

# Global Social Mobility Index

June 14, 2020

**India was ranked 76th** place out of 82 on the Global Social Mobility Index compiled by the World Economic Forum.

## What is Social Mobility?

- Social mobility can be understood as the movement in personal circumstances either “upwards” or “downwards” of an individual in relation to those of their parents.
- In absolute terms, it is the ability of a child to experience a better life than their parents.
- On the other hand, relative social mobility is an assessment of the impact of socio-economic background on an individual’s outcomes in life.

## Key highlights of the Index

- The report also **lists India among the five countries that stand to gain the most from a better social mobility score** that seeks to measure parameters necessary for creating societies where every person has the same opportunity to fulfill his potential in life irrespective of socioeconomic background.
- The Index measures the inter-generational social mobility in different countries in relation to socioeconomic outcomes.
- **Top five performers are all Scandinavian**(Denmark, Norway, Finland, Sweden and Iceland), while the **five economies with the most to gain from boosting social mobility are China, the United States, India, Japan and Germany.**
- **According to the report,** the most socially mobile societies in the world are all European
- According to the Index, among the world’s large emerging economies, the **Russian Federation is the most socially mobile of the BRICS countries,** ranking Next is China

**(45th), followed by Brazil (60th), India (76th) and South Africa (77th).**

- **The report also observed** which economies stand to gain the most from increases in social mobility. **The economy with the most to gain is China followed by the USA.** Next is India, followed by Japan, Germany, Russia, Indonesia, Brazil, the UK and France

### **Other observations of the report**

- It makes a powerful case for stakeholder capitalism. The most socially mobile economies all share an emphasis on effective social policies that benefit communities as well as provide a platform for healthy, competitive economies.
- By comparison, economies that are organized more on shareholder value maximization, or state capitalism, tend to perform less well.

### **Five factors/dimensions on which the Index is grounded are**

1. Health(Overall)

2. Education

- Education Access
- Education Quality and Equity
- Lifelong Learning

3. Technology(Technology Access)

4. Work

- Work Opportunities
- Fair Wage Distribution
- Working Conditions

5. Resilience & Institutions

- Social Protection
- Inclusive Institutions

### **India's performance**

- The Index ranks 76th out of 82 economies. It ranks **41st in lifelong learning** and 53rd in working conditions.
- The Areas of improvement for India include social protection (76th) and fair wage distribution (79th).

## **Suggestions**

- The report **calls for a new financing model for social mobility: Improving tax progressivity on personal income, policies that address wealth concentration and broadly re-balancing the sources of taxation** can support the social mobility agenda.
- It states that the mix of public spending and policy incentives must change to put greater emphasis on the factors of social spending.