# Intergenerational Inequalities and Social Exclusion

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## 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

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

## 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

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## 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



attainment.

Inequality that is characterized by high levels of

# Intergenerational mobility Intergenerational income mobility in income is often manyured.

Intergenerational income mobility in income is often measured by intergenerational earnings elasticity (IEE) the likelihood that someone will inherit their parents' relative position

the likelihood that someone will inherit their parents' relative position of income level

IEE ranges from 0 (total mobility: no relationship between

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



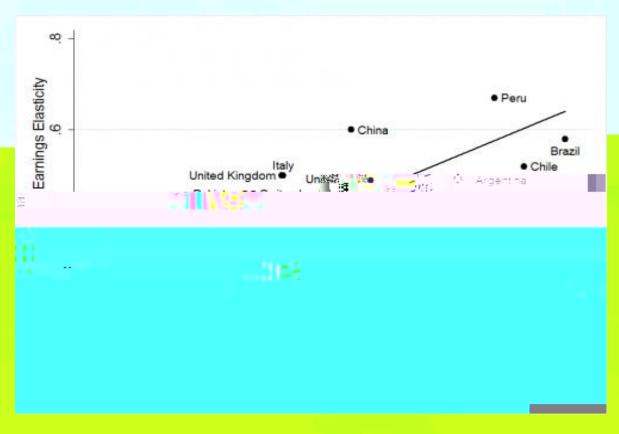
The attainment may be the product of many factors parenting, parental investment in social capital, etc.

Successful, wealthy and educated parents have more capital to invest in their children private education, neighbourhoods with the best schools.

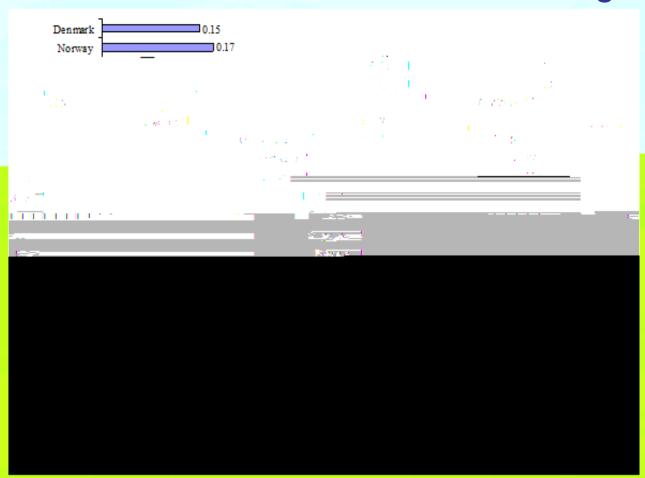
 Poorer families have less to invest in their children in monetary terms and in terms of social capital

Spatial/residential segregation also plays a role poorer families have less access to quality employment and education options

## Intergenerational mobility: The Great Gatsby Curve



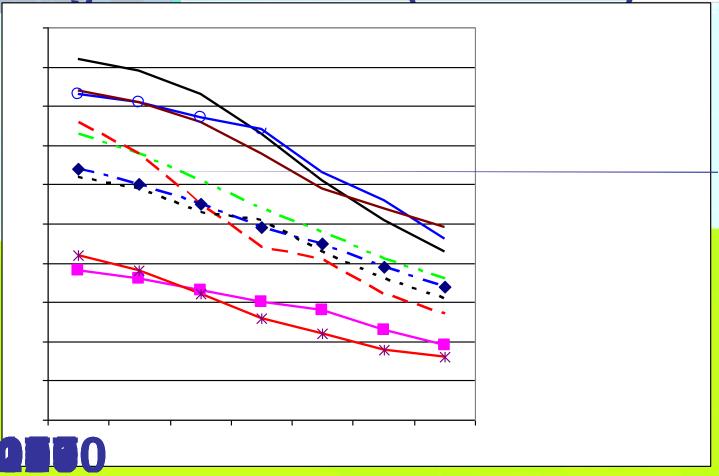
## Estimates of intergenerational earnings elasticity between father and son earnings



## Recent Trends in Inequality: Education

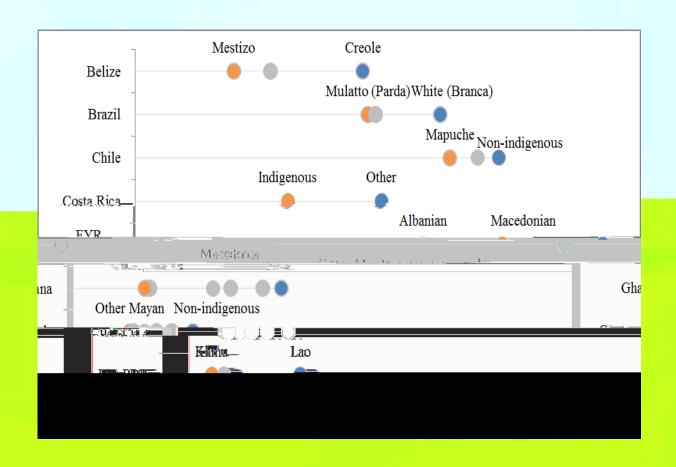
- The last 50 years have seen convergence in educational attainment between developed and developing countries
- Among the global population aged over 15, the average years of schooling more than doubled
  - from 3.12 years in 1950 to 7.9 years in 2010
- The average number of years of schooling increased 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)



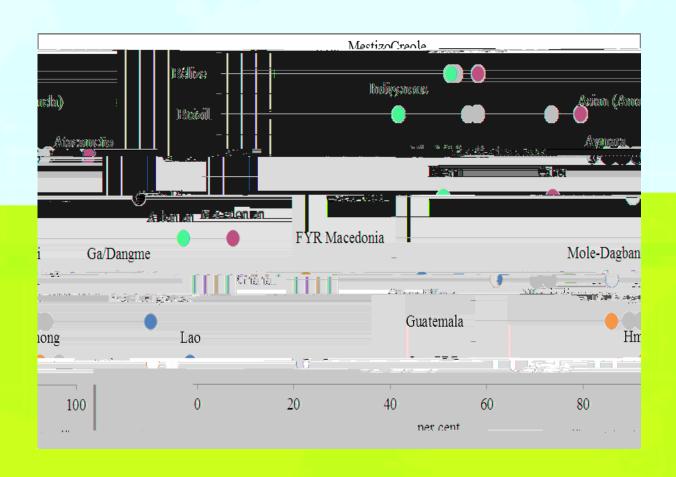
## Percentage of youth with completed lower secondary test

#### available data since 2011, Rural areas



## Percentage of youth with completed lower secondary test

#### available data since 2011, Urban areas





There has also been convergence in life expectancy at birth across major areas and geographical regions:

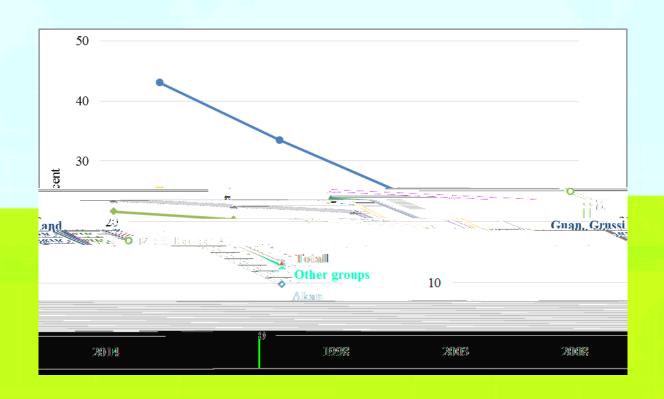
improvements in standards of living, nutrition, public hygiene, levels of education and technology

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.

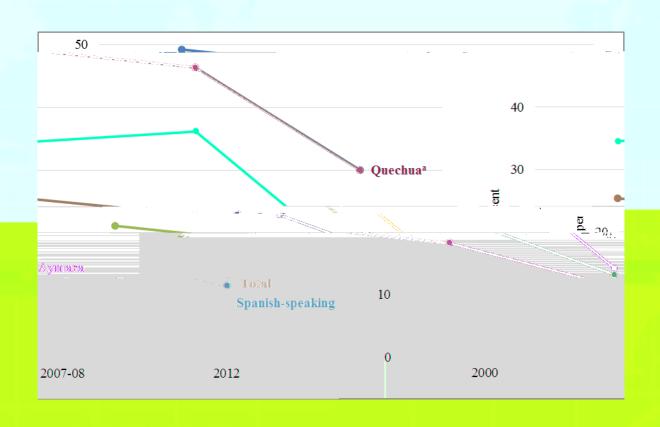
Most regions have experienced significant declines in child mortality, with exception of sub-Saharan Africa

However, regional gaps in child mortality still remain significant

#### Recent trends in the proportion of children stunted by ethnic



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

