

Winter School on Inequality and Social Welfare Theory – IT19

Alba di Canazei, 7-9 January 2026.

Mobility in Changing Societies

Maurizio Bussolo

World Bank

E-mail: mbussolo@worldbank.org

Intergenerational Mobility in South Asia: New Evidence on the Female Urban Mobility Premium

Intergenerational mobility measures whether children's socioeconomic outcomes depend on their parents' status—with high mobility indicating children can rise regardless of family background. This lecture examines mobility across South Asia using 39 harmonized living standard surveys spanning seven countries. South Asia has the world's lowest mobility rates: less than 9% of individuals from bottom-half educated families reach the top educational quartile—the worst global performance.

We measure intergenerational mobility for education using "bottom-half mobility"—where children from bottom-half families end up on average. If parents' education doesn't matter at all (perfect mobility), these children would be randomly distributed across the entire rank distribution, averaging the 50th percentile. If parents' education determines everything (no mobility), children would remain at their parents' average position—the 25th percentile, which is the midpoint of the bottom half (0-50). South Asian children from poor families average only the 40th percentile (compared to 42 in the United States and 47 in Denmark). These methods use partial identification to handle coarse education data typical in developing countries.

These findings carry critical policy implications. Low mobility signals misallocation of talent, reduced economic growth, and threatens social cohesion—particularly urgent given rising public demands for greater equality of opportunity across the region.

We document a novel finding: an urban mobility premium. Children from poor families in cities reach the 44th percentile versus 37th in rural areas. This is not obvious—in the United States, Chetty and colleagues found cities actually have lower mobility than rural areas. Yet in South Asia, cities appear to be not only engines of economic growth but also of social mobility, with important policy implications for understanding urban opportunity structures.

Most remarkably, we uncover a previously unknown Female Urban Mobility Premium (FUMP): urban women born to parents in the bottom half of the education distribution rise to the 47th percentile—surpassing both rural women (36th) and urban men (41st). This pattern holds in 50 of 65 states representing 87% of the population. This finding is notable given persistent gender inequalities in South Asia, particularly in labor force participation, indicating that urban areas create pathways for educational advancement for daughters from less-educated families even as other gender disparities remain.

We examine three potential mechanisms. First, returns to education are substantially higher for urban women: 10.2% wage premium per year of schooling versus 6.4% in rural areas, creating economic pathways for talented daughters from poor families. Beyond labor markets, education also provides marriage market returns, enabling upward mobility through advantageous matches even given low female labor force participation. Second, we document a novel empirical finding: cities have measurably less patriarchal gender norms than rural areas across South Asia. Areas with less conservative norms show higher female mobility, with this relationship twice as strong for girls as for boys. Third, we test whether higher urban incomes alone explain the FUMP—but find income effects have little explanatory power. The urban mobility advantage for women persists even after accounting for urban-rural income differences, indicating the mechanisms operate through returns to education and changing social norms rather than wealth alone.

REFERENCES

Main References

Asher, Sam, Paul Novosad, and Charlie Rafkin. 2024. "Intergenerational Mobility in India: New Measures and Estimates across Time and Social Groups." *American Economic Journal: Applied Economics* 16(2): 66–98.

Becker, Gary S., and Nigel Tomes. 1986. "Human Capital and the Rise and Fall of Families." *Journal of Labor Economics* 4(3B): S1–S39.

Black, Sandra E., and Paul J. Devereux. 2011. "Recent Developments in Intergenerational Mobility." In *Handbook of Labor Economics*, Vol. 4B, edited by Orley Ashenfelter and David Card, 1487–541. Amsterdam: North Holland.

Chetty, Raj, Nathaniel Hendren, Patrick Kline, and Emmanuel Saez. 2014a. "Where Is the Land of Opportunity? The Geography of Intergenerational Mobility in the United States." *Quarterly Journal of Economics* 129(4): 1553–623.

Chetty, Raj, Nathaniel Hendren, Patrick Kline, Emmanuel Saez, and Nicholas Turner. 2014b. "Is the United States Still a Land of Opportunity? Recent Trends in Intergenerational Mobility." *American Economic Review* 104(5): 141–47.

Corak, Miles. 2013. "Income Inequality, Equality of Opportunity, and Intergenerational Mobility." *Journal of Economic Perspectives* 27(3): 79–102.

Hertz, Tom. 2008. "A Group-Specific Measure of Intergenerational Persistence." *Economics Letters* 100(3): 415–417.

Loury, Glenn C. 1981. "Intergenerational Transfers and the Distribution of Earnings." *Econometrica* 49(4): 843–67.

Manski, Charles F., and Elie Tamer. 2002. "Inference on Regressions with Interval Data on a Regressor or Outcome." *Econometrica* 70(2): 519–46.

Narayan, Ambar, Roy Van der Weide, Alexandru Cojocaru, Christoph Lakner, Silvia Redaelli, Daniel Gerszon Mahler, Rakesh Gupta N. Ramasubbaiah, and Stefan Thewissen. 2018. *Fair Progress? Economic Mobility across Generations around the World*. Washington, DC: World Bank Group.

Solon, Gary. 1999. "Intergenerational Mobility in the Labor Market." In *Handbook of Labor Economics*, Vol. 3A, edited by Orley Ashenfelter and David Card, 1761–800. Amsterdam: North Holland Press.

Regional Applications: South Asia

Alesina, Alberto, Sebastian Hohmann, Elias Papaioannou, and Stelios Michalopoulos. 2021. "Intergenerational Mobility in Africa." *Econometrica* 89(1): 1–35.

Azam, Mehtabul, and Vipul Bhatt. 2015. "Like Father, Like Son? Intergenerational Educational Mobility in India." *Demography* 52(6): 1929–59.

- Cheema, Ali, and Muhammad Farooq Naseer. 2013. "Historical Inequality and Intergenerational Educational Mobility: The Dynamics of Change in Rural Punjab." *The Lahore Journal of Economics* 18 (special edition): 211–236.
- Deshpande, Ashwini. 2007. "Overlapping Identities under Liberalization: Gender and Caste in India." *Economic Development and Cultural Change* 55(4): 735–760.
- Hnatkovska, Viktoria, Amartya Lahiri, and Sourabh Paul. 2012. "Castes and Labor Mobility." *American Economic Journal: Applied Economics* 4(2): 274–307.
- Ito, Takahiro. 2009. "Caste Discrimination and Transaction Costs in the Labor Market: Evidence from Rural North India." *Journal of Development Economics* 88(2): 292–300.
- Iversen, Vegard, Anirudh Krishna, and Kunal Sen. 2017. "Rags to Riches? Intergenerational Occupational Mobility in India." *Economic and Political Weekly* 52(44): 107–114.
- Yamamoto, Yuki, Ken'ichi Matsumoto, Keisuke Kawata, and Shinji Kaneko. 2019. "Gender-based Differences in Employment Opportunities and Wage Distribution in Nepal." *Journal of Asian Economics* 64: 101131.