

2020

## 36<sup>th</sup> IARIW General Conference

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

Be the Man My Ancestor Is: Dynastic Inequality and Multigenerational Mobility over Three Centuries

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The existing literature finds two general laws of social mobility across generations. First, Becker-Tomes' (1986) model assumes intergenerational inheritance of endowments (i.e., an AR(1) process) and predicts shirtsleeves to shirtsleeves in three generations in terms of negative or null grandparental impact conditional on parental transmission. While intergenerational linkage has been well documented in both developed countries (e.g., wealth in France by Bourdieu et al., 2019; income in Italy by Barbieri et al., 2019) and developing countries (e.g., a review in Blanden, 2013), their theoretical prediction on irrelevant grandparents has been rejected empirically (Lindahl et al., 2014). Education (Ferrie et al., 2016; Lindahl et al., 2015), income (Olivetti et al., 2018) and occupation (Long and Ferrie, 2018) appear to correlate across three to four generations in the US, the UK, and Scandinavian countries. In order to explain this controversy, Solon (2014) generalises Becker-Tomes' model to higher order autoregressions underlying multigenerational transmission beyond simply parents-children influences, and thereby attributes positive grandparental impact on grandchildren's status to more grandparental transmission (of genetic, cultural or other endowments) than parents'. This leads to a slower-than-geometry rate of decaying integrational mobility.

Second, Clark (2014) uses the changes of (rare) surnames and raises a general law of social mobility that is characterised by high persistence of wealth and social class across generations with an intergenerational elasticity of 0.7-0.75 (Clark and Cummins, 2015). It is not only higher than empirical findings motivated by Becker-Tomes' model (e.g., 0.285 in Long and Ferrie, 2018; 0.281 in Lindahl et al., 2015), but also higher than studies also using surnames as measures (e.g., 0.35-0.42 in Chetty et al., 2014). Torche and Corvalan (2016) argue that Clark's method only picks up group differences that are also noted as ethnic capital by Borjas (1995) and Solon (2014, 2018).

Despite a great deal of intergenerational mobility in the literature, there is a need of better modelling the avenues of re-generating social status or other dimensions of wellbeing across generations. This not only reveals sources of mobility, but also offers clearer metrics for interpreting the estimated effects. Moreover, the multigenerational mobility research overwhelmingly uses data on Scandinavian countries, the UK, Germany, and the US allowing for

up to four generations. Due to data limitations, there is a paucity of longer durations or other countries in different cultural, socioeconomic, demographic and/or political contexts. Empirical studies from diversified settings would add to the existing patterns of mobility and more importantly, enrich understanding of what makes the same source of mobility varies and to which extent.

Theoretically, we follow Solon (2014) to generalise Becker and Tomes' intergenerational transmission to multiple generations and distinguish between individual from group heritability. Our model reconciles Becker and Tomes' prediction of decaying mobility across generations and Clark's prediction of multigenerational persistence. Empirically, we estimate the model by unique census data in imperial China consisting 12,118 individuals spanning across six generations over three centuries (1670-1909). This article advances understanding of the individual and group sources of multigenerational mobility and their variations across ethnicity, as called for by Giell et al. (2018).

Mobility is proxied by social status measured by occupations, education, and income. We find dynastic impact of the extended family's average income and social status at the grandfather's generation on the current child's. There is an intergenerational correlation of coefficient of 0.213 for income, while father's individual transmission is greater than grandfather's with a statistically insignificant intergenerational correlation of coefficient of 0.115. By comparison, social status is inherited from the great-great grandfather's and the grandfather's extended family, and there is a significant father-son correlation outweighing the grandfather's direct transmission. Education only suggests father-son correlation at 0.21.