

2. Global Social Mobility Report

Prelims Level: International Institutions – Summits, Working, Organisations

Mains Level: GS-II Important International Institutions, Agencies and Fora- Their Structure, Mandate.

Context:

- Recently, World Economic Forum has come out with its first-ever Global Social Mobility Report.

Global Performance of the Report:

- Among the G7 countries, Germany is the most socially mobile, ranking 11th with 78 points.
- The Nordic nations hold the top five spots, led by Denmark in the first place (scoring 85 points), followed by Norway, Finland and Sweden (all above 83 points) and Iceland (82 points).

India's Performance in the Report:

- It has ranked India a lowly 76 out of the 82 countries profiled.
- It ranks 41st in lifelong learning and 53rd in working conditions.
- It lists India among the five countries that stand to gain the most from a better social mobility score.
- India need to improve in the area such as social protection (76th) and fair wage distribution (79th).

Social Mobility:

- It can be measured against a number of outcomes ranging from health to educational achievement and income.
- It can be understood as the movement in personal circumstances either upwards or downwards of an individual in relation to those of 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.

Why the need for a New Index?

- Social mobility has become the pressing issue of modern life, and as the index highlights, while major improvements have been made in some areas, notably extreme poverty, in others, the situation is deteriorating.

- Globalization and technology are frequently blamed for this, but as the report highlights, there are a plethora of reasons – not least of which is poor policy-making – and it is the responsibility of a range of stakeholders to redress these.

What does it do that other indices don't?

- The index considers what a country can do holistically to foster relative social mobility for all citizens, which is markedly different from other methodologies.
- The Global Social Mobility Index, focuses on drivers of relative social mobility instead of outcomes. It looks at policies, practices and institutions. This allows it to enable effective comparisons throughout regions and generations.
- It uses 10 pillars, which in turn are broken down into five determinants of social mobility – health, education, technology access, work opportunities, working conditions and fair wages and finally, social protection and Inclusive Institutions.

Key Findings of the Report:

- The Global Social Mobility Index reveals that there are only a handful of nations with the right conditions to foster social mobility.
- Most countries underperform in four areas: fair wages, social protection, working conditions and lifelong learning.
- The index also reveals that achieving higher levels of social mobility needs to be perceived as an important element of a wider move towards a stakeholder-based model of capitalism.
- Looking at all economies and average income levels, those children who are born into less affluent families typically experience greater barriers to success than their more affluently born counterparts.
- Furthermore, inequalities are rising even in countries that have experienced rapid growth.
- In most countries, individuals from certain groups have become historically disadvantaged and poor social mobility perpetuates and exacerbates such inequalities. In turn, these types of inequalities can undermine the cohesiveness of economies and societies.

Way Forward:

- **Creating 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. Most importantly though, the mix of public spending and policy incentives must change to put greater emphasis on the factors of social spending.

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- **More support for education and lifelong learning:** targeted at improvements in the availability, quality and distribution of education programmes as well as a new agenda for promoting skills development throughout an individual's working life. This includes a new approach to jointly financing such efforts between the public and private sector.
 - **Developing a new social protection contract:** this would offer holistic protection to all workers irrespective of their employment status, particularly in a context of technological change and industry transitions, requiring greater support for job transitions in the coming decade.

