Radical reforms are needed to tackle Britain’s social mobility problem, researchers from the Centre for Economic Performance (CEP) at the LSE said today.

Social mobility tells us how likely we are to climb up (or fall down) the economic or social ladder of life. In countries where social mobility is low, individuals are more likely to stay within the socio-economic class into which they are born.

Policies recommended as ways of improving social mobility include: lotteries for school admissions, relocating major employers outside London and establishing minimum rights for decent jobs.

Urgent reforms are also needed to address the failure to provide basic skills for hundreds of thousands of school leavers who are being let down by the current system, the researchers say.

Previous research has revealed that Britain is one of the least socially mobile of developed countries. What’s more, young people growing up today are increasingly likely to have lower living standards than their parents.

Stephen Machin, professor of economics and director of CEP, and Lee Elliot Major, professor of social mobility at the University of Exeter, say that a ‘realistic, if ambitious’ target for Britain would be to improve social mobility to the levels seen in Canada or Australia.

CEP’s analysis of social mobility concludes that:

- Britain, alongside the United States, has lower intergenerational income mobility than other developed countries.

- There is a strong link between a country’s level of income inequality and intergenerational immobility. When the rungs of the income ladder are wider apart, the chances of climbing the ladder are lower.

- Britain’s low relative social mobility arises in particular from ‘stickiness’ among the richest and poorest in society.

- Real wage stagnation has resulted in falling absolute social mobility with many people’s living standards being no better than their parents were in the previous generation.

- Younger people have been hit even harder in terms of drops in intergenerational home ownership mobility.
• There are substantial differences in social mobility at the local level: where you grow up makes a difference to how much your family background affects your life chances.

• Low social mobility is driven by education inequalities and work inequalities. The former reflect an ever-escalating educational ‘arms race’; the latter that individuals from wealthy backgrounds now accrue a higher earnings return in the labour market from their higher qualifications. Similarly, the pay premium from attending private school has risen. At the same time, the kind of jobs available in the labour market is rapidly changing.

• These intergenerational patterns have been one factor behind economic, social and political fractures affecting individuals and communities. The clearest example is the very strong spatial correlation between low social mobility and voting to leave the European Union.

• Small tinkering and minor tweaks of existing policies will simply not be enough to tackle Britain’s social mobility problem. More radical reforms are needed underpinned by four underlying principles: collectivism; fairness; community; and decency. It is entirely possible to create a collective community-based culture, a fairer education system, a stronger economy and a more equal society that would boost social mobility.

Professor Machin said: “Social mobility is an increasingly urgent issue. For increasing numbers of young adults the dream of just doing as well as their parents - let alone climbing the social ladder - is looking like just that, a dream. Our failure to do something now will store up greater social and economic problems for future generations – in this respect, the social mobility problem mirrors the climate crisis.

“It is entirely possible to create a collective community-based culture, a fairer education system, a stronger economy and a more equal society that working together would boost social mobility and social justice once again. But small tinkering and minor tweaks of existing policies will simply not be enough - more radical reforms are needed. These could include lotteries for admission to oversubscribed schools, increased school funding for our poorest pupils, a redoubling of efforts to relocate major employers outside London and minimum rights for workers.”

Professor Elliot Major said: “Improving social mobility is about enabling children and young people to fulfil their potential and to make their own informed choices as to what they want to achieve irrespective of their background. It is then down to their individual talents and hard work to progress in the direction they have chosen. Social justice and social mobility are two sides of the same coin.”

The full report is available here: Social Mobility - CEP Election Analysis

Notes for editors:

Lee Elliot Major is Professor of Social Mobility at the University of Exeter.
Stephen Machin is Professor of Economics and Director of the Centre for Economic Performance at the London School of Economics.

CEP election analysis: Social mobility is one in a series of election briefings produced by the Centre for Economic Performance, LSE.

The series aims to provide an impartial, evidence-based analysis of the key issues in the 2019 UK general election including education, the labour market, immigration, Brexit and regional policy.

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