

# **SOCIAL MOBILITY**

## **A DISCUSSION PAPER**

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# **SOCIAL MOBILITY**

## **A Paper by Stephen Aldridge, Performance and Innovation Unit**

### **Summary**

#### ***What is social mobility?***

1. Social mobility describes the movement or opportunities for movement between different social groups, and the advantages and disadvantages that go with this in terms of income, security of employment, opportunities for advancement etc.

#### ***Why is social mobility important?***

2. Social mobility matters because :
- equality of opportunity is an aspiration across the political spectrum. Lack of social mobility implies inequality of opportunity;
  - economic efficiency depends on making the best use of the talents of everyone; and
  - social cohesion and inclusion may be more likely to be achieved where people believe they can improve the quality of life they and their children enjoy through their abilities, talents and efforts.

#### ***What are the facts about social mobility?***

3. Analysis of *intragenerational* (within own lifetime) mobility shows that there is a great deal of income and earnings mobility (upward and downward) in Britain but much of this is short range. For example, individuals on low incomes or earnings may move one or two deciles up the income or earnings distribution but not in general much more.

4. There is evidence that :
- earnings mobility in Britain has declined over the past 20-25 years;
  - poverty is more persistent in Britain than in, say, Germany; and

- upward career mobility from manual occupations to higher status professional and technical occupations has declined, with entry to the latter higher status occupations taking place (increasingly) direct from the education system rather than through mid-career flows from lower status occupations.

5. Sociologists make a distinction between absolute and relative social mobility in analysing intergenerational mobility. Absolute social mobility is concerned with the absolute number or proportion of people in a social group who are upwardly or downward mobile. Relative social mobility is concerned with the chances people from different backgrounds have of attaining different social positions.

6. Analysis of *intergenerational* mobility (children compared with parents) shows :

- there is and continues to be a considerable amount of *absolute* social mobility. Over the long run, increasing numbers of children have enjoyed upward social mobility compared with their parents because economic and social change has increased employment opportunities in the professional classes. There has, in other words, been “more room at the top”;
- the growth in the rate of absolute social mobility, especially upward social mobility, appears to have been halted in recent decades;
- the longer term expansion in the number of people in higher social classes has not only permitted upward social mobility from the lower social classes but allowed an increasing proportion of children whose parents were in the higher social classes to remain there;
- as a result *relative* social mobility (the relative chances of people from different social backgrounds making it to a given social class) has been fairly stable; and
- though there is evidence that some groups within the ethnic minority population are catching up with the majority white population through rapid upward social mobility, ethnic minorities are still disadvantaged compared with the majority population.

7. International comparisons are difficult because the defining features of social classes may vary from country to country. Nonetheless, there appears to have been considerable *absolute* social mobility in all industrialised countries, though absolute rates of intergenerational social mobility vary widely between countries and over time. Cross-national variations in absolute rates are explained by specific and historical factors, such as economic growth, migration and wars, rather than by sociological factors.

8. *Relative* rates of social mobility exhibit a remarkably high degree of similarity between countries and over time. Within the modest differences that do exist, it is possible to identify a cluster of more fluid societies (such as Israel, Australia, Japan, Poland, Sweden and Norway) and a cluster of less fluid societies (such as Hungary, the United States, Britain, Italy, Germany, France, the Netherlands and Ireland). There is some evidence that higher rates of relative social mobility are associated with lower income inequalities.

***What are the barriers to more social mobility?***

9. The determinants of and barriers to relative social mobility are not well understood. Potential explanatory factors include:

- educational attainment;
- childhood poverty and associated psychological and behavioural development;
- the family and the strategies families adopt to support their children, including access to financial, social and cultural capital i.e. not just money but values, behaviours and networks of contacts that affect access to opportunities;
- attitudes, expectations and aspirations, including aversion to risk; and
- economic and other barriers which some groups use to “hoard opportunities” e.g. anti-competitive practices which limit access to professions such as the law and may discriminate against particular groups.

10. The role of ability (whether inherited genetically or through socialisation) as a determinant of social mobility is hotly contested, with different sociological studies coming to widely differing conclusions about the importance of the role it plays.

***What are the implications for policymakers?***

11. Policymakers are likely to have a range of objectives, including :

- maintaining and promoting high levels of *prosperity*;
- promoting *a fair and just society*, of which there may be several dimensions :
  - *equality of opportunity* : enabling individuals to improve themselves through their own individual ability and effort rather than class background, gender or ethnicity (*a meritocracy*);
  - *social justice, cohesion and inclusion* : providing safety nets and opportunities for the disadvantaged which reduce inequalities of outcomes and help build communities.
- promoting *individual freedom* : either in the positive sense of *enabling* individuals to make their own choices (e.g. by ensuring the rule of law) or in the negative sense of *minimising coercion* by the State or some combination of the two.

12. These different objectives may be complementary or in conflict with each other. For example :

- policies to promote greater fairness might weaken incentives to work, save, invest and innovate, undermining the goal of maintaining and promoting high levels of prosperity. On the other hand, a perception that economic and social outcomes are fair and just may build trust and facilitate the more efficient working of markets;
- increases in income inequality may be associated with increases in inequalities of opportunity and thus lower rates of relative social mobility. On the other hand, a highly meritocratic society characterised by high rates of social mobility might have significant income inequalities and social tensions for the reasons described below.

13. By a meritocracy is meant a society in which the most able and committed people can succeed in attaining the most desirable, responsible and well-rewarded positions. Unless one believed ability and commitment were (either in whole or in part) determined by one's social class origins, the features of such a society would include high rates of social mobility and the absence of any association between class origins and destinations i.e. equality of opportunity.

14. Prima facie, a meritocracy described in these terms has many attractions. But it would also have downsides :

- there would be downward as well as upward mobility i.e. there would be losers as well as winners. This could create economic instability and social tensions;
- the losers would have no one to blame for their circumstances but their own lack of ability and commitment. This could create a lot of unhappiness and resentment;
- there could be significant income and other inequalities. The upwardly mobile could “take all”; and
- it could be economically inefficient. The market does not reward ability and commitment but those who provide the goods and services consumers want to buy. The more able and committed may be more likely to succeed in a market economy but the lazy who have a good idea may be highly rewarded too. Overriding these market signals could have economic costs.

15. Ultimately, the weight to be given to the different possible objectives of policy, and any trade-offs that may need to be made between them, require a political judgement.

16. So far as social mobility and equality of opportunity are concerned, there is a choice to be made between :

- measures which promote a weak form of meritocracy i.e. which focus on removing barriers to upward mobility and assisting or encouraging upward social mobility. This approach would give primacy to absolute social mobility; and

- measures which promote a strong form of meritocracy i.e. which not only seek to facilitate upward social mobility but which seek positively to reduce barriers to downward social mobility for dull middle class children. This approach would give primacy to relative social mobility.

17. Promoting higher rates of social mobility in order to allow individuals to succeed on the basis of their individual ability and effort is likely to be challenging. Absolute social mobility has been driven by structural changes in the economy and society over which governments may have limited influence. Relative social mobility has been stable over time and has shown little variation between industrialised countries notwithstanding widely differing political systems, policies and institutions.

18. The literature suggests a range of specific policy options for promoting social mobility. They can be grouped under four headings :

- removing barriers to upward mobility;
- positively assisting upward mobility;
- removing barriers to downward mobility; and
- positively assisting downward mobility.

19. The possible measures include :

(a) removing barriers to upward mobility

- raising educational standards;
- ensuring access to further and higher education for all;
- changing attitudes, expectations and aspirations, in particular encouraging bright children from deprived backgrounds to take full advantage of the educational and other opportunities open to them;
- improving social mixing and the formation of networks;
- reducing/removing barriers to geographical and occupational mobility;

- greater disclosure of employers’ recruitment practices – gender, race composition of workforce etc;
- removing non-competitive barriers to entry to professions such as the law;

(b) positively assisting upward mobility

- tackling poverty and social exclusion, particularly childhood poverty;
- increased investment in education;
- improving access to financial capital;
- building better routes for upward mobility within professions and workplaces;
- giving people second chances e.g. through access to education in later adult life;

(c) removing barriers to downward mobility

- reducing the weight given to geographical catchment area as a determinant of access to the best State schools;
- higher rates of taxation of investment income and wealth;
- higher rates of inheritance tax; and

(d) positively assisting downward mobility

- abolition of inheritance.

# **SOCIAL MOBILITY**

## **Introduction**

1. Equality of opportunity is a goal common to a broad spectrum of political opinion. The Government's first Annual Report on tackling poverty and social exclusion [1] states that "everyone should have the opportunity to achieve their potential". A society characterised by equality of opportunity will reward people according to their abilities, talents and efforts rather than on the basis of their social background. It might also be expected to exhibit high levels of mobility between social groups.

2. The purpose of this paper is :

- to define in more detail what is meant by social mobility;
- to set out why social mobility is important;
- to summarise the key facts about social mobility – how much is there, what have been the trends over time and how does social mobility in the UK compare with that in other countries;
- to discuss the main drivers of or barriers to greater social mobility; and
- to set out some tentative policy implications.

## **What is social mobility?**

3. Social mobility describes the movement or opportunities for movement between different social groups and the advantages and disadvantages that go with this in terms of income, security of employment, opportunities for advancement etc.

4. The academic literature draws a distinction between several different kinds of social mobility :

- the sociological literature takes a definition of social mobility defined in terms of movements between *social classes* or *occupational groups* whereas the economics literature generally focuses on *income* and income mobility. Income has advantages as a direct measure of command over resources (at least at a

point in time) but social class may be a better measure of life chances;

- social mobility can be examined both *intergenerationally* (how far the opportunities open to children are determined by the social class or income of their parents) and *intragenerationally* (to what extent individuals' social position or income changes over their own lifetime). Sociologists generally focus on intergenerational mobility and economists on intragenerational mobility (reflecting the nature of the data sets they use);
- sociologists make a further distinction between :
  - *absolute social mobility*, which refers to the absolute number or proportion of a social class who move into another social group; and
  - *relative social mobility*, which refers to the degree of inequality in the likelihood of people from different social class origins moving into a particular social class.

5. Understanding these different definitions is important to the description of the key facts about social mobility in the section below.

### **Why is social mobility important?**

6. High rates of social mobility may be desirable for a number of reasons :

- politically, because equality of opportunity is an aspiration of politicians across the political spectrum;
- economically, because it is inefficient to waste the talents of even one single person. Economic growth depends on the extent to which everyone's talents can be fully utilised; and
- socially, because social cohesion and inclusion may be more likely to be achieved in a society where people believe they can improve themselves through their abilities, talents and effort than in a society where opportunities and quality of life depend on social background.

7. Over the past 20 years, income inequalities have widened significantly. Between 1979 and 1998/9, the real incomes of those in the

bottom decile of the income distribution rose by 6% in real terms whereas the real incomes of those in the top 10% rose by 82%. Mean incomes rose by 55% (also in real terms).

8. These figures are not compiled from a sample of people whose incomes have been tracked in each and every year for 20 years. Rather, a new sample is taken each year and the incomes of each decile of the population compared. The figures are therefore potentially consistent both with large numbers of people remaining at the bottom end of the income distribution for long periods or with large numbers of people permanently moving out of spells of low income. Large and growing income inequalities may be more acceptable if there are significant opportunities for social mobility, which allow individuals and their families to change their position in the income and wider social distribution.

9. Social mobility is not without potential disadvantages, however :

- social mobility can be downward as well as upward i.e. there are potential losers as well as gainers. A society with a lot of upward and downward social mobility could be characterised by considerable variation in individual and household income. Significant change in individual and household incomes, especially over short periods, could create economic instability and social tensions unless there were economic and social policy interventions which helped individuals and households to cope with such income fluctuation;
- a society characterised by high levels of social mobility in which the greatest rewards go to those with the greatest merit (however defined) might not be an attractive one. Those individuals with certain abilities or talents might scoop all the rewards (the “winner takes all” society). By contrast, the downwardly mobile (whose expectations and aspirations about their social position and economic status will have been shaped by the social position and economic status of their parents and peers) are likely to be unhappy and resentful. This could threaten social cohesion; and
- there is a danger that focusing on social mobility will lead to the circumstances of the socially immobile being ignored. Improving living standards may depend as much on increasing opportunities for the immobile as breaking down barriers to social mobility.

## What are the facts about social mobility?

### *Intragenerational mobility*

10. The academic literature gives only a partial picture of intragenerational mobility in Britain. There are two main reasons for this. First, sociologists have generally focused on intergenerational rather than intragenerational mobility. Second, there have, until recently, been only limited longitudinal data from which to draw conclusions. However, several datasets have begun to provide a picture (mainly) of *income* and *earnings* mobility in Britain in recent decades.

11. For example, the Department of Social Security's analysis of Households Below Average Income [2], uses the British Household Panel Survey (BHPS) to analyse income mobility in Britain during the 1990s. The BHPS was designed as a nationally representative sample of the population of Great Britain in 1991. This sample has been re-interviewed each year since then and there are now eight waves of data. The key findings of this analysis are :

- there is a great deal of movement out of the bottom of the income distribution. Half of those in the bottom two deciles in 1991 had estimated incomes above the bottom two deciles in 1998;
- *but* this movement is generally short range. Of those in the bottom two deciles in 1991 less than one in four was in the top 60% of the income distribution in 1998.

12. Abigail McKnight [3] has used the New Earnings Survey Panel Dataset and other sources to analyse trends in *earnings* mobility in Britain over the 21 year period from 1977 to 1997. This finds :

- an overall decline in earnings mobility over the period, particularly amongst prime age men (the earnings progression of women appears to have improved over the period);
- a considerable degree of persistence of low pay with between 40 and 50% of employees, who remain in employment over a six year period, remaining in the lowest quarter of the earnings distribution;
- evidence of a low-pay/no-pay cycle with low paid employees more likely to go on to experience spells of unemployment than

higher paid employees and the unemployed most likely to enter low paid jobs; and

- a steadily increasing proportion of employees in the highest quartile of the earnings distribution who remain in that quartile one year later, comparing 1977/78 with 1986/87 with 1995/96.

13. Other studies of income and earnings mobility (e.g. Dickens [4]) have made similar findings. Compared to, say, Germany there is some evidence that poverty is more persistent in Britain.

14. Jonathan Gershuny [5] has examined a different dimension of intragenerational mobility : career or occupational mobility. Using the 1986 Social Change and Economic Life Survey, he finds decreasing upward mobility from manual occupations to higher status professional and technical occupations over the four decades from 1941. During the post-war period, recruitment to higher status occupations has increasingly been direct from the education system, for those with the necessary formal educational qualifications, and decreasingly dependent on mid-career flows from lower status occupations.

### *Intergenerational mobility*

#### The sociological approach and its limitations

15. There is an extensive literature (mainly sociological) on intergenerational mobility. This draws on a combination of specially conducted surveys and the analysis of pre-existing survey information (such as the British Election Surveys and the General Household Survey) to compare the social class of children with that of their parents.

16. This paper draws largely on an article by Anthony Heath and Clive Payne [6], which provides a particularly clear analysis of the key facts about intergenerational mobility in the UK. Any important differences with other studies are noted, however, as the discussion proceeds.

17. Sociological studies analyse social mobility in terms of social class. Heath and Payne use a 7 class schema (a modified version of the class schema devised by John Goldthorpe) :

- I – professionals, managers and administrators in large enterprises
- II – semi-professionals, managers and administrators in small enterprises
- III – routine white-collar workers

- IV – petty bourgeoisie (farmers, small employers and self-employed workers)
- V/VI – higher working class (manual foremen, technicians and skilled manual workers)
- VII – lower working class (semi-skilled and unskilled manual workers)

18. This class schema is not completely hierarchical. Movements between classes III, IV and V/VI are treated as horizontal rather than vertical. For some of the analysis, classes I and II are grouped to form what is called the salariat, and classes V/VI and VII are grouped to form the manual working class.

19. Sociologists prefer to measure social mobility in terms of social class rather than income because income is only one dimension of social position. The Goldthorpe class schema is derived from measuring an occupation according to 3 criteria : *market situation* (wage, pension, sick pay, benefits); *status situation* (status of job); and *work situation* (level of autonomy/control).

20. On the other hand, this approach also has a number of disadvantages :

- the characteristics of social classes may not remain constant over time. Andrew Adonis and Stephen Pollard [7] have written, for example, about the emergence of a new, highly prosperous, largely private sector employed “*superclass*” within the middle class which stands in increasing contrast to the traditional middle class of, for example, teachers and doctors. Consistent with the Adonis and Pollard thesis, Abigail McKnight [8] has found the growth in earnings inequality in recent decades to be greater in the top half of the income distribution than in the bottom half. More generally, there is evidence that the greater part of the increase in earnings inequalities is accounted for by the increasing variance in earnings amongst those with similar education and experience [9]. An individual may enjoy upward social mobility without necessarily enjoying upward income mobility (to the same degree);
- there are problems of classifying the social class of many individuals. Women who have never had a job (e.g. because they have been “looking after the home”) and economically

inactive men who cannot be assigned a class on the basis of their last job are excluded from many analyses;

- individuals' social position may vary over their life cycle. It is therefore important to compare the social class of parents and children at similar points in their respective life cycles. Heath and Payne do this by restricting their sample to respondents aged over 35 (when it is argued they will have reached "occupational maturity") for comparison with their father's social position when they were growing up; and
- the extremes of the social classes (the elite and the underclass) are probably under-represented in the various surveys. Movement in and out of these extreme groups may be quite different from mobility between the more broadly defined social groups used in most sociological studies.

21. Heath and Payne's study uses data from the 1964-1997 British Election Surveys. These surveys were not designed for social mobility analysis but the information they generate about the social class of parents and children has been used extensively in social mobility research. By dividing the data into cohorts of people determined by their date of birth it is possible to establish how much social mobility there has been in Britain during the 20<sup>th</sup> century and how it has changed over time.

#### Absolute social mobility in Britain

22. Trends in the absolute social mobility of men and women in Britain are summarised in tables 1 and 2. They suggest that there is and has been a considerable amount of movement between the social classes and that increasing numbers of children have enjoyed upward social mobility compared with their parents.

**Table 1: Trends in the Absolute Social Mobility of Men During the 20<sup>th</sup> Century**

(Column percentages)

	Pre-1900	1900-09	1910-19	1920-29	1930-39	1940-49	1950-59
Percentage stable	43	39	38	35	34	28	35
Upwardly mobile	27	29	30	39	38	42	42
Downwardly mobile	20	21	20	17	18	19	13
Horizontal movements	10	11	12	9	10	11	10
Sample size	397	890	1303	1778	1572	1074	533

**Notes:** results presented by ten-year cohorts of the date of birth of respondents. Since only respondents aged 35 and over are included, this effectively takes the analysis in this and the other tables from Heath and Payne’s paper up to the mid-90s.

**Source:** Heath and Payne

**Table 2: Trends in the Absolute Social Mobility of Women During the 20<sup>th</sup> Century**

(Column percentages)

	Pre-1900	1900-09	1910-19	1920-29	1930-39	1940-49	1950-59
Percentage stable	31	29	26	28	22	20	17
Upwardly mobile	24	22	27	23	29	32	36
Downwardly mobile	30	32	30	28	27	26	27
Horizontal movements	15	17	18	21	22	22	20
Sample size	219	602	1000	1403	1164	886	298

**Source:** Heath and Payne

23. This pattern of increasing upward social mobility has been made possible by economic and social changes, which have increased employment opportunities in the professional classes. Over the last century the middle class has grown substantially in size relative to the working class (table 3). This has created “more room at the top” and permitted considerable upward social mobility in Britain. Sociologists, such as Peter Saunders [10], have argued on the basis of these figures that : “it is difficult to avoid the conclusion that Britain seems a remarkably open society”. And, as income inequalities have increased in recent decades, so the rewards for those who make it to the top have increased too.

24. Looking, however, at the later decades of the 20<sup>th</sup> century, John Goldthorpe and Colin Mills [11] find that the previous tendency for the

absolute rate of social mobility, especially upward social mobility, to rise appears to have been halted with some kind of break around 1979-81. For men, there appears to have been a small decrease in the rate of upward absolute social mobility and a small increase in the rate of downward absolute social mobility, with the reverse the case for women. Goldthorpe attributes this to two factors : slower growth in the number of professional and managerial jobs and a contraction in skilled manual work (which meant there were fewer opportunities for short range social mobility from the unskilled to the skilled working class).

**Table 3: The Changing Class Structure of Britain – “More Room at the Top”**

(Column percentages)

Class	Pre-1900	1900-09	1910-19	1920-29	1930-39	1940-49	1950-59
I	7.0	10.1	11.6	16.1	17.1	21.6	23.2
II	11.0	9.2	11.2	13.1	15.0	16.3	19.1
III	7.9	8.3	9.1	6.9	5.8	4.3	4.5
IV	12.2	10.3	8.7	8.9	13.3	15.0	15.3
V/VI	31.9	30.3	30.8	31.9	25.6	22.6	22.0
VII	30.0	31.7	28.7	23.1	23.2	20.2	15.8
Sample size	17	941	1393	1840	1617	1095	565

**Source:** Heath and Payne

25. The creation of “more room at the top” has allowed more children from higher class backgrounds to remain in the same social class as their parents alongside increasing upward social mobility. Thus :

- table 4 shows that 46% of sons with fathers in social class I are themselves in social class I and a further 23% in social class II;
- table 5 shows that this has happened even though only 20% of all people in social class I had fathers who were in social class I; and
- more dramatically, table 6 shows increasing intergenerational stability amongst the higher social classes. There has been declining downward social mobility amongst the higher social classes for much of the past century. Saunders [12] concludes that, whilst the barriers against bright working-class children succeeding are quite low, the safeguards against failure enjoyed by dull middle class children are still quite strong.

**Table 4 : Social Class Destinations of Men**

(Row percentages)

Father's class	Son's class						Sample size
	I	II	III	IV	V/VI	VII	
I	<b>46</b>	23	5	11	8	6	447
II	30	<b>29</b>	10	10	12	9	535
III	27	21	<b>12</b>	9	19	13	381
IV	15	13	7	<b>29</b>	20	17	1103
V/VI	12	12	7	8	<b>38</b>	23	2626
VII	9	9	5	7	32	<b>38</b>	2204
All	16	14	7	11	28	24	7296

**Source:** Heath and Payne**Table 5 : Social Class Origins of Men**

(Column percentages)

Father's class	Respondent's class						All
	I	II	III	IV	V/VI	VII	
I	<b>20.7</b>	13.4	8.6	7.7	3.0	2.3	7.7
II	15.7	<b>16.8</b>	11.0	6.5	4.4	3.6	8.7
III	8.5	7.8	<b>7.4</b>	4.3	3.4	3.2	5.4
IV	13.4	14.0	13.5	<b>36.2</b>	9.9	11.5	14.1
V/VI	26.7	29.9	35.1	25.8	<b>46.3</b>	36.2	35.3
VII	14.9	18.1	24.6	19.5	33.1	<b>43.1</b>	28.8
N	1885	2589	3388	1367	3673	4589	17490

**Source:** Heath and Payne**Table 6 : Trends in Intergenerational Stability (percentage remaining in the same class as their father): Men**

	Pre-1900	1900-09	1910-19	1920-29	1930-39	1940-49	1950-59
Salariat (I + II)	51	49	61	69	67	62	73
Working class (V/VI + VII)	76	75	73	67	60	53	50

**Source:** Heath and PayneRelative social mobility in Britain

26. Absolute social mobility is concerned with the absolute number or proportion of people in a social group who are upwardly or downward mobile. Relative social mobility is concerned with the *chances* people

from different backgrounds have of attaining different social positions. These chances are measured by “odds ratios”.

27. Table 4 shows that 46% of men from class I origins stayed in class I while 6% were downwardly mobile to class VII. This can be expressed as odds of 7.7:1 (46/6). By contrast, 9% of men from class VII reached class I while 38% stayed in class VII, giving odds of 1:4.2. The ratio of these two odds is 32.3:1.

28. An odds ratio of 1 would indicate that the two classes had equal chances of reaching one destination and avoiding the other. The odds ratios would all be 1:1 in a society where social origins were unrelated to class destinations. The larger the odds ratio the more unequal the opportunities and the relatively less mobile is society.

29. Tables 7 and 8 summarise the trends in relative social mobility in Britain during the 20<sup>th</sup> century. They look at relative social mobility between:

- the salariat (classes I and II combined) and the working class (classes V, VI and VII);
- the salariat and the petty bourgeoisie (class IV); and
- the petty bourgeoisie and the working class.

30. The tables suggest that the odds ratios may have declined over time i.e. relative social mobility may have increased. But these odds ratios are statistical measures constructed from sample surveys and therefore subject to sampling error. Heath and Payne carry out some formal statistical tests to establish whether the changes in the odds ratios are greater than can be explained by random sampling error. They conclude that there is some suggestion that the odds ratios have declined, albeit modestly, over time for men but not for women.

31. Goldthorpe and Mills [13] have, however, called this finding into question. Using arguably superior General Household Survey (GHS) data (because of its larger sample size and higher response rates) for the period 1973-1992, they find no evidence of a statistically significant change in relative social mobility in the later decades of the 20<sup>th</sup> century, particularly in the case of men. Richard Breen and John Goldthorpe [14] come to similar conclusions using data from the 1958 National Child Development Study and the 1970 British Cohort Study.

**Table 7 Trends in Relative Social Mobility During the 20<sup>th</sup> Century:  
Men**

	Pre-1900	1900-09	1910-19	1920-29	1930-39	1940-49	1950-59
Salariat: working class	16.0	10.0	19.0	14.0	10.3	5.6	7.7
Salariat: petty bourgeoisie	5.5	7.0	6.7	9.4	6.8	4.1	7.3
Petty bourgeoisie: Working class	9.5	11.0	9.6	8.2	5.8	3.2	4.9

**Source:** Heath and Payne

**Table 8: Trends in Relative Social Mobility During the 20<sup>th</sup> Century:  
Women**

	Pre-1900	1900-09	1910-19	1920-29	1930-39	1940-49	1950-59
Salariat: working	-	17.2	15.2	13.4	7.3	10.6	5.8
Salariat: routine non-manual	-	2.1	1.0	1.5	1.7	1.3	0.6
Routine non-manual: working	-	6.5	4.5	1.9	3.3	2.7	3.2

**Source:** Heath and Payne

32. The economics literature is less rich in terms of the analysis of intergenerational mobility than the sociological literature. However, there have been some studies.

33. For example, Lorraine Dearden, Stephen Machin and Howard Reed [15] have looked at the extent to which there is a correlation between a parent's position in the earnings distribution and that of his/her children using data from the National Child Development Study. Zero correlation would suggest complete mobility. A perfect correlation (1) would suggest complete immobility. Dearden et al find correlations of between 0.4 and 0.6 between fathers' incomes and sons' incomes, and between 0.45 and 0.7 for daughters. Similar results are also obtained for a small sample of adopted sons.

34. Consistent with the sociological literature, Dearden et al find that the highest proportion of sons in the same quartile of the earnings distribution as their fathers is to be found at the top of the earnings distribution. In other words, upward mobility from the bottom is more likely than downward mobility from the top.

## Social mobility amongst women and ethnic minorities in Britain

35. The pattern of social mobility amongst women differs from men. Women are more concentrated in routine white collar jobs. More room for women has been found in the “middle” rather than “at the top” (which may not really constitute a move up for working class women).

36. On the other hand, better education, increased labour force participation and improved opportunities at work have had a positive effect on women’s social status. The previous section suggested that, in recent decades at least, women have, to some extent, enjoyed more favourable social mobility trends than men, if mainly as part of a catching up process.

37. There have been relatively few studies of social mobility patterns amongst different ethnic groups. The main findings of those which have been undertaken may be summarised as follows :

- the first generation of black migrants to Britain generally experienced downward social mobility. Many of those who had held white collar positions in their country of origin or whose fathers had held white collar positions in their country of origin were forced to take manual work on their arrival in Britain;
- in aggregate, the black population is *more* socially mobile than the white population. Ethnic minorities are more likely to experience both upward and downward social mobility than the white population (see table 9 from a paper by Vaughan Robinson [16]). However, there are significant variations between different ethnic groups (most of the difference is explained by Indians and Pakistanis) and there is increasing polarisation within ethnic groups (with Indians and Pakistanis more likely to experience both rapid downward and rapid upward social mobility than the white population);
- though there is evidence that some groups within the ethnic minority population are catching up with the majority white population through rapid upward social mobility, ethnic minorities are still disadvantaged compared with the majority population. Table 10, taken from a paper by Yuan Cheng and Anthony Heath [17], shows the proportion of graduates by ethnic group in the (upper) service class. It shows that, whereas 90% of white British graduates are in service class occupations, the corresponding percentages are 56% for Pakistanis, 62% for

Indians and 68% for West Indians. Only Chinese and Irish graduates are as likely to be in the service class. Using a formal statistical model confirms these findings. Cheng and Heath conclude that Indians, Pakistanis and West Indians suffer a significant “ethnic penalty” even after controlling for education and other factors. Anthony Heath’s work also suggests, however, that the effect of ethnicity on social class destinations is smaller than that of social class origins; and

- these points are broadly confirmed by interim findings from an analysis of the experiences of immigrants (as opposed to the ethnic minority population) using data for England and Wales from the OPCS/ONS Longitudinal Study for 1971-1991. This study, by the Migration Research Unit at UCL [18], finds that people born in the Indian Sub-continent and Sub-Saharan Africa have rates of net upward social mobility over twice that for people born in the UK over the period (17% compared with 8%). However, those born in the Indian Sub-continent are less likely to move into professional, managerial and technical occupations (despite higher overall levels of mobility) than those born in the UK whilst the reverse is true for those born in Sub-Saharan Africa.

**Table 9: Social Mobility by Ethnic Group, 1971-81**

(percentages)

	Indians	Pakistanis	West Indians	Non-NCWP*
Stable	42	37	54	57
Mobile:				
Rapid upwards	15	13	11	12
Slow upwards	15	17	12	11
Rapid downwards	15	17	11	10
Slow downwards	14	17	12	10
Total	100	100	100	100

\*effectively white

**Source:** OPCS Longitudinal Study quoted in Robinson

**Table 10: Access to the Service Class\* by Ethnic Group, (a) for the Total Population and, (b), for Graduates Alone, 1983-89**

	Chinese	Indian	Pakistani	West Indian	African Asian	Irish	British-born whites
<b>Males</b>							
All	25.6	21.4	8.7	9.6	26.0	20.2	33.3
Graduates	84.6	62.3	56.4	68.8	68.1	88.6	90.7
<b>Females</b>							
All	30.3	13.4	17.1	34.5	18.8	28.3	26.1
Graduates	62.5	40.9	53.3	82.6	67.7	87.2	82.6

\* large employers/managers of large businesses; professionals; managers of small businesses; and intermediate non-manual workers.

**Source:** Labour Force Survey quoted in Cheng and Heath

### Mobility in Britain compared with other countries

38. International comparisons of social mobility need to be made with a degree of caution because the defining features of different social classes are not necessarily the same in all countries. Nonetheless, studies by Robert Erikson and John Goldthorpe [19] and by Gordon Marshall, Adam Swift and Stephen Roberts [20] allow a number of conclusions to be drawn :

- absolute rates of intergenerational social mobility exhibit wide variations between countries and within particular countries over time. There is no consistent ranking of countries, therefore, according to absolute rates of social mobility;
- cross-national variation in absolute rates is explained by a range of factors including (e.g.) economic growth, shifts in trade patterns, changes in fertility, migration and wars. The explanations are specific and historical rather than sociological. One common feature can, however, be found : industrialisation appears to bring about a significant step increase in absolute rates of social mobility in its early phases when the outflow of individuals from agricultural to non-agricultural employment is at its most rapid. Thereafter, absolute rates of intergenerational mobility show some tendency to fall;
- absolute rates of intragenerational mobility also tend to fall over time in mature industrialised societies i.e. employment and class position in early life become more predictive of employment

and class position in later life (consistent with the findings of Jonathan Gershuny's work reported in paragraph 14);

- relative rates of social mobility exhibit a very high degree of similarity between countries and over time within particular countries. Such differences as exist are modest. Claims of national “exceptionalism” – that the US is a distinctively “open” or “fluid” society or that England is unusually “sclerotic” – are not supported by the evidence (both countries in fact having very similar patterns of relative social mobility [21]);
- within the modest differences that do exist two main clusters of countries can be found : more fluid societies, such as Israel, Australia, Japan, Poland, Sweden and Norway, and less fluid societies, such as Hungary, the United States, Britain, Italy, Germany, France, the Netherlands and Ireland. Since relative rates of social mobility are comparatively stable over time, the allocation of societies to these clusters does not change very much; and
- Goldthorpe's work suggests there is no statistically significant association between type of political regime or, in democracies, the party composition of governments and relative rates of social mobility. Of the former Communist countries, for example, Poland is in the more fluid category whilst Hungary is in the less fluid category. Goldthorpe does, however, find an association between relative rates of social mobility and the degree of income inequality : the lower the degree of inequality, the higher relative rates of social mobility.

### **What are the explanations for these facts and what are the barriers to more social mobility?**

39. There is a much broader consensus, and much better evidence, about the causes of absolute social mobility than relative social mobility. The rise in absolute social mobility is attributable to the structural changes in the economy and society brought about by economic growth and industrialisation. These have opened up “more room at the top” and permitted considerable upward social mobility.

40. The main barriers to and/or determinants of relative social mobility are more numerous. It is worth noting, however, that whatever explanatory variables are included in formal statistical analyses of social mobility (class origins, education, ability etc) the total variance explained

tends to be rather low, rarely over 20-25%. This suggests that idiosyncratic factors and sheer luck (e.g. being in the right place at the right time) play a very large part. Nonetheless, the key barriers and determinants identified in the literature include :

### *Education*

41. Education plays a crucial role in explaining social outcomes and is especially important in accounting for long distance social mobility. Breen and Goldthorpe [22], for example, find that educational attainment has a substantial impact on occupational outcomes and mobility chances.

42. But the sociological literature also suggests that the role of education should not be overstated and that its importance may be weakening, for a variety of reasons :

- during the 20<sup>th</sup> century, the expansion in the number of professional and managerial jobs preceded the expansion of educational opportunities. Employers took on people to fill these jobs whether or not they had the necessary education or other qualifications. They then trained them as appropriate. In other words, upward social mobility was driven by demand from employers not by the supply of better qualified labour;
- John Goldthorpe's work on cross-national differences suggests there is no statistically significant association between variations in relative rates of social mobility between industrialised countries and differences in type of education system, level of educational participation or measures of educational opportunity;
- Anthony Heath's work has shown that people from all social origins have been able to take advantage of increased educational opportunities. There is little evidence that educational expansion has enabled the working class to catch up; the middle class buy the best education either through private schools or by moving into areas with the best State schools;
- Goldthorpe and Mills [23] find that, even when individuals' level of educational attainment is controlled for, a significant association between an individual's class origins and class destinations remains;

- there is evidence that women and ethnic minorities experience less favourable occupational outcomes even when they have the same or similar educational qualifications to their white, male counterparts; and
- Breen and Goldthorpe’s [24] comparison of intergenerational class mobility among individuals in the 1958 National Child Development Study and the 1970 British Cohort Study suggests that education has played a (modestly) diminishing role in determining class destinations in the later decades of the 20<sup>th</sup> century than in the earlier decades. This may seem at variance with the finding of John Bynner et al [25] that the likelihood of being in employment appears to be strongly and increasingly associated with obtaining qualifications. But, as Saunders [26] has said about higher education and which may hold for education more generally, “... higher education is a classic “positional good” – the more people who have it, the less valuable it becomes as a means of entering top positions, but the greater is the penalty for those who fail to get access to it at all ...”.

43. The reasons why educational attainment might have become less important in explaining class destinations in recent decades have been set out by Goldthorpe [27] :

- as any particular level of educational qualification becomes more widely held across the workforce, the less information it provides about the potential of those who possess it to employers who may then give increased attention to other indicators in making employment decisions;
- social and people skills, personal style, adaptability, team working and other softer skills have become more important to employers. This has been driven in part : by the growth in service sectors, particularly personal services such as leisure and entertainment; by the sale of an increasing range of high value goods and services in a personalised way such as travel, insurance and real estate; and by the expansion in what Goldthorpe describes as various forms of people processing such as customer service centres, call centres, help-lines etc. Many of the softer skills required by employers may be correlated with social class background rather than formal educational attainment, which may help to explain the increase

in the variance of earnings at any particular level of educational attainment (see paragraph 20); and

- the deregulation of labour markets and the decline in trade union membership may have led to reduced emphasis being given to formal qualifications as recruitment criteria. Historically, education has most strongly determined employment prospects in unionised industries and in the public sector.

44. There is considerable discussion in the literature about the role of private education. Private schools appear to have been highly successful in improving the standards of educational attainment of their pupils, notwithstanding parallel improvements in State education. Higher levels of educational attainment mean that private schools nowadays offer access to good universities through academic qualifications rather than through contacts or “old boy” networks.

45. A recent analysis by Anthony Heath and Sin Yi Cheung [28] concluded that : “the independent schools have now largely adapted to the new “credentialised” regime operated by universities and now ensure that their pupils, who can no longer rely on connections to secure entry to privileged universities, acquire the A-level grades necessary”. The fact that relative rates of social mobility are similar across industrialised countries in which private education plays widely differing roles may also caution against giving too much weight to private education as a causal factor.

46. Goldthorpe and others attribute the strong association between class origins and class destinations, after controlling for educational attainment, to differences in the material and other advantages enjoyed by children from different backgrounds. Goldthorpe argues that the evidence of an inverse relation between income inequality and relative rates of social fluidity suggests that policy might concentrate on reducing inequality of condition since, at least beyond some point, this appears to militate against equality of opportunity. In this context, factors such as childhood poverty; access to financial, social and cultural capital; attitudes to risk; and opportunity hoarding may assume considerable importance. These factors are discussed in the following sections but, first, the paper addresses the question of the extent to which ability and effort may differ between social classes.

## *Ability and effort*

47. Sociologists such as Peter Saunders argue it is erroneous to assume that, in a socially mobile society, there would be no association between class origins and class destinations. Such an assumption would only make sense if one believes that there exist no differences of aptitude and motivation between members of different social classes.

48. The extent to which intelligence is inherited (whether genetically or through socialisation) and causally related to class background is hotly contested. Estimates range from zero to 80%. Some recent work suggests that genetic and environmental factors interact in complex ways to determine IQ and that this interaction underlies the significant long run rise in IQ scores in industrialised countries. Nonetheless: "... assuming ... intelligence is normally distributed in the population, and that there is a correlation of 0.5 between the intelligence of parents and that of their children", Saunders suggests [29], "... existing patterns of social mobility in Britain correspond almost exactly with the patterns which would be found if class recruitment were based solely on differences of intelligence between individuals". It could also explain the intergenerational correlation of earnings found by Dearden et al (paragraph 33).

49. Saunders [30] has tested this proposition using data from the National Child Development Study. He finds that intellectual ability (as measured by test scores at age 11) is the single most important determinant of class destinations and that its effect is independent of class origins. Parents' social class is a factor too but considerably smaller in impact than either the intellectual ability or measured motivation of the child.

50. Saunders' findings have, however, been strongly disputed by other sociologists. For example, Breen and Goldthorpe [31] have reanalysed the NCDS dataset used by Saunders and found that, while ability and effort play a part, the effect of class origins on class destinations is in fact much stronger.

## *Childhood poverty : psychological and behavioural development*

51. Why might there be a strong association between class origins and class destinations even after controlling for educational attainment and intellectual ability? One reason suggested by the literature is childhood poverty. There is evidence (psychological as well as sociological) from a number of studies that outcomes in later life are affected by the

experience of poverty in childhood but that carefully targeted interventions (e.g. compensatory education programmes) can affect an individual's life experiences.

52. Abigail McKnight's analysis [32] of the 1958 National Child Development Study and the 1970 British Cohort Study has found a labour market penalty is associated with childhood poverty :

- young people in low income households at age 16 are more likely to be unemployed in their early 20s than young people from higher income households;
- young people from poor backgrounds are disproportionately observed at the lower end of the earnings distribution where they are in work;
- even after controlling for differences in educational attainment there remains a negative influence associated with growing up in poverty. McKnight estimates that, at age 26, young adults in the 1970 cohort experience an earnings penalty of 9% if they were brought up in a household with an income below half the average and 6% if they were brought up in a household with an income below average (all after controlling for educational attainment); and
- it appears that the labour market penalty associated with growing up in poverty has increased over time. Young adults from low income backgrounds in the 1970 cohort face greater disadvantages in terms of the probability of being in work and the size of the earnings penalty they face than young adults in the 1958 cohort.

53. Childhood poverty may affect outcomes in later life in a number of ways. At one level, physical effects may be at work e.g. the effect of diet on brain development. At another level, childhood poverty may have various psychological and behavioural effects.

54. A recent paper by Leon Feinstein [33] has highlighted the importance of psychological and behavioural factors in early childhood using data from the 1970 British Cohort Study. He finds that :

- psychological characteristics (such as feelings of self-esteem and the sense of control over one's destiny) and behavioural

qualities (such as anti-social behaviour, peer relations, attentiveness and extraversion) at age 10 are strongly associated with social class background. Feinstein attributes this partly to the impact of different material circumstances but also to differences in child rearing abilities and psychological support which impact on the self-confidence of children from different social class backgrounds; and

- these psychological characteristics and behavioural qualities at age 10 affect labour market outcomes in later life. Thus, children with higher scores for self-esteem, for example, experience shorter spells of unemployment and enjoy higher wages in adulthood. Feinstein notes that candidates with greater self-esteem are likely to be more confident and better able to sell themselves at job interviews; candidates able to get on well with their peers are likely to work better in teams and so on. Employers may therefore quite rationally have a preference for such candidates notwithstanding the potential association of these characteristics with social class background.

### ***The family : financial, social and cultural capital***

55. Another possible explanation for the association between class origins and class destinations is the family. The previous section has already noted that parental upbringing may affect a child's psychological and behavioural characteristics and through those the child's labour market outcomes in later life. But this is only one possible channel through which the family may affect social mobility. Goldthorpe argues that the family has very powerful effects (despite all the talk of its breakdown). Families throughout the world do all they can to help their children and to prevent downward social mobility in particular. Indeed, the dilemma for policymakers is that it is highly desirable in a civilised society that parents should do this but the consequence may be to reinforce inequalities of opportunity.

56. Families give their children access to various kinds of capital, which may affect their class destinations :

#### Financial capital

57. Middle class parents can give their children access to financial capital. There is evidence that access to modest amounts of financial capital at an early age can have a major impact on outcomes in later life. For example, Gavin Kelly and Rachel Lissauer [34] quote a study (using

data from the National Child Development Study) which found that someone who was 23 in 1981, who had received a £5,000 inheritance (at 1981 prices), was approximately twice as likely to be self-employed as someone who had received no inheritance.

### Social capital

58. Social capital consists of the values and networks of contacts which parents pass onto their children. Such social capital may work to the advantage of children from middle class backgrounds by giving them not only the motivation to succeed but access to extensive and diverse social networks of individuals who can offer information or other support.

59. Perri 6 [35] has pointed out that the social networks of the middle class are much more diverse than the social networks of the working class. Working class sociability tends to revolve around close contacts with kin and a small set of friends all of whom are relatively closely connected with each other. By contrast, the middle classes have extensive *weak* ties with, for example, former colleagues, acquaintances and friends of friends. Such weak ties have been found to be more important than strong ties for success in finding employment and other labour market outcomes.

60. Middle class parents can give their children access to these networks of weak ties, which may be a product of “white collar” employment. Middle class children have further opportunities to develop their own weak ties at university and elsewhere.

### Cultural capital

61. The concept of cultural capital has been pioneered by France’s pre-eminent sociologist Pierre Bourdieu. His work, drawing on extensive surveys of attitudes, behaviour and occupational status, has shown that cultural capital and social conventions (such as familiarity with particular types of music, cuisine or sport) can serve as a powerful barrier to mobility and are crucial to understanding how people internalise class distinctions. His work has demonstrated :

- the importance of understanding strategies for trading economic for cultural capital and vice versa (e.g. the nouveau riche property developer who feels a need to give to the arts); and

- the tensions between different parts of the elite (those whose status primarily rests on cultural capital and those whose status is primarily economic).

62. Analyses of this kind highlight the limitations of purely economic models of class and mobility, and the importance of institutions such as the family, private schools and universities in passing on cultural capital and thus in determining life paths. Cultural factors may also go some way to explaining the different social mobility experiences of different ethnic groups (paragraph 37).

### ***Aspirations and aversion to risk***

63. Middle class parents are highly ambitious for their children and adopt a range of strategies to support them. Working class parents may lack the means to be as supportive, even if they are equally ambitious for their children.

64. But being ambitious (e.g. about educational choices) has costs and risks as well as potential rewards. There is evidence, for example, that the labour market returns (the earnings premia) from a university degree depend on the social class of the student, the type of school attended before university, the subject studied and the class of degree obtained [36]. This implies that there are risks involved in investing in higher education, which may deter participation by poorer families.

### ***Economic and other barriers : opportunity hoarding***

65. The sociologist Charles Tilly [37] has focused on how particular groups “hoard opportunities” as a potential barrier to social mobility. This can take a variety of forms. For example :

- constructing barriers to entry to jobs (such as professional qualifications); or
- adopting strategies to give one’s children access to a good education e.g. by moving to the areas with the best State schools. Such strategies and associated opportunity hoarding may become more important in societies where income inequalities are rising.

66. Increased competition tends to promote more meritocratic (i.e. socially mobile) outcomes. The effect of deregulation in the City of London is often cited as an example of this.

## What are the implications for policy?

### *Policy objectives*

67. In order to draw out the implications for policy of the preceding sections of this paper, it is necessary first to consider what might be the objectives of policy. Social mobility *per se* implies nothing for policy since it is merely a descriptive term for the movement or opportunities for movement between different social groups (or the lack of them).

68. Policymakers are likely to have a range of objectives, including :

- maintaining and promoting high levels of *prosperity* through policies to, for example, raise economic efficiency, encourage entrepreneurship and stimulate innovation;
- promoting *a fair and just society*, of which there may be several dimensions :
  - *equality of opportunity* : enabling individuals to improve themselves through their own individual ability and effort rather than class background, gender or ethnicity (*a meritocracy*);
  - *social justice, cohesion and inclusion* : providing safety nets and opportunities for the disadvantaged which reduce inequalities of outcomes and help build communities.
- promoting *individual freedom* : either in the positive sense of *enabling* individuals to make their own choices (e.g. by ensuring the rule of law) or in the negative sense of *minimising coercion* by the State or some combination of the two.

69. These different objectives may be complementary or in conflict with each other. For example :

- policies to promote greater fairness might weaken incentives to work, save, invest and innovate, undermining the goal of maintaining and promoting high levels of prosperity. On the other hand, a perception that economic and social outcomes are fair and just may build trust and facilitate the more efficient working of markets;

- Goldthorpe’s work on cross-national differences (paragraph 38) suggests that, at least beyond a certain point, increases in income inequality may be associated with increases in inequalities of opportunity and thus lower rates of relative social mobility. On the other hand, a highly meritocratic society characterised by high rates of social mobility might have significant income inequalities and social tensions for the reasons described below.

70. By a meritocracy is meant a society in which the most able and committed people can succeed in attaining the most desirable, responsible and well-rewarded positions. Unless one believed ability and commitment were (either in whole or in part) determined by one’s social class origins, the features of such a society would include high rates of social mobility and the absence of any association between class origins and destinations i.e. equality of opportunity.

71. Prima facie, a meritocratic society, as described in the previous paragraph, seems a highly attractive one. But, it could also have unattractive features :

- it would be characterised by a high rate of downward as well as upward social mobility. As noted in paragraph 9, this could create economic instability and social tensions. To the extent that the subjective cost of losing a given amount of status or income exceeds the subjective benefit of gaining the same quantity of status or income, increased social mobility could lower the mean level of social welfare. This loss might be offset if increased social mobility raised the rate of economic growth but it is not clear that it would necessarily do so;
- the losers or downward mobile in a meritocracy would have no one to blame for their circumstances but their own lack of ability and commitment. This could create a lot of unhappiness and resentment;
- a meritocracy could be characterised by significant inequalities. The winners or upwardly mobile could scoop all the rewards leaving little for the rest. Egalitarians, who would prefer there to be no losers, are therefore generally critical of the concept meritocracy; and

- though a meritocracy would be a highly competitive society, it would not necessarily be economically efficient. The market mechanism does not reward ability and commitment but those who provide the goods and services consumers want to buy. The more able and committed may be more likely to succeed in a market economy but the lazy who have a good idea or the just plain lucky may be highly rewarded too. As Saunders [38] points out, libertarians such as Friedrich Hayek see this as a price worth paying for the individual freedom (absence of coercion) and economic dynamism offered by a market economy.

72. Ultimately, the weight to be given to the different possible objectives of policy and any trade-offs that may need to be made between them require a political judgement. Studies of public opinion suggest the public believes hard work, need and luck should be rewarded as well as merit (aptitude and ability).

73. So far as social mobility and equality of opportunity are concerned, there is a choice to be made between :

- measures which promote a weak form of meritocracy i.e. which focus on removing barriers to upward mobility and assisting or encouraging upward social mobility. This approach would give primacy to absolute social mobility; and
- measures which promote a strong form of meritocracy i.e. which not only seek to facilitate upward social mobility but which seek positively to reduce barriers to downward social mobility for dull middle class children (see paragraph 25). This approach would give primacy to relative social mobility.

### ***The challenge***

74. Earlier sections of this paper suggest that using policy measures to promote higher rates of social mobility may be a considerable challenge. Goldthorpe's view is that changing social mobility through policy intervention is likely to be very difficult. Absolute social mobility has been driven by structural changes in the economy and society over which governments may have little direct influence. Relative social mobility has been remarkably stable over time and across countries with widely differing political systems, policies and institutions :

- Goldthorpe has emphasised the role of the family in preventing children from experiencing downward social mobility and in adopting strategies to counter attempts by government to promote more open societies;
- Tilly has emphasised how the upwardly mobile “hoard” opportunities and how they seek to pass them onto their children; and so on.

75. Significant interventions may be needed to overcome these barriers.

76. A recent paper by John Roemer [39] contains an extremely interesting analysis of what sort of education policy would be needed to equalise the earnings capacity of blacks and whites in the United States. Though concerned with race, the scale of intervention indicated has intuitively plausible parallels with what might be required to tackle social class differences.

77. Roemer estimates that to compensate for all the other disadvantages associated with growing up black in the United States, it would be necessary to spend at least 10 times as much per capita on the education of black children as white children to equalise future wage earnings. In practice, the amounts could be very much larger since the marginal cost of reducing the impact of (say) social class on life chances could rise exponentially, as its influence is driven towards zero, whilst the benefits could be subject to the law of diminishing returns.

### ***Future prospects***

78. The implications for policy also depend on what are the future prospects for social mobility in Britain. So far as relative rates of social mobility are concerned, their historical stability across industrialised countries for much of the 20<sup>th</sup> century might lead one to expect comparatively little change in future. How absolute rates will evolve is unclear. Some of the factors that may explain the levelling off in the rate of absolute social mobility during the 1980s and 1990s may still be in play (e.g. continuing de-industrialisation).

79. Structural economic changes may also have an impact. The “e” revolution may open up more room at the top for people in professional occupations. But it could equally lead to deskilling (with less skilled people able to perform previously professional jobs such as accountancy

or giving legal advice) and growing numbers of unskilled or semi-skilled jobs e.g. “white van men”.

80. Perri 6 [40] has set out how personal profiling, permitted by the increasing flow of information about individuals, may allow employers and others to make much more sophisticated assessments of the merits of different individuals. This may require policies to give those who lose out from such assessments second chances of various kinds.

### *Specific measures*

81. The literature suggests a range of specific policy options for promoting social mobility. They can be grouped under four headings :

- removing barriers to upward mobility;
- positively assisting upward mobility;
- removing barriers to downward mobility; and
- positively assisting downward mobility.

82. As noted in paragraph 72, the appropriate measures will depend on the objectives of policymakers and their judgement about the trade-offs that should be made between them. Measures to assist downward mobility might, for example, carry high costs in terms of impinging on individual freedom and/or in terms of maintaining or promoting high levels of economic growth and prosperity.

83. The possible measures include, for example :

#### (a) removing barriers to upward mobility

- raising educational standards e.g. through league tables, measures to tackle poorly performing schools etc;
- ensuring access to further and higher education for all;
- changing attitudes, increasing expectations and raising aspirations e.g. by taking children to see what other walks of life are like; cultivating greater self-confidence in individuals; providing mentors and career advice for bright children from

deprived backgrounds which encourage them to be educationally ambitious etc;

- improving social mixing, both to influence attitudes and to help people form networks with people from different backgrounds. National service and citizens service, and projects like City Year in the US are relevant here;
- reducing/removing barriers to geographical and occupational mobility;
- greater disclosure of employers' recruitment practices – gender, race composition of workforce etc;
- removing non-competitive barriers to entry to professions such as the law and medicine;

(b) positively assisting upward mobility

- tackling poverty and social exclusion, especially childhood poverty. A variety of measures are relevant here : maintaining high levels of employment; raising levels of in-work income; and improving public services (both through increased investment and through greater rights of exit where poor services are delivered);
- increased investment in education, covering softer skills as well as traditional academic subjects;
- giving young people better access to financial capital. For example, David Nissan and Julian Le Grand [41] have proposed the introduction of capital grants of £10,000 for all young people at the age of 18;
- creating pathways for individuals to progress within the workplace or within professions – for example, favourable access to medical degrees for nurses; options for secretarial and administrative staff to become managers; general improvements in workforce development and training etc;
- giving people second chances by : encouraging employers to bring in and bring on talented individuals who may not have formal academic qualifications; more opportunities for

education and learning later in adult life; and reforming the insolvency laws to reduce the stigma of bankruptcy and stimulate entrepreneurship;

(c) removing barriers to downward mobility

- reducing the weight given to geographical catchment area as a determinant of access to the best State schools (to counteract the scope for middle class parents to buy a good education for their children by moving to the right area);
- higher rates of taxation of investment income and wealth;
- higher rates of inheritance tax; and

(d) positively assisting downward mobility

- abolition of inheritance.

84. There is little hard evidence on what might be the comparative (cost-)effectiveness of these or other measures in promoting increases in social mobility. However, the PIU currently has three projects underway or in the process of getting underway which are relevant to the social mobility issue:

- a project on future strategy for workforce development, which is due to report by the Autumn of 2001;
- a project on the role of government loans, including possible options for extending the use of loan mechanisms to support adult learning, due to report by the Autumn of 2001; and
- a project on the current position and prospects of ethnic minority communities, particularly in the labour market, which is due to get underway later in the summer.

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### **Acknowledgements**

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**Performance and Innovation Unit**  
**April 2001**

## ANNEX A

### SOCIAL MOBILITY

#### Participants in the Seminar held by the Performance and Innovation Unit on the 20<sup>th</sup> March 2001

##### *Chair :*

Geoff Mulgan      Director PIU

##### *Presenters :*

Stephen Aldridge    Chief Economist, PIU  
Lynne Berry        Chief Executive, Equal Opportunities Commission  
John Goldthorpe    Professor of Sociology, Nuffield College, Oxford  
Anthony Heath      Professor of Sociology, Nuffield College, Oxford  
John Hills          Professor of Social Policy, LSE  
Julian Le Grand     Richard Titmuss Professor of Social Policy, LSE  
Graham Mather      President, European Policy Forum  
Peter Saunders      Professor of Sociology, University of Sussex  
Perri 6              Director, Policy Programme, Institute for Applied Health and Social Policy, Kings College, London

##### *Attendees*

James Bowler      PS/Ed Balls, H M Treasury  
John Bynner        Professor of Social Science, Institute of Education  
Suma Chakrabarti    Head, Economic and Domestic Affairs Secretariat, Cabinet Office  
  
Selina Chen        Head of Research, Social Market Foundation  
Phil Collins        Director, Social Market Foundation  
Stephen Donnelly    Equality Unit, Office of the First Minister & Deputy First Minister, Northern Ireland  
  
Lucy De Groot      Director, Public Services Directorate, H M Treasury  
Althea Efunshile    Head, Children and Young Person's Unit, DfEE  
Naomi Eisenstadt    Director, Sure Start Unit  
Jonathan Gershuny    Professor of Economic Sociology, University of Essex  
Tony Giddens        Director, LSE  
Elouise Hayward    Economic Adviser, H M Treasury  
Gavin Kelly        Senior Research Fellow, IPPR  
Steven Machin      Professor of Economics, UCL  
Gordon Marshall    Chief Executive, Economic and Social Research Council  
  
Abigail McKnight    Toyota Research Fellow, LSE  
Max Nathan        Futures Researcher, Industrial Society  
Tariq Modood        Professor of Sociology, University of Bristol

Nicky Roche      Policy Innovation Unit, DfEE  
David Russell     Policy Innovation Unit, DfEE  
Maeve Sherlock   Council of Economic Advisers, H M Treasury