

# CURRENT HISTORY

April 2019

*“For many . . . significant upward mobility remains a doubtful prospect, while substantial downward mobility is a real possibility.”*

## Obstacles to Social Mobility in India— And the Way Forward

ANIRUDH KRISHNA

**H**ow to extend equality of opportunity across a vast and growing population is one of the most important problems facing India today. The ideal of equality of opportunity—the normative belief that equally hardworking and talented individuals should be able to rise as high as their abilities can take them, no matter if they are rich or poor, men or women, rural or urban—lies at the heart of the study of social mobility.

**Social Mobility  
Today**

*Eighth in a series*

While it is intuitively clear and morally appealing, equality of opportunity is complex, multidimensional, and hard to measure directly. Measures of social mobility have been developed to explore different facets of the opportunity question. These measures look at increments, either during a person's life or between a child and a parent, in terms of income (economic mobility), schooling (educational mobility), or work status (occupational mobility). If most parents are illiterate, for instance, and their children are high school-educated, this is a situation of high educational mobility.

Triangulating these findings by looking at economic, educational, and occupational mobility helps illuminate the underlying structure of opportunity. If economic mobility is very high among the richest 10 percent of the country and very low among the poorest 10 percent, it can be inferred that the best opportunities are being hoarded by the richest people. This is a clear sign of rising inequality.

---

ANIRUDH KRISHNA is a professor of public policy at Duke University. His latest book is *The Broken Ladder: The Paradox and Potential of India's One Billion* (Cambridge University Press, 2017).

Conversely, if individuals from the bottom 10 percent are rising to positions as high as those attained by the top 10 percent, one can infer that the country has succeeded in moving toward equalizing opportunity. A great deal can be deduced about the state of social justice and inequality by exploring a country's patterns of mobility.

Studies show that societies vary considerably in the extent to which they offer equal opportunity and social mobility. There is greater fluidity in Scandinavians' relative income positions, and greater rigidity and stratification in the United States and Britain. Social mobility research in developing countries is in the early stages, but researchers have found that stratification and rigidity are even higher among them. A combination of a high economic growth rate and a low rate of economic mobility has led to rapidly widening inequality in many developing countries—and the emergence of societies that are home to some of the world's richest people and at the same time many of the world's poorest.

An examination of social mobility in India can help illuminate some of these larger trends in developing societies. Great wealth has been amassed by some in India, especially since the country opened its doors to the global economy beginning in the late 1980s. Meanwhile, a surge in school enrollment, beginning in the mid-1960s and accelerating over the next three decades, has transformed the country. The illiterate Indian peasant is fast becoming a caricature of the past. More than 95 percent of children in India today are formally educated.

But high educational mobility in India has been accompanied by stubbornly low economic and

occupational mobility. Stark poverty has been reduced—the share of India’s population below the World Bank’s lower poverty line of \$1.90 per day declined from nearly 40 percent in 2004 to 21 percent by 2011. However, a majority of the population—more than 60 percent in 2011—still falls short of the higher poverty line of \$3.20 per day that the World Bank applies to lower-middle-income countries.

Meanwhile, the rich have been doing much better. The share of India’s national wealth held by the top one percent increased from 40 percent in 2010 to nearly 60 percent in 2016. Because the rich were growing richer faster than the poor were moving out of poverty, inequality rose. (The same trends have occurred in China, Indonesia, South Africa, and many other populous developing countries that have also experienced a combination of high growth rates, high educational mobility, and low income mobility.)

Employment in India has not increased nearly as fast as the demand for jobs from a growing population. Informal-sector work—no one’s idea of a dream job—is the norm for young people. The numbers of construction laborers, deliverymen, truck loaders, maids and nannies, street vendors, shop assistants, and so forth have increased many times over in recent years. More than 90 percent of all new jobs are in the informal sector, and usually come with no written contract, no job security, and rarely any health care or retirement benefits. Prospects for advancement are limited and uncertain. Most informal workers remain at or close to the level at which they were recruited.

Improving the prospects for economic mobility in India and other developing countries is crucial for leveling the playing field, stemming rising inequality, and quelling the discontent of a growing number of educated but poorly employed young people. The first step to finding solutions is to examine the factors that act as obstacles or accelerators for mobility.

## MEASURING MOBILITY

Researchers in the West have constructed decades-long panel data sets that compare the incomes of fathers (at the time when they were in their peak earning years) with the incomes of their sons when they reach the same age. Commenced 25 or more years ago in the United States and Western

Europe, these accumulations of data for measuring income mobility have only recently started yielding results. Researchers have also compared mothers and daughters, though less often because of how the data were initially collected.

Such long-period data sets are not yet available for developing countries. The work of data collection has barely begun in some countries, where fathers’ incomes are just now being calculated. Until their sons reach the same age, not much can be discerned about social mobility in these countries using the conventional methods of measurement.

Nonconventional methods have been developed to help fill in the gaps, yielding important insights about different aspects of social mobility. Shorter-period data sets, compiled in India, South Africa, and other developing countries, are used to compare the incomes of present-day sons with those of “synthetic fathers” generated statistically using advanced econometric methods. Source-destination studies have provided useful insights about patterns of individual advancement: Where do

young people from a particular community typically end up? Which communities are well represented in the higher-paid occupational streams, such as the entering classes at medical and engineering schools (and

which other communities are underrepresented)?

Outlier analysis—learning from the examples of exceptional individuals—has also helped provide a better understanding of key stumbling blocks and ways in which they can be overcome or avoided. Examining the approaches of nongovernmental organizations that actively promote social mobility has clarified the extent to which interventions of different types are helpful. Researchers have also used surnames as a means of tracing father-son mobility patterns across generations.

This ongoing research has generated a great deal of useful information about social mobility in India. Studies have found rapid advances in educational achievement across the board. Girls’ education has surged. Large intergenerational improvements in educational attainment have also been made by scheduled castes (formerly known as untouchables), and to a lesser extent by scheduled tribes (roughly speaking, India’s aborigines). The share of functionally literate individuals in the 11–15 age group in rural India is three times the corresponding share among people 60 and older.

---

*The quality of  
education is going  
from bad to worse.*

---

But economic mobility remains low. The apple falls close to the tree: the sons and daughters of agricultural laborers hardly ever become surgeons or flight engineers.

## GLASS CEILINGS

Economic and occupational mobility are especially low among some subgroups of India's population. Caste remains an important arbiter of people's chances for upward mobility. Among scheduled castes and tribes, the chance that a manual laborer's son will himself become a manual laborer is 50 percent higher than among upper-caste Hindus. The probability of a downward intergenerational slide, from professional father to manual laborer son, is five times higher for scheduled castes and tribes than for upper-caste individuals.

Religion is also a major factor in social mobility in India. Muslims, who comprise nearly 14 percent of the population, account for less than 6 percent of college students. Muslims and members of scheduled castes are overrepresented in slums and underrepresented in the professions.

Location is another important determinant of the prospects for social mobility. Residents of rural areas—two-thirds of the Indian population—experience much less upward mobility than urban dwellers. Rural students comprise less than 10 percent of entering classes at engineering colleges, management schools, and other gateway educational institutions.

Inhabitants of urban slums similarly live beneath a low glass ceiling. Young people follow their parents and neighbors into low-paying positions because those are the only options that are clearly visible to them. They know little or nothing about opportunities for better careers.

For women, gender is another factor that limits mobility, though the trend is a little more encouraging. The ratio of women in higher education has improved. The share of female students in engineering colleges increased from 2 percent in the 1960s to more than 35 percent in the early 2000s, and has kept rising since. Yet women are still a minority on corporate boards, in Parliament, and in public life in general.

The biggest beneficiaries of India's remarkable economic growth story have been the children of its urban professional classes. The sons, and increasingly the daughters, of salaried and self-employed professionals are disproportionately represented among the upward bound in India today. For many others—a majority of the population,

including most rural residents and many members of lower castes and women—significant upward mobility remains a doubtful prospect, while substantial downward mobility is a real possibility.

There is no single explanation for these outcomes. An array of factors has contributed to the patterns of social mobility observed in India.

One set of factors has to do with the continued social discrimination that is faced by lower-caste people, a problem that persists even though untouchability has been outlawed. Women, similarly, remain disadvantaged on account of long-standing attitudes and beliefs that are slow to change.

A second set of factors has to do with the fact that the supply of good jobs has not grown even as the working-age population has doubled. A third concerns the poor quality of education and health care available to many Indians. A fourth stems from what analysts have termed “neighborhood effects.” A despairing attitude permeates neighborhoods from which no one has risen to a high position. Low achievement in these communities feeds into low aspirations, a cycle that keeps repeating itself.

Over the years, successive Indian governments have implemented a series of policies designed to address the first three sets of factors. They have persisted with (and expanded) an affirmative-action policy for members of lower castes and other disadvantaged groups to counteract the effects of social discrimination. In the case of Muslims, however, disadvantage seems to have heightened under Prime Minister Narendra Modi, whose Hindu nationalist Bharatiya Janata Party (BJP) came to power with a huge majority in 2014. (The next general election is to be held in April and May 2019.)

The Modi government launched a “Make in India” program that seeks to encourage entrepreneurs to create jobs in advanced manufacturing sectors. It has poured money into a universal health-insurance program, and has promised to boost public and private investment in education. A vastly expanded vocational training program is equipping school dropouts and other disadvantaged youth with skills that can help them gain access to better job opportunities. BJP candidates hail these programs in their campaign speeches as sincere efforts made on behalf of the country's tens of millions of struggling youth.

While such measures help address the situation to some extent, they have fallen short for a number of reasons. Important factors, especially neighborhood effects, have not been addressed in these

policy formulations. Overly hasty implementation has reduced the benefits of other measures.

## RESERVATIONS AGITATION

India's most prominent social mobility initiative, known as the reservation policy—because it reserves a certain percentage of places in government departments and higher-education institutions for scheduled castes, scheduled tribes, and others with a “backward caste” designation—has become a perennial arena for political bargaining. Reservations for scheduled castes and tribes are written into the Constitution of India, which took effect in 1950. The policy was expanded to cover other “backward” groups much later, beginning in the late 1980s.

Legislation enacted since then has allowed state governments to confer the “backward caste” designation on an ever-lengthening list of groups, making them eligible to compete for reserved positions. Every so often, another group agitates to be added to the list. The success of one group sets off a round of agitation by another. Railroads and highways are blocked, and counter-agitations and other shenanigans ensue until the demanded accommodations are approved at high political levels. In January 2019, the Modi administration introduced yet another extension to the reservation policy, setting aside a further 10 percent of university admissions and government positions for economically weaker sections of upper castes.

Critics of the reservation policy allege that a dominant share of the reserved positions has been captured generation after generation by a “creamy layer” of the richer and more advantaged members of eligible castes and tribes. Poorer members of the same groups, they claim, have received hardly any benefit from the reservations.

Those who defend the current policy admit that there might be some truth in this critique, but they note that the policy has also done a lot of good, providing opportunities to many who would otherwise have been denied them for no reason other than their caste. Since no hard numbers are publicly available to show the percentage of reserved positions actually captured by the creamy layer, they argue that it would be rash to issue any blanket repudiation of the reservation policy. They caution against throwing the baby out with the bathwater, preferring to reform rather than abandon the current policy.

Reforms to address some of these shortcomings have been proposed. But what's often forgotten in

the heat of the debate is that no matter how it may be defined and demarcated or how well it is targeted, a policy of reservations is not and never will be a complete solution to the problem of low social mobility. Since a variety of factors—in addition to social discrimination—contribute to the problem, an assortment of measures is necessary for attacking the root causes of stalled mobility.

## SKILLS SHORTAGE

The second set of factors also must be addressed: far more good-quality employment opportunities are needed in order for more people to get good jobs. While there has been a huge increase in poorly paid positions in the informal sector, the number of well-paid positions has increased by only a little.

The number of construction workers more than doubled from 1993 to 2005, a period of high-speed growth (with labor-market data available for both the starting and the ending year)—from a little over five million to more than thirteen million. The numbers of shop assistants rose from five million to ten million over the same period, as did the number of professional drivers. In contrast, the ranks of systems analysts and computer programmers—formal jobs within the rapidly growing information technology sector—increased by only a relative pittance: from 30,000 positions in 1993 to 160,000 in 2005. For every new programmer, 80 new construction workers were added.

The Modi government's response—the Make in India policy—is intended to give a boost to the manufacturing sector, which has lagged behind the country's rapidly growing services sector. New Delhi has made it easier for foreign investment to flow into advanced manufacturing, allowing 100-percent foreign ownership of firms in this sector, and state governments have offered additional incentives. But while this policy may help increase foreign and domestic investment, it is unlikely to make a big dent in India's employment problem. That is because the technology of manufacturing has changed greatly.

In generations past, when the West industrialized, millions of people leaving farms were absorbed by the rapidly expanding manufacturing sector and put to work on assembly lines. Since then, however, technological advances such as robotics have drastically reduced the need for assembly-line workers. Because of this dwindling need for labor—a trend that will only accelerate with further technological change—India will not be able to absorb as many of

its people into the workforce as China did when it invested in its manufacturing sector a few decades earlier.

Today's manufacturing plants, even in developing countries that have cheap labor, are equipment-intensive and tend to employ high-skilled technicians and engineers. They do not need many people who have only a high-school degree or lower level of education. That makes things difficult for the vast majority of young workers in India. Not enough of them are adequately prepared for good jobs in the modern economy. Relatively few young people—only one in four on average, falling to one in eight among women from scheduled tribes—pursue education beyond high school to the college level.

To address this situation, the Modi government added another prong to its employment strategy: a skills-building mission. Launched in 2015, this policy aims to quickly train millions of young people, most of whom have just a few years of schooling, in skill sets that the marketplace requires. Hundreds of thousands of young people have been trained for a few months in plumbing, auto mechanics, pipe fitting, and other trades. There is little evidence, however, that skills taught by these programs have translated into better livelihoods.

The skills-building mission has encountered numerous problems in implementation. According to an evaluation report commissioned by the government, the programs “are spread across more than 18 ministries and departments without any robust coordination and monitoring mechanism.” Furthermore, “[T]here is multiplicity in assessment and certification systems . . . and inconsistent outcomes,” as well as lack of knowledge among employers about the new skills, a shortage of trainers, and “poorly designed apprenticeship programs devoid of industry linkages.”

The mission, in short, was poorly conceived and expanded too quickly. It did not include a mechanism that would allow those running the program to learn from the mistakes that inevitably occur in the course of policy implementation.

## LET DOWN BY SCHOOLS AND HEALTH CARE

A third set of factors that needs to be addressed in order to reduce obstacles to social mobility concerns education and health care.

---

*Caste remains an important  
arbiter of people's chances  
for upward mobility.*

---

The prospects of many people in India are blighted early on by low-quality schooling. Every year, the Annual Status of Education Report, compiled after nearly half a million students undergo testing, shines a light on the hoax that is perpetrated in the name of public education in India. Two sets of statistics are illustrative. In 2012, 46 percent of students in the fifth grade could not read even at a second-grade level. This proportion rose to 50 percent by 2018.

But that wasn't all. Over the same period, the share of third-grade students who could not solve simple subtraction problems increased from 64 to 72 percent. The quality of education is going from bad to worse, and not much is being done to remedy the situation. Parents who are themselves mostly illiterate, because there were hardly any schools in their childhood years, are sending millions of their children to school—resulting in high educational mobility—but most of these students are learning very little.

Similarly, health care remains a problem for many Indians. It is hard to find professional care close to hand that is affordable and effective. As a result, many families are ruined financially on account of illnesses and injuries. Public-health experts estimate that between 3.5 and 6.6 percent of rural households, and between 2.5 and 5 percent of urban households, averaging to 5 percent of the country's total population, are pulled below the poverty line each year by medical expenses that they cannot afford. Downward mobility is a stark possibility for many in India.

The government has responded with a universal health-insurance scheme launched toward the end of 2018. When it is fully implemented, which is expected to take as little as a year, it will be the largest health-insurance program in any country. Insurance is, however, only one component of effective health care. It doesn't help much in situations where getting quality health care requires traveling a great distance and negotiating on scary and unfamiliar terrain while on the lookout for sharks and shysters. Improvements in health-care provision and regulation are required in addition to the government's insurance initiative.

## TESTING SOLUTIONS

What should be done? The existing combination of policies—affirmative action, a focus on

manufacturing and skills development, improvements in health care and education—will go some distance toward promoting social mobility, but other measures are also necessary.

Two sets of actions will make it more likely that construction workers' children, if they are capable and hardworking, can realistically aspire to become airline pilots and software engineers. First, the means must be found to make continuous improvements in the quality of education and health care. Second, direct investments should be made in programs to promote social mobility.

The first task is widely recognized as necessary. But no one knows exactly how India should go about improving its education or health-care systems. Other countries have greatly improved their educational systems—Finland and South Korea, for instance—but it isn't clear whether another country's method would work well for India. We don't even know if it makes sense to look for a single-best solution—or if instead, given India's size and complexity, the design of its social programs needs to be more locally and regionally variable.

Resolving practical questions of program design and policy implementation is critical for achieving improvements in health care and education—and these questions cannot be resolved in advance. It will require trying out candidate solutions in practice, through a learning-process model of program development.

Using this approach, potential solutions—for instance, the Finnish or the South Korean model of education, or other promising homegrown programs—would be implemented in the first stage in a few pilot locations in particular neighborhoods. A candidate program that works well in a pilot location would then be expanded in the next stage after suitable adaptations, and tried out in a larger number of jurisdictions in cities or counties. If a prospective solution proves its worth, it would then be extended to successively higher jurisdictions such as districts or states.

The Philippines adopted such a process for developing its impressive canal irrigation network. China used a similar learning-process approach for developing a new rural health-care system. It took China 20 years to get it right, trying out different promising ideas on a small scale, weeding out badly performing ones, and adapting and

scaling up the better performers, before a menu of battle-tested options had been developed that could, with confidence, be recommended to every province.

Similar processes of program and institutional development, beginning small and acquiring experience through staged implementation from the grassroots on up, are recommended more widely by international development experts. A grassroots-up national process of policy innovation will help make the desired quality improvements in India. One way to counter the shorter-term motivations that electoral imperatives create for political parties would be to develop citizens' charters for setting goals and measuring the performance of candidates and parties.

In parallel with quality improvements in health care and education, direct actions to increase social mobility are also necessary. Neighborhood effects result in multiple barriers to social mobility, including a lack of role models, a shortage of in-

formation about alternative career paths, and the resulting inability to aspire to high positions. These effects need to be tackled separately.

The utility of actions that address these barriers directly has been demonstrated by a new group of

nonprofit organizations that recently emerged in India. I have identified more than 50 such organizations, most of which have been set up in just the past eight to ten years. Each of these organizations works on a small scale with disadvantaged children in urban slums or rural villages, and each has pioneered a different model of action.

One group of organizations intensively prepares disadvantaged youth—rural Indians, slum dwellers, poorer girls—for the entrance examinations at higher-ranked educational institutions, especially engineering colleges. Others focus on building self-esteem, raising motivation, and providing information about a more eclectic range of careers. A third set of organizations pursues similar goals using a mentorship model. A fourth is helping young people from slums set up business enterprises, while a fifth helps by building linkages with colleges and employers.

At present, an annual total of about 125,000 young people are being assisted by these mobility-promoting organizations. Their efforts should be

---

*The biggest beneficiaries of India's remarkable economic growth story have been the children of its urban professional classes.*

---

expanded, since many more need the same kinds of support.

A program of sequential scaling up would help extend the pioneering work carried out by these groups. Undertaking careful evaluations of their processes and outcomes will help them through the learning process that is necessary for setting up the next generation of mobility-promoting enterprises. In stages, more and more young people whose mobility prospects have been dimmed on account of caste, gender, or rural residence will get help.

Accompanying such endeavors, top-down changes in policy are also necessary, including progressively formalizing the conditions of work in the informal sector. Measures to upgrade these jobs with written contracts (with specified though not permanent tenures), rights against arbitrary dismissal, and a gradual extension of social security benefits, including pensions and health care, will help raise the quality of employment, reduce downward mobility, and bolster prospects for upward mobility. With more effective and affordable health care, people will not be so fearful of falling into poverty—and that will make it easier for them to be entrepreneurial.

## VAST POTENTIAL

A change in perspective is necessary as well. Rather than viewing them as welfare measures, we should see programs that promote social mobility for what they actually are: a necessary part of promoting economic growth.

India has recently achieved many successes. It has high educational mobility, and the number of

first-generation college students is rapidly increasing. The economy has modernized rapidly. A number of Indians now rank among the world's richest people.

But India's achievements are tiny compared with its vast human potential. India wins fewer Olympic medals per capita than any other country. By the numbers of research papers published, patent applications filed, and new businesses registered per capita, it ranks alongside much poorer and smaller countries.

It's not that talent is lacking in India. It is because their horizons for personal advancement are restricted that so many Indians cannot make more substantial contributions. Only a very small number are able to rise above the limitations that stand in the way of their potential to become star athletes and successful businesspeople and scientists.

Unleashing this vast potential will require enabling more Indians to climb diverse ladders of opportunity. Building these ladders is as important as any other aspect of building a stronger economy.

For too long, development experts have been ruled by the belief that a country's gross national product must grow first, while poorer people's problems can be addressed later. It's time to consider an alternative model of action: flip things around and begin at the grassroots. Engender greater social mobility by addressing the factors that limit poorer people's ability to pull themselves upward. As more and more individuals rise higher, the country's GNP will rise in turn. Investing in social mobility will be good for both growth and social justice. ■