

2020

36th IARIW General Conference

Paper Prepared for the 36th IARIW General Conference, Oslo, Norway, August 24-28, 2020

A Multidimensional Approach to the Measurement of Social Classes: Theory and Application to Intergenerational Class Mobility in Mexico

Jose Lima Velazquez

Gaston Yalonetzky

The economics literature has traditionally defined class unidimensionally, mainly considering monetary metrics like income, expenditure or wealth. Meanwhile, the sociological literature has provided a broader array of approaches ranging from financial aspects to complex notions of status, occupational hierarchy and even relations of work exploitation. Nowadays, most social scientists agree that the construct of social class must be multidimensional in nature.

This paper intends to provide two contributions. Methodologically, we propose a novel method to define and measure the size of social classes based on individuals' functionings and access to commodities; that is, grounded on the Sen-Nussbaum capability approach. Our proposal satisfies a set of desirable properties and is operationalised with the burgeoning counting approach (of recent fame due to the Multidimensional Poverty Index (MPI) featured in the UNDP's Human Development Reports since 2010). Our presentation considers the classic Aristotelian three-class division (the poor, the middle class and the affluent) but the proposal is amenable to generalisations involving finer partitions.

Empirically, we study intergenerational class mobility in Mexico across birth cohorts spanning the last sixty-five years. Our proposed multidimensional identification of social classes considers current and retrospective information on sociodemographic and household characteristics of respondents, using data from the Mexican ESRU-EMOVI 2017, a for-purpose survey of intergenerational mobility with rich information on the socioeconomic conditions of the respondent's household of origin (i.e. where respondent grew up). Thus, measures of intergenerational mobility can be estimated from the probability elements of a three-by-three transition matrix connecting the respondents' current and past social classes. Thereby we can gauge the degrees of social rigidity/ fluidity across birth cohorts in Mexico and its regions (where important development divides have been documented in the literature, e.g. between the south and the rest of the country, especially the central urban highlands).