Social Mobility and Inequality of Opportunity in Mexico

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Plan of the presentation

- Three facts on Mexico relevant for this lecture
- A (very) brief history of the study of social mobility in Mexico
- The newest data sources and their characteristics
- Some recent results on social mobility and inequality of opportunity for the Mexican case
- Some questions still unresolved
1a. High Inequality

Figure 1: Distribution by Income Deciles, circa 2012

Source: Campos et al. (2014); Del Castillo Negrete (2015); INEGI (2015b); Observatorio de Salarios-EQUIDE (2016).
1b. High Inequality

**Figure 2**: Mexicans in the World Income Distribution, 2008
2. High Levels of Poverty

Figure 3: Population in poverty, 1992-2016
3. Slow (and not pro-poor) economic growth

Figure 4: Population in extreme poverty and GDP per capita
Brief History

- 1965: focus on the effects of rapid economic growth on occupational mobility in Monterrey and Mexico City.
- 1985-1994: focus on the effects of the "Lost Decade" on occupational mobility in the larger cities of Mexico.
- 2006: First national representative retrospective survey for the male population (EMOVI 2006), Allows analysis on educational and household wealth mobility.
- 2011: EMOVI 2011 includes information on both female and male population. Almost the same questionnaire as EMOVI 2006.
Due to resource constraints, all the recent surveys dedicated to the study of social mobility are retrospective cross sectional surveys.

The age of reference for the respondent is 14 years old. This age is a compromise between the intention of capturing the conditions of the origin household and minimizing the recall bias.

To minimize the recall bias (which generates measurement error), the surveys do not ask about the income of parents. Instead, ask about household assets.
EMOVI 2006

- Representative sample of men (household heads) between 25-64 years old.
- Representative at the national, rural and urban levels.
- Basic questionnaire includes retrospective questions on origin household characteristics, parental educational attainment and occupational status of the parent. It also includes questions on perceived mobility.
- Sample size: 7,288 observations.
EMOVI 2011

- Representative sample of men and women (household heads and non household heads) between 25-64 years old.
- Representative at the national, rural and urban levels.
- Basic questionnaire equal to the one employed in EMOVI 2006.
- Adds information regarding parental expectations on educational achievements of the children.
- Sample size: 11,001 observations.
EM-COLMEX 2015

- Representative sample of fathers or mothers and children with an age between 12-18 years old who inhabit communities with more than 100,000 inhabitants.
- Same basic questionnaire as EMOVI 2006 and EMOVI 2011.
- Adds information regarding preferences, cognitive and socio-emotional abilities of parents and children.
- Sample size: 2,616 observations.
MMSI 2016

- Representative sample of men and women (household heads and non household heads) between 25-64 years old.
- Representative at the national, rural and urban levels.
- Basic questionnaire equal to the one employed in EMOVI 2006, EMOVI 2011.
- Adds information regarding self reported skin tone, using the tone scale developed for the Project on Race and Ethnicity in Latin America.
- Sample size: 25,634 observations.
EMOVI 2017

- Representative sample of men and women (household heads and non household heads) between 25-64 years old.
- Representative at the national, rural, urban, and for 5 regions of Mexico and Mexico City.
- Basic questionnaire equal to the one employed in EMOVI 2006, EMOVI 2011.
- Adds detail to the information regarding health and access to medical/social security facilities and information on skin color as MMSI 2016.
- Sample size: 17,692 observations.
Educational mobility, 2011

Notes:
1. Educational classification for the interviewee and father considers grades completed after primary education.
2. In order to obtain representativeness in the Mexican population between 25 and 64 years of age, a sample weighting was applied. The results may not add up to 100% due to rounding.

Source: By author with data from EMONI-2011.
Occupational mobility, 2011

FIGURE 2.2. OCCUPATIONAL CLASSIFICATIONS FOR TWO GENERATIONS, MEXICAN POPULATION

<table>
<thead>
<tr>
<th>Occupation Classification</th>
<th>Agricultural workers</th>
<th>Low-skill manual</th>
<th>High-skill manual</th>
<th>Sales</th>
<th>Low-skill non-manual</th>
<th>High-skill non-manual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interviewee occupation</td>
<td>28%</td>
<td>31%</td>
<td>21%</td>
<td>32%</td>
<td>26%</td>
<td>26%</td>
</tr>
<tr>
<td>classification</td>
<td>24%</td>
<td>26%</td>
<td>21%</td>
<td>15%</td>
<td>15%</td>
<td>14%</td>
</tr>
</tbody>
</table>

Occupational classification of the interviewee's father.
Household wealth mobility, 2016

- Quintile 1 (Q1): 2.2% (25.9%)
- Quintile 2 (Q2): 7.06% (15.2%)
- Quintile 3 (Q3): 14.7% (23.7%)
- Quintile 4 (Q4): 24.4% (23.4%)
- Quintile 5 (Q5): 53.5% (26.3%)

Percentage distribution for each quintile of origin.
Rank-Rank regression, Total Population 2016

- Rank-Rank slope: 0.5994
- Standard error: 0.0053
- Rank-Rank intercept: 18.1265
- Standard error: 0.30000
Rank-Rank regression, Population by skin color 2016

**Rank-Rank slope (dark):** 0.6198 (0.0119)

**Rank-Rank slope (medium):** 0.6120 (0.0062)

**Rank-Rank slope (light):** 0.6494 (0.0179)
Composition of the First Quintile, by Skin Color and Quintile of Origin 2016

- Quintile 1: 30.5% 1-2, 16.6% 6-11, 9.44% 3-5
- Quintile 2: 18.2% 1-2, 9.44% 6-11, 8.96% 3-5
- Quintile 3: 5.33% 1-2, 3.68% 6-11, 8.96% 3-5
- Quintile 4: 3.42% 1-2, 1.56% 6-11, 1.56% 3-5
- Quintile 5: 0.00% 1-2, 0.00% 6-11, 0.00% 3-5
Composition of the Fifth Quintile, by Skin Color and Quintile of Origin 2016
Direction of social mobility, by skin color

Skin tone in PERLA scale:
- 6-11: 0.411 (Upward mobility), 0.598 (Downward mobility)
- 3-5: 0.515 (Upward mobility), 0.462 (Downward mobility)
- 1-2: 0.574 (Upward mobility), 0.329 (Downward mobility)
Inequality of opportunity, different circumstance sets 2016

- Circumstance set 1: 3.69%
- Circumstance set 2: 12.1%
- Circumstance set 3: 25.3%
- Circumstance set 4: 37.8%
- Circumstance set 5: 38.7%
- Circumstance set 6: 44%
- Circumstance set 7: 44.2%
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Pending questions

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Inequality of opportunity, different circumstance sets 2016

![Graph showing inequality of opportunity](image)

- Parental occupation
- Mother educational attainment
- Urban region
- Origins household wealth
- Indigenous status
- Father educational attainment
- Sex
- Skin colour
Inequality of opportunity, top and bottom quintiles 2016

- Quintile 1Q: 12.3%
- Quintile 5Q: 13%

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Conclusions

- Are there any nonlinearities on social mobility/inequality of opportunity for the Mexican case?
- What explains the disassociation between educational/occupational mobility and household wealth mobility?.
- To what degree is the original distribution of household wealth and educational attainment based on skin color lines?.
- What is the political economy behind these results? What makes a low mobility, high inequality and high poverty equilibrium stable?
References


References
