



Intergenerational Inequalities and Social Exclusion

Amson Sibanda

Division for Social Policy and Development,
DESA

Who is being left behind and from what?

Key Messages



- Factors beyond an individual's skill and effort affect access to opportunities, resources, and participation in political, civil and cultural life.
 - ethnicity, age, disability status, place of residence or gender
- The effect of these characteristics is not uniform across countries.
 - Much depends on the norms, institutions and policies in place.
- Disadvantages experienced by some groups can reinforce one another
 - lower levels of health and education go hand-in-hand with higher levels of poverty and unemployment, less voice in political and civic life

Who is being left behind and from what?

Key Messages



- The inequalities observed are often rooted in historical circumstances but tend to persist after the structural conditions that created them change.
- The degree to which development is leaving some people behind depends on context and indicators used to assess progress.
- Social groups that are at the highest risk of exclusion or being left behind tend to be statistically invisible
 - omitted from household surveys and population censuses

Why Inequality Matters



- Large disparities in income and access to health and education services, land and other productive assets:
 - undermine growth and efforts to reduce poverty
 - pose major risks to broad-based human development
 - undermine social cohesion and inclusion
 - can lead to greater political instability
- Hence, there is growing global consensus on the need to bridge the divide between the haves and the have-nots.

Recent Trends in Inequality



- Inequality trends have not followed a universal pattern
- Economic inequalities and disparities in health and in education across countries remain large
 - but have somewhat declined in the last decade
 - they have also risen within many countries
- Between 1990-2012, income inequality increased in some large emerging economies and in the majority of developed countries
- Income inequality also declined in 14 out of 20 Latin American countries and in 19 out of 35 African countries

Recent Trends in Inequality



- The **mean income** of a resident of Albania or the Russian Federation is **lower** than that of an individual in the **lowest 10%** of the income distribution in Sweden.
- A Swedish who is in the **lowest 10%** of the income distribution earns **200 times more** than an individual in the **bottom 10%** in the Democratic Republic of Congo.
- In almost all countries where inequality has gone up, the richest 1% captured a disproportionate share of the benefits of growth.

Intergenerational mobility



- Intergenerational mobility refers to the relative role that one's family background plays in determining an individual's attainment.
- Inequality that is characterized by high levels of intergenerational mobility is likely to be based more on meritocratic allocation than on family background.
- In countries with a high degree of mobility, that is greater opportunity to move up and down, family background plays a smaller role in determining an individual's attainment.
- The degree of mobility within a country is an indicator of the degree of opportunity available to all people.



Intergenerational mobility

- Intergenerational income mobility in income is often measured by intergenerational earnings elasticity (IEE)
 - the likelihood that someone will inherit their parents' relative position of income level
- IEE ranges from 0 (total mobility: no relationship between parent and child's income) to 1 (no mobility: child's income determined by parent's income).
- Intergenerational earnings elasticity varies significantly across countries, ranges from a low of 0.15 in Denmark to a high of 0.67 in Peru.
- Countries with low levels of inequality have some of the greatest mobility, while countries with high levels of inequality have some of the lowest mobility.

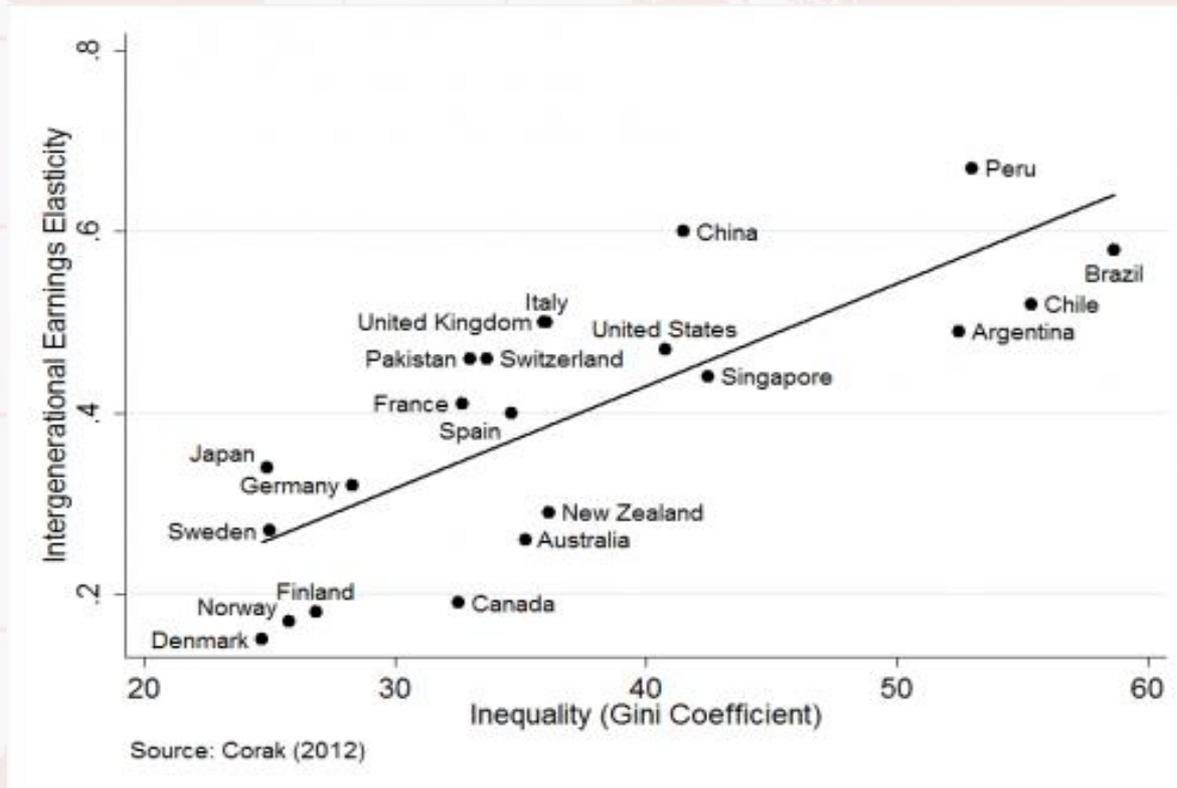
Intergenerational mobility



- The influence of family background on an individual's attainment may be the product of many factors
 - parenting, parental investment in social capital, etc.
- Successful, wealthy and educated parents have more capital to invest in their children – private education, neighbourhoods with the best schools.
- Poorer families have less to invest in their children
 - in monetary terms and
 - in terms of social capital
- Spatial/residential segregation also plays a role
 - poorer families have less access to quality employment and education options

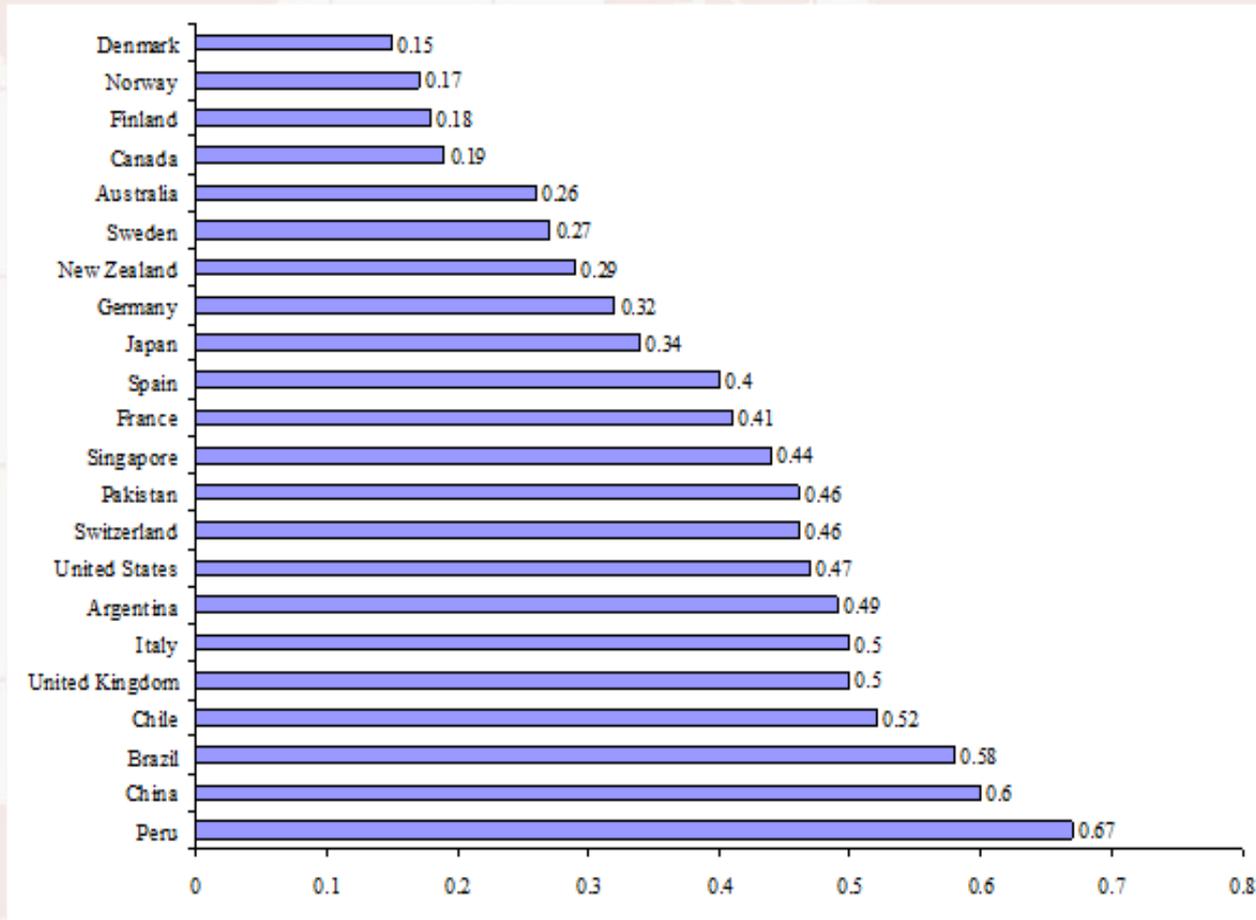


Intergenerational mobility: The Great Gatsby Curve





Estimates of intergenerational earnings elasticity between father and son earnings

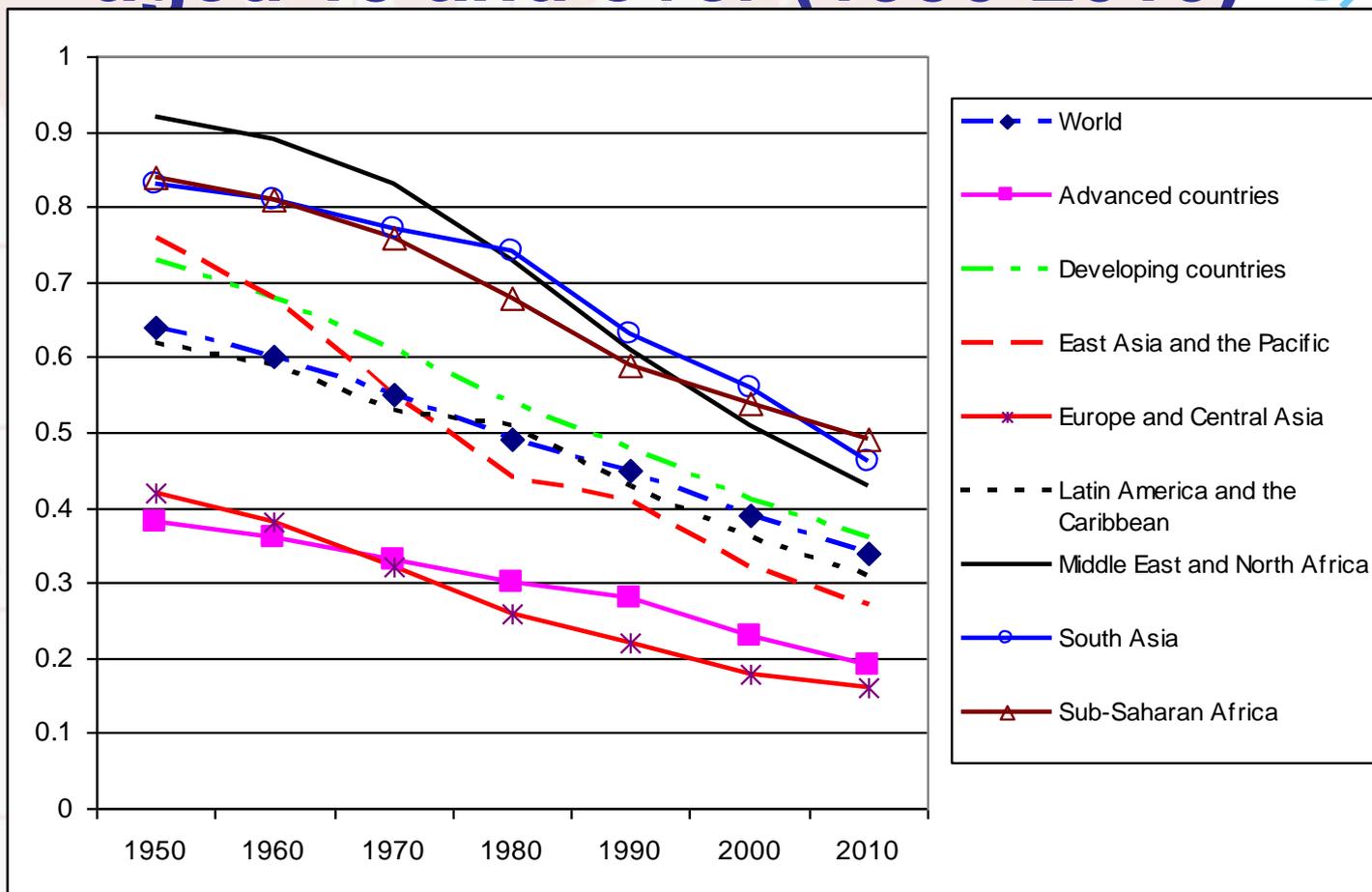


Recent Trends in Inequality: Education

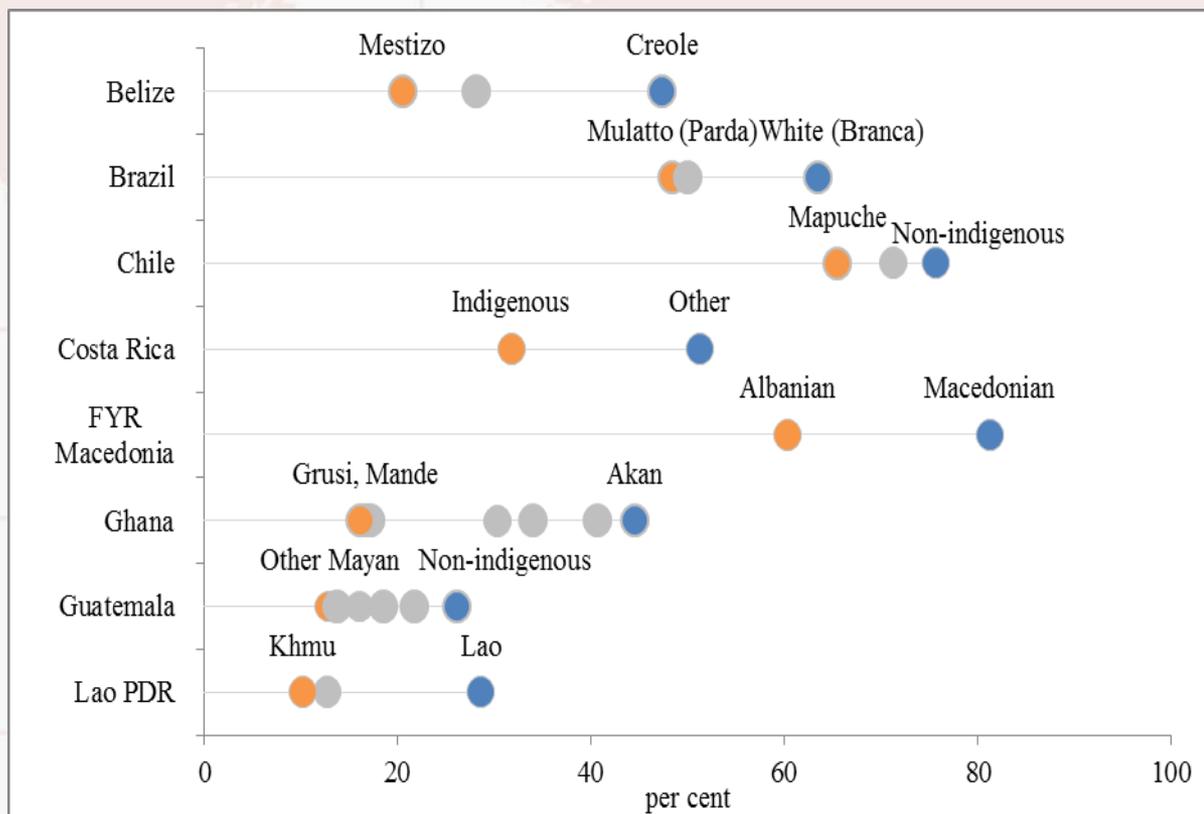


- The last 50 years have seen convergence in educational attainment between developed and developing countries
- Among the global population aged over 15, the average years of schooling more than doubled
 - from 3.12 years in 1950 to 7.9 years in 2010
- The average number of years of schooling increased from:
 - 2.0 to 7.2 years in developing countries
 - 6.1 to 11.3 years in advanced economies
- Education inequality within regions has been declining

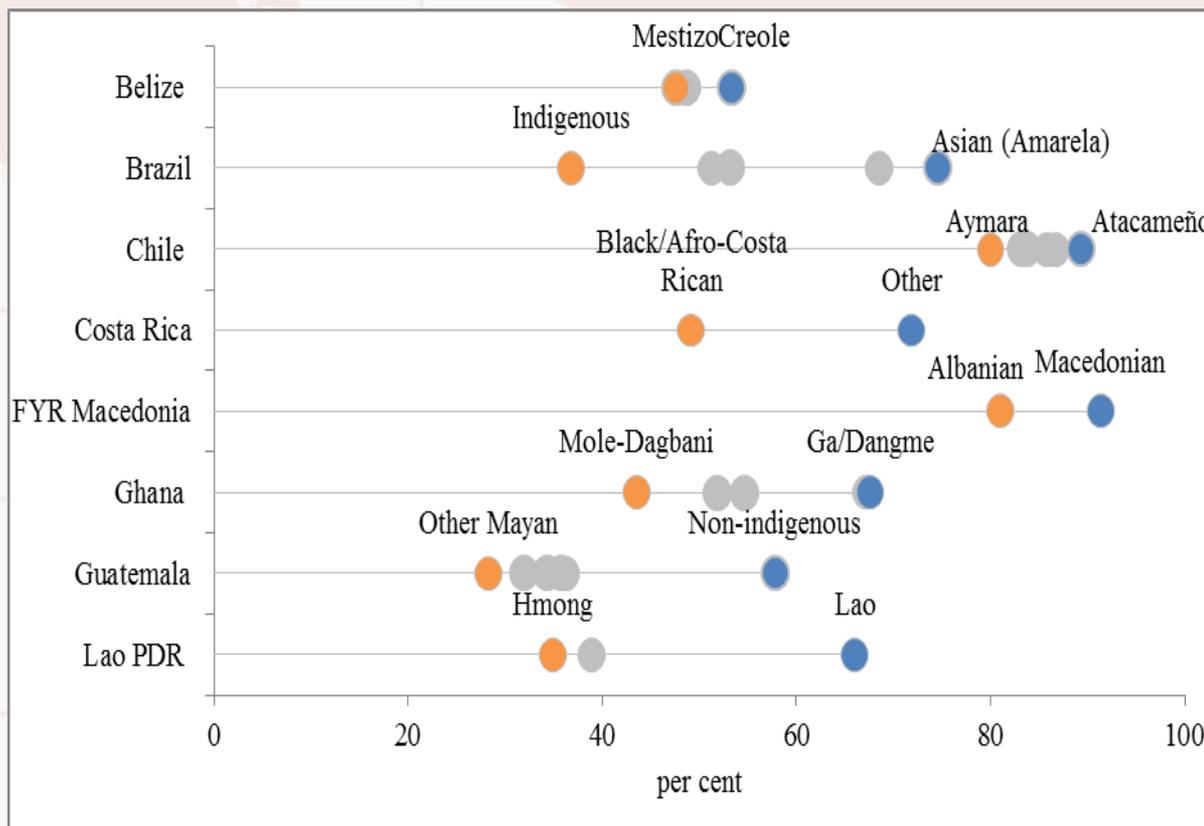
Gini index of education of the population aged 15 and over (1950-2010)



Percentage of youth with completed lower secondary education by ethnicity and area of residence, latest available data since 2011, Rural areas



Percentage of youth with completed lower secondary education by ethnicity and area of residence, latest available data since 2011, Urban areas

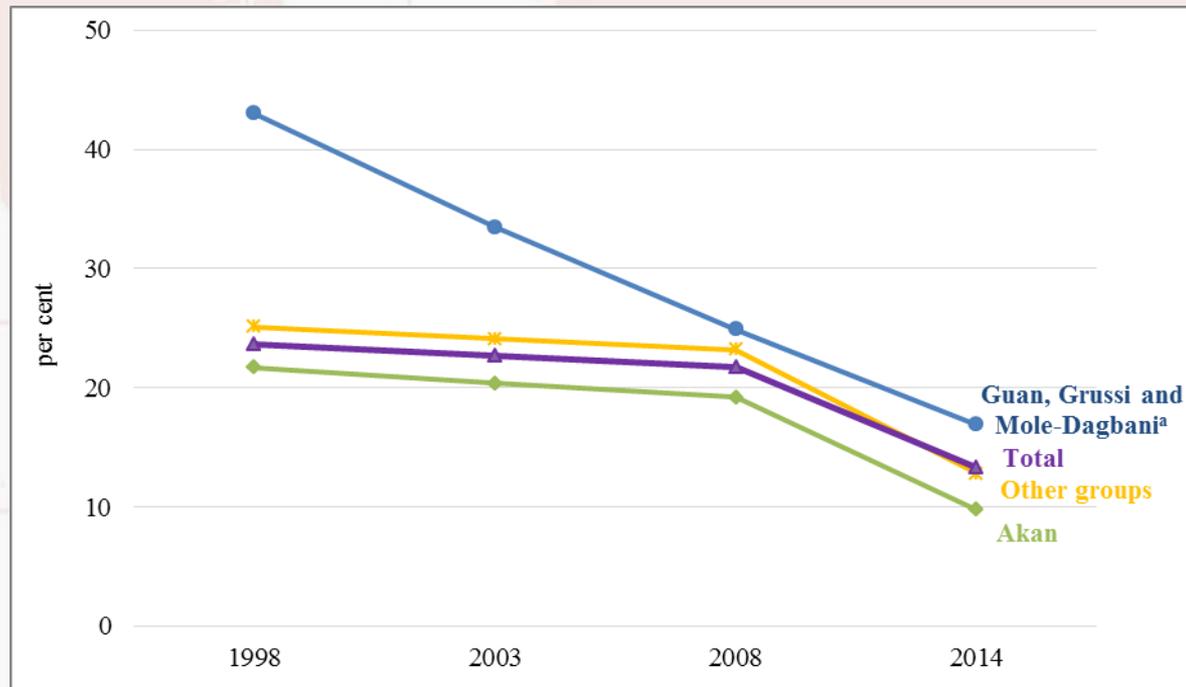


Recent Trends in Inequality: Health

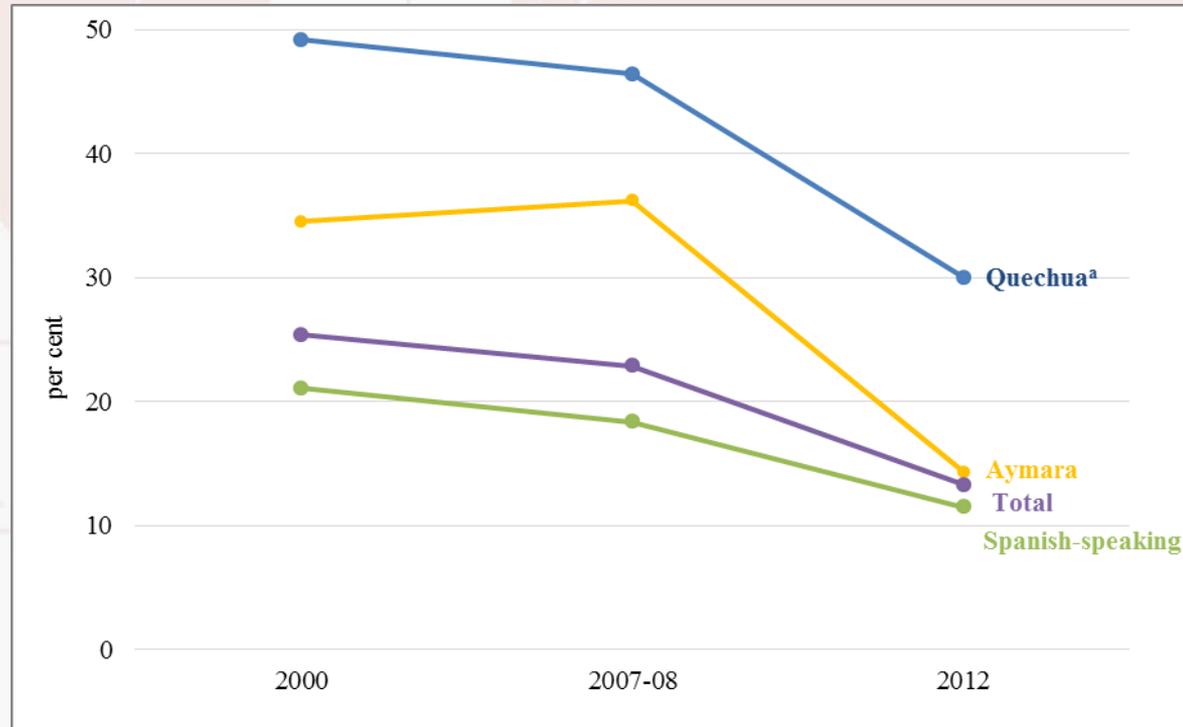


- There has also been convergence in life expectancy at birth across major areas and geographical regions:
 - improvements in standards of living, nutrition, public hygiene, levels of education and technology
- The absolute gap in life expectancy at birth between the more and the less developed regions shrank from 23 years in 1950-1955 to 10 years in 2005-2010.
- Most regions have experienced significant declines in child mortality, with exception of sub-Saharan Africa
 - However, regional gaps in child mortality still remain significant

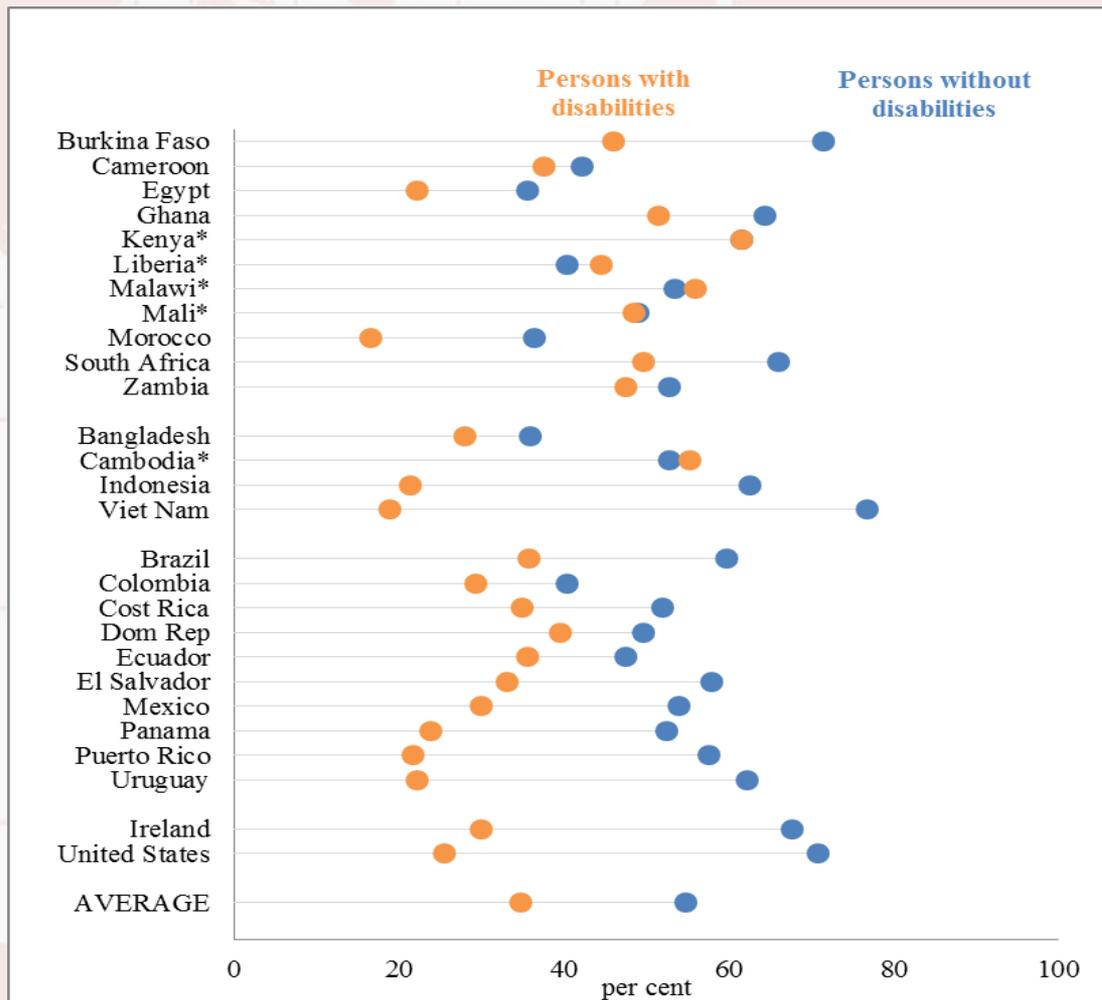
Recent trends in the proportion of children stunted by ethnic group - Ghana, 1998-2014



Recent trends in the proportion of children stunted by ethnic group - Peru, 2000-2014



Labour force participation by disability status in selected countries, latest available data since 2000



Tackling Inequalities: Policies matter



- A universal approach to social policy is key to inclusive development
 - it addresses the underlying causes of exclusion and social injustice.
- Leaving no one behind also requires special or targeted measures that address the unique needs and vulnerabilities of excluded groups.
- Leaving no one behind also calls for institutional change. Inclusive institutions can provide all citizens with opportunities to participate in public life on equal terms.
- The poor are more likely to benefit from economic growth and share in the gains from globalization when growth is sustained, inclusive and equitable

Thank you

