sup>10</sup>



A Norwegian study in 2006 (using data from the UK National Child Development Study and equivalent data extracted from sources in the other countries) concluded that the UK is more mobile than the USA, but less mobile than the Nordic countries. There tends to be less mobility at each end of the earnings distribution than in the middle and least of all at the upper end. The exception is the USA, where the sons of the poorest fathers are particularly likely to remain in the lowest earnings group.<sup>11</sup>

In 2005, Blanden, Gregg and Machin looked at roughly comparable studies of intergenerational mobility and found that:

*“America and Britain have the highest intergenerational persistence (lowest mobility). Germany is around the middle of the estimates, while the Nordic countries and Canada all appear to be rather more mobile.”<sup>12</sup>*

### Internationally Comparable Estimates of Intergenerational Mobility<sup>13</sup>

| Country      | Dataset                        | Sons Born | Sons Earnings Measure   | Measure of Parental Status                           | Intergenerational partial correlation |
|--------------|--------------------------------|-----------|-------------------------|--|---------------------------------------|
| US           | Panel Study of Income Dynamics | 1954-1970 | Age 30                  | Parental income when son age 10 and age 16 (average) | 0.289                                 |
| Britain      | British Cohort Study           | 1970      | 2000 (Age 30)           | Parental income 1980 and 1986 (average)              | 0.271                                 |
| West Germany | Socio-Economic Panel           | 1960-1973 | 2000                    | Parental income 1984 and 1988 (average)              | 0.171                                 |
| Finland      | Quinquennial census panel      | 1958-1960 | 1995 and 2000 (average) | Father's earnings 1975                               | 0.147                                 |
| Denmark      | Register data                  | 1958-1960 | 1998 and 2000 (average) | Father's earnings 1980                               | 0.143                                 |
| Sweden       | Register data                  | 1962      | 1996 and 1999 (average) | Father's earnings 1975                               | 0.143                                 |
| Norway       | Register data                  | 1958      | 1992 and 1999 (average) | Father's earnings 1974                               | 0.139                                 |

## Is social mobility changing?

Social mobility in Britain seems to have slowed down at some point in the late 20<sup>th</sup> century. Richard Breen's study of *Social Mobility in Europe* found a continent-wide tendency to increased relative mobility, but that "Britain is the sole clear exception to this: here there has been little or no change."<sup>14</sup>

Blanden, Gregg and Machin's paper found similar results. Indeed, they discovered one of the most widely reported findings on social mobility: men born in 1970 had not moved as far from where their fathers were as men born in 1958. They found that:

*"many more children from the poorest quarter remain in poorest quarter as adults in the more recent cohort. Likewise among the most affluent far more stay among the most affluent as adults than was the case for the earlier cohort."*<sup>15</sup>

Unfortunately, commentators and politicians have often misread this report, quoting it as showing something like "social mobility got worse under new Labour." Blanden, Gregg and Machin never claimed this, and it is hard to see how a comparison of boys growing up in the 60s and early 70s with boys growing up in the 70s and early 80s could tell us anything about the impact of developments since 1997.

Indeed, when Blanden and Machin revisited the subject and looked at what has happened to children born in 2000 (*Recent Changes in Intergenerational Mobility in Britain*, Jo Blanden and Stephen Machin, Sutton Trust, Dec 2007) they found that there is "little evidence of change and thus it appears that changes in social mobility may well have flattened out. However, at the same time, they have not reversed nor started to improve."<sup>16</sup>

## Is this a problem?

In June, Civitas published *Social Mobility Myths*, which included the suggestion that lack of social mobility might simply reflect inherited inequality:

*"What if middle class children are on average brighter than working class children, or if they work harder on average than their working class peers? Under meritocratic conditions, we would then expect the children of the middle classes to fare better in the competition for educational and occupational success, for a meritocracy is precisely a system which allocates positions on the basis of ability and effort."*<sup>17</sup>

The argument relies heavily on the heritability of IQ and its importance for success in life. In 2002, Bowles and Gintis (two leading American writers and anti-poverty researchers) carried out a meta-analysis of 24 US studies of the correlation of IQ and earnings. They estimated that the genetic inheritance of IQ could only account for 2% of the intergenerational transmission of economic success. Bowles and Gintis' conclusions were, in their words, "somewhat surprising":

*"wealth, race and schooling are important to the inheritance of economic status, but IQ is not a major contributor and, as we have seen above, the genetic transmission of IQ is even less important."*

One of the most famous developmental studies of recent times also illustrates how *unnatural* immobility is: Leon Feinstein's study of inequality in the cognitive development of very young children.<sup>18</sup> Feinstein analysed a group of children's social class and their scores in successive tests of cognitive ability.

- The children were tested at 22 months and then ranked by their scores; some were from relatively high social class and some from a relatively low social class.
- They were tested again at 42, 60 and 120 months, and ranked each time by their scores.
- At 42 months, the high scoring low social class children were already falling behind the high social class high scoring children who, at 22 months, had had the same average position in the distribution.
- By 60 months, the high social class group with *low* ranking at 22 months had almost caught up with them, and by 120 months, they had overtaken them, leaving a wide gap.

### **Mobility and education**

It is no surprise that discussions about social mobility often focus on education, and there is strong evidence that education plays an important part in the transmission of advantage and disadvantage from one generation to another. For example, sixty-five per cent of the cabinet were privately educated, compared with seven per cent of British pupils.<sup>19</sup>

The OECD *Going for Growth* chapter on social mobility found that the UK was one of a group of countries (the others are in southern Europe) where there is a "particularly large" wage premium to growing up in a better educated family and a similar wage penalty associated with growing up in a less-educated family.<sup>20</sup> The UK is also one of a group of countries where "socio-economic background appears to have the largest influence on students' performance" in test scores.<sup>21</sup>

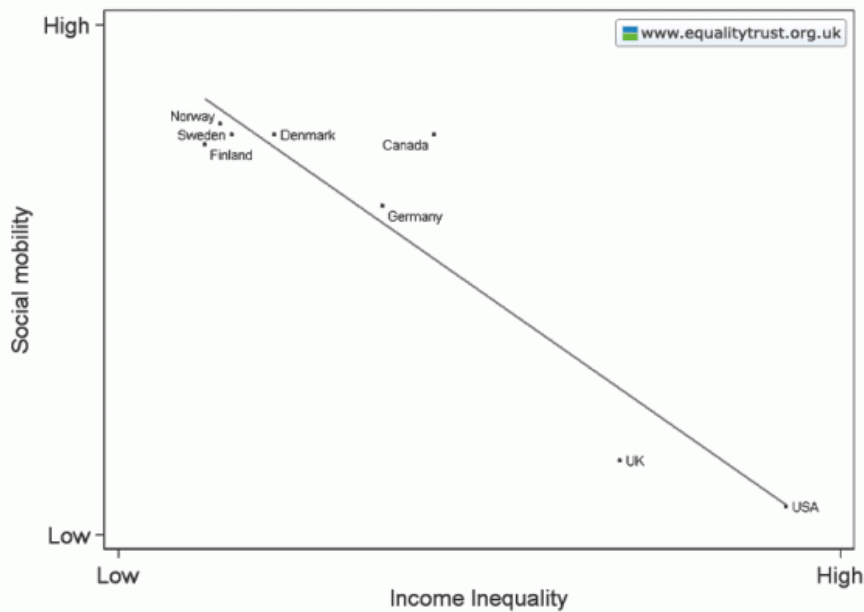
A report by the Institute for Social and Economic Research for the Sutton Trust suggests the education mobility is much lower in England than in the rest of the world. Children's exam results were more closely associated with their parents' results than in many other countries, but the "attainment gap" between children from graduate and non-graduate parents had begun to narrow.

The study looked at 14 year-olds in the top 25 per cent by test results. 56 per cent of the children of degree-educated parents are in this group, compared with just 9 per cent of the children of parents who left school without O-levels.

This 'attainment gap' of 47 percentage points compares with equivalent gaps of 23 points in Australia, 37 points in Germany and 43 points in the USA.<sup>22</sup>

### **Social mobility and inequality**

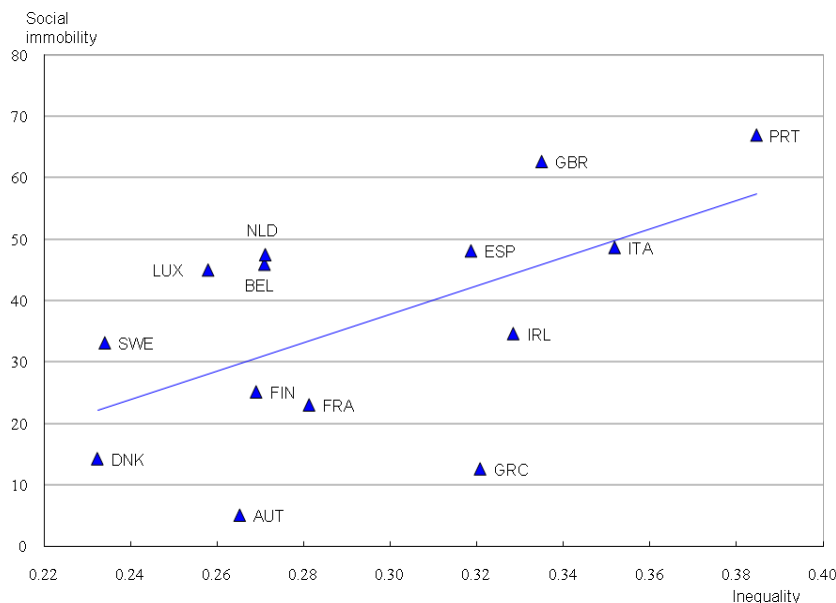
The international evidence suggests a very strong link between social mobility and equality. Richard Wilkinson and Kate Pickett used Blanden, Gregg and Machin's data on mobility and data on income inequality from the UN development Programme Human Development indicators. They found that "the relationship between intergenerational social mobility and income inequality was statistically significant."<sup>23</sup>



The OECD also points to a correlation between inequality and low levels of social mobility, possibly because

*“with higher wage or income dispersion, returns to education are also higher and this may especially benefit individuals whose investment in education is not constrained by family background... narrower cross-sectional income inequality (at a given point in time) is associated with lower intergenerational persistence in wages across European OECD countries.”<sup>24</sup>*

A chart in the report shows this association:<sup>25</sup>



This confirms an earlier OECD study, which summed up the evidence:<sup>26</sup>

“Although no consensus exists on this issue, there seems to be a relation between cross-section income inequality and intergenerational earnings mobility. To promote equality of opportunity might then require reducing current income inequality.”

Other researchers have found similar results. A paper using data from the Luxembourg Income Study found that “sons who grew up in countries that were less equal in the 1970s were less likely to have experienced social mobility by the 1990s.”<sup>27</sup> A study of 20<sup>th</sup> century intergenerational mobility in the USA noted that mobility and inequality both followed the same pattern from 1940 to 2000: a steady increase from 1940 to 1980, with a sharp decline thereafter.<sup>28</sup>

## Concluding remarks

The politicians are right: social mobility is important and the UK’s performance is poor compared with other countries. The instinct that social mobility and education results are closely linked is right, and policies to help disadvantaged children do well at school will probably make an important difference. But social mobility cannot be relied on as a substitute for addressing this country’s persistent inequality: the international evidence shows that the two problems are closely linked.

## Notes

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<sup>1</sup> Equalities section, <http://programmeforgovernment.hmg.gov.uk/equalities/index.html>

<sup>2</sup> Foreword to *The Coalition: our programme for government*, p. 7, [http://www.cabinetoffice.gov.uk/media/409088/pfg\\_coalition.pdf](http://www.cabinetoffice.gov.uk/media/409088/pfg_coalition.pdf)

<sup>3</sup> Evidence to the Education Committee enquiry into “The Responsibilities of the Secretary of State”, 28 July, <http://www.publications.parliament.uk/pa/cm201011/cmselect/cmeduc/uc395-i/uc39501.htm>

<sup>4</sup> The housing minister, quoted on a DCLG press release issued on 4 August, <http://www.communities.gov.uk/newsstories/newsroom/1664293>

<sup>5</sup> *Unleashing Aspiration: The Final Report of the Panel on Fair Access to the Professions*, Cabinet Office, 2009, p. 41, <http://www.cabinetoffice.gov.uk/media/227102/fair-access.pdf>

<sup>6</sup> In 1911 manual occupations accounted for nearly three quarters of the population. By 1991 this proportion had shrunk to 38%; the difference was made up by the growth of managerial, professional and clerical occupations. (*Absolute and Relative Mobility*, ESRC Factsheet, [www.esrcsocietytoday.ac.uk](http://www.esrcsocietytoday.ac.uk)).

<sup>7</sup> The study covered Britain, France, Ireland, West Germany, the Netherlands, Italy, Sweden, Norway, Poland, Hungary and Israel. *Social Mobility in Europe*, Richard Breen, 2004, p 6, <http://www.nuffield.ox.ac.uk/sociology/Group/Breen%20papers/Social%20Mobility%20in%20Europe.pdf>

<sup>8</sup> ‘Policy Implications of New Data on Income Mobility’, *Economic Journal* (109), Karen Gardiner and John Hills, 1999, quoted in *Research Report 1997-2001*, Centre for the Analysis of Social Exclusion, CASE report 17, 2001, <http://sticerd.lse.ac.uk/dps/case/cr/CASEREport17a.pdf>

<sup>9</sup> Op cit, OECD, 2010, chapter 5, [http://www.oecd.org/document/51/0,3343,en\\_2649\\_34325\\_44566259\\_1\\_1\\_1\\_1,00.html](http://www.oecd.org/document/51/0,3343,en_2649_34325_44566259_1_1_1_1,00.html)

<sup>10</sup> Scale measures intergenerational earnings elasticity. Op cit, using data from <http://dx.doi.org/10.1787/784787325068> to recreate fig. 5.1.

<sup>11</sup> *American Exceptionalism in a New Light: A Comparison of Intergenerational Earnings Mobility in the Nordic Countries, the United Kingdom and the United States*, Markus Jäntti, Bernt Bratsberg, Knut Røed, Oddbjørn Raaum, Robin Naylor, Eva Österbacka, Anders Björklund, Tor Eriksson, Bonn: Institute for Study of Labour, IZA Discussion Paper 1938, January 2006. <http://ftp.iza.org/dp1938.pdf>

<sup>12</sup> *Intergenerational Mobility in Europe and North America*, Jo Blanden, Paul Gregg and Stephen Machin, CEP/ Sutton Trust, 2005, p6, <http://cep.lse.ac.uk/about/news/IntergenerationalMobility.pdf>

<sup>13</sup> Ibid, table 2.

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- <sup>14</sup> *Social Mobility in Europe*, Richard Breen, 2004, p 6, <http://www.nuffield.ox.ac.uk/sociology/Group/Breen%20papers/Social%20Mobility%20in%20Europe.pdf> p 9.
- <sup>15</sup> *Ibid*, p. 7.
- <sup>16</sup> *Recent Changes in Intergenerational Mobility in Britain*, Jo Blanden and Stephen Machin, Sutton Trust, 2007, p. 20, <http://www.suttontrust.com/reports/mainreport.pdf>
- <sup>17</sup> *Social Mobility Myths*, Peter Saunders, Civitas, 2010, p. 47 <http://www.civitas.org.uk/pdf/SocialMobilityJUNE2010.pdf>
- <sup>18</sup> “Inequality in the Early Cognitive Development of British Children in the 1970 Cohort”, Leon Feinstein, *Economica*, February 2003.
- <sup>19</sup> Private education: David Cameron, Nick Clegg, George Osborne, Ken Clarke, Cheryl Gillan, Iain Duncan Smith, Chris Huhne, Jeremy Hunt, Andrew Lansley, Andrew Mitchell, Owen Patterson, Lord Strathclyde.  
State education: Danny Alexander, Vince Cable, Liam Fox, William Hague, Philip Hammond, Eric Pickles, Caroline Spelman, Baroness Warsi.  
Both: Michael Gove, Theresa May, Michael Moore.  
7% of the general population privately educated: *Swedish Lessons*, Nick Cowen, Civitas, 2008, p. xvi, <http://www.civitas.org.uk/pdf/SwedishLessons.pdf> The proportion is likely to have been smaller when most members of the cabinet were pupils.
- <sup>20</sup> *Going for Growth*, OECD, 2010, Chapter 5, p. 5, [http://www.oecd.org/document/51/0,3343,en\\_2649\\_34325\\_44566259\\_1\\_1\\_1\\_1,00.html](http://www.oecd.org/document/51/0,3343,en_2649_34325_44566259_1_1_1_1,00.html)
- <sup>21</sup> *Ibid*, p. 7. The other countries are Austria, the Czech Republic, France, New Zealand, and the United States.
- <sup>22</sup> *Education Mobility in England*, John Ermisch and Emilia Del Bono, ISER for the Sutton Trust, 2010, [http://www.suttontrust.com/reports/Education\\_mobility\\_in\\_england.pdf](http://www.suttontrust.com/reports/Education_mobility_in_england.pdf)
- <sup>23</sup> “The problems of relative deprivation: why some societies do better than others”, Richard G. Wilkinson and Kate E. Pickett, *Social Science & Medicine*, 65(9), 2007, 1965-1978, <http://www.equalitytrust.org.uk/docs/problems-of-relative-deprivation.pdf> Chart from the Equality Trust website: <http://www.equalitytrust.org.uk/images/social-mobility.gif>
- <sup>24</sup> *Going for Growth*, OECD, 2010, Chapter 5, p. 16, [http://www.oecd.org/document/51/0,3343,en\\_2649\\_34325\\_44566259\\_1\\_1\\_1\\_1,00.html](http://www.oecd.org/document/51/0,3343,en_2649_34325_44566259_1_1_1_1,00.html)
- <sup>25</sup> The correlation between inequality (as measured by the Gini coefficient) and social immobility (as measured by intergenerational wage persistence for men aged 35 – 44). *Going for Growth*, OECD, 2010, Chapter 5, fig. 5.10, [http://www.oecd.org/document/51/0,3343,en\\_2649\\_34325\\_44566259\\_1\\_1\\_1\\_1,00.html](http://www.oecd.org/document/51/0,3343,en_2649_34325_44566259_1_1_1_1,00.html)
- <sup>26</sup> *Intergenerational Transmission of Disadvantage: mobility or immobility across generations? A review of the evidence for OECD countries*, Anna Cristina d’Addio, OECD, 2007, fig 3, p 47.
- <sup>27</sup> *More Inequality, Less Social Mobility*, Dan Andrews and Andrew Leigh, downloaded from Andrew Leigh’s website at <http://econrsss.anu.edu.au/~aleigh/pdf/InequalityMobility.pdf> on 3/4/2008 21:24.
- <sup>28</sup> *Intergenerational Economic Mobility in the US, 1940 to 2000*, Daniel Aaronson and Bhashkar Mazumder, Federal Reserve Bank of Chicago, Working Paper 2005 – 12, 2005.