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Title: The geography of intergenerational mobility: Evidence of educational persistence and the "Great Gatsby Curve" in Brazil.



The adoption of the 2030 UN Agenda for Sustainable Development brought the topic of intergenerational mobility to the center of the political debate. In many of the 17 SDGs it is possible to identify the ambition to increase opportunities for the younger generations, leading the world to a situation in which the chances of success are less dependent on inherited characteristics and more on individual choices.

Empirical evidence from cross-country comparisons have revealed a negative correlation between intergenerational mobility and income inequality. The so-called “Great Gatsby Curve” states that countries with greater income disparity tend to have lower levels of economic mobility between generations. Despite the increasing scientific interest in this Curve, far too little is known about the causal link between inequality and intergenerational mobility, because only a restricted number of researches has been done into the determinants behind this correlation. In this article, I seek to fill this existing research gap by focusing the investigation on a possible mechanism through which inequality might affect intergenerational mobility, namely the curtailed investment in education.

First, this paper explores the variation in intergenerational education mobility across the Brazilian states based on Markov transition matrixes and univariate econometric techniques. The analysis of the national household survey (PNAD-2014) confirms a strong variation in mobility among the 27 federative units in Brazil and demonstrates a significant correlation of mobility with income inequality. In this sense, this work confirmed the existence of the "Great Gatsby Curve" within a single country. Finally, I investigate one specific mechanism behind this correlation, namely whether higher income inequality might lead to a lower investment in human capital among children from socially vulnerable households. This paper delivers compelling results showing that offsprings born in families with no primary education have a statistically significant greater chance to drop out the educational system if they live in states with a higher level of income inequality.

Education expansion alone will have no significant influence on intergenerational educational mobility as long as children from socially disadvantaged families who grow up under difficult circumstances cannot break out of the intergenerational spiral of social exclusion.