FEATURE STORY

Advances in Measuring Intergenerational Mobility Shed New Light on Opportunity in India

If a child is born on the bottom rung of the socioeconomic ladder, what are her chances of climbing higher than her parents? At a Policy Research Talk earlier this year, economist Sam Asher described a new method for measuring intergenerational mobility that can help answer this question in developing country contexts with limited data. Using this method, Asher found that upward mobility in India has remained stagnant for decades despite rapid economic growth and increasing levels of educational attainment. However, this national average hides significant changes in mobility between groups. While upward mobility has risen substantially for historically marginalized Scheduled Castes and Scheduled Tribes, Muslims have seen a decline in mobility.

RESEARCH HIGHLIGHTS

✓ Getting Signal from Interval Data: Theory and Applications to Mortality and Intergenerational Mobility
A new method for partial identification in interval data suggests a new measure of intergenerational educational mobility in low-income countries that is comparable across time, places, and population subgroups.

✓ Intergenerational Mobility in India: Estimates from New Methods and Administrative Data
Fact Sheet for media. Brief interview with NOVAFRICA, September 2018.
A new method in partial identification using education and census data from India provides a detailed description of mobility in Indian society. It suggests rising mobility among historically marginalized Scheduled Castes is almost exactly offset by declining intergenerational mobility among Muslims, a comparably sized group that has few constitutional protections.

✓ How Much Does Reducing Inequality Matter for Global Poverty?
This paper simulates global poverty from 2018 to 2030 under different assumptions about growth and inequality. Reducing each country's Gini index by 1 percent per year has a larger impact on global poverty than increasing each country's annual growth 1 percentage point above the forecasts, suggesting an important role for inequality on the path to eliminating extreme poverty.


Does inequality of opportunity, driven by circumstances at birth, have a negative effect on subsequent growth? Although cross-country data do not support the hypothesis that inequality of opportunity is bad for growth, this non-result may well be driven by problems inherent in this type of data.

Estimating Intergenerational Mobility with Incomplete Data: Coresidency and Truncation Bias in Rank-Based Relative and Absolute Mobility Measures
The coresidency requirement in household surveys can cause substantial downward bias in the estimates of the most widely used measure of intergenerational mobility—the intergenerational regression coefficient. Rich data from India and Bangladesh show that rank-based measures of mobility are much less affected by such sample truncation, and thus preferable when using data from standard household surveys.

Internal Borders and Migration in India

This paper highlights the role of state borders as significant impediments to internal mobility in India. The data show average migration between neighboring districts in the same state is at least 50 percent greater than migration to neighboring districts across a state border. The paper suggests state-level entitlement schemes such as access to tertiary education and public sector employment may limit mobility.

Approximating Income Distribution Dynamics Using Aggregate Data
This paper demonstrates a feasible method of approximating individual-level income distribution dynamics when the researcher only has access to aggregate time-series data on summary statistics such as the mean and the Gini coefficient or top income shares.

Unequal Opportunity, Unequal Growth

This paper tests the negative association between inequality and income growth, particularly growth prospects among the
poor, which 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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UPCOMING EVENTS

- September 16, 2019: Policy Research Talk: A Global View of Inequality

To see more events, please click here.

SOCIAL MEDIA

The ethics of machine learning

Berk Özler | Development Impact, July 8, 2019.

Max Kasy has a two-part series in Phenomenal World, titled “The Politics of Machine Learning.” I was drawn more to the ethical dilemmas that emerge, hence the title. While the arguments on fairness and equality, as well as the discussion on inequality of opportunity intrigued me in this particular case, I find myself generally drawn to Kasy’s writings, which include topics as diverse as statistical decision making vs. randomization, universal basic income, adaptive treatment assignments in experiments, and much more – even when I don’t find myself always agreeing with all the ideas.

Read the blog

Financial innovation and additionality: The power of economic analysis and data analytics

Facundo Abraham, Sergio Schmukler, and José Tessada | July 9, 2019.

As public and private financial institutions innovate and expand the range of financial products that households and firms use, questions about how these services are affecting consumers, providers, and the economy as a whole have become central. A new policy brief by Abraham, Schmukler, and Tessada explores how evaluating the “additionality” of financial services can help answer such questions.

Read the blog

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