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# Economic Inequality and Social Mobility in Developed Economies

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## *ABSTRACT*

*The paper investigates the relationship between economic inequality and social mobility in the industrialized economies using a mixed-method approach of research methodology, which uses longitudinal quantitative research with a qualitative interpretation of the findings using an institutional approach. The research examines how income inequality difference affects intergenerational mobility using cross-national panel data, controlling the critical socioeconomic and policy-related factors. The results are always of negative correlation between high levels of economic inequality and social mobility, indicating that the culture that is marked by wider income gaps usually experiences lower levels of upward mobility. The findings also indicate that the variance between the countries is quite high, and that when welfare state is robust, educational system is inclusive, and institutions supportive of labor market, this association is much less strong. The economic models confirm the soundness of these results in different measures and assumptions, but the qualitative insights explain the causes of the different resilience of the developed economies to the mobility diminishing effects of inequality. The paper concludes that economic inequality is a critical and yet not a sole variable that influences social mobility. It also concludes that the institutional design and the public policy play a very crucial role in defining the opportunities in the advanced countries.*

***KEYWORDS:*** *Economic Inequality, Social Mobility, Intergenerational Mobility, Income Distribution, Welfare State, Developed Economies*

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## INTRODUCTION

The social mobility and the economic inequality has become the subject of a lot of studies in the academic literature, especially in the developed world where upward mobility opportunities are commonly linked with the social discourse of prospects and progress (Corak, 2013). But numerous empirical findings are inclined to demonstrate a more complicated fact, where substantial disparities of wealth and income can significantly underminate the ability of an individual to ascend the socioeconomic hierarchy, therefore, undermining and watering down the primary provisions of meritocracy (Dupont and Roy, 2024, p. 1). The increasing gap between the rich and the poor, especially in industrialized economies, has brought a critical analysis of the way in which economic stratification continues between one generation and the next (Pattnaik et al., 2025). It also seeks to examine the complex interplay between economic inequality and social mobility between the industrialized countries and to provide an in-depth review of the available literature and empirical data to describe the causes and effects of this phenomenon (Corak, 2013, p. 4). Specifically, it will comment on the relationship between the rates of intergenerational mobility and the various levels of income inequality in the industrialized countries, which will provide information concerning the policy implications of the findings (Corak, 2013, p. 5). The more income inequality there is in any country, the lower the social mobility in it is, thus, the more economic inequalities, the less people have a chance of gaining the world (Chen et al., 2024, p. 1). The concept is typically symbolized by the so-called Great Gatsby Curve, the negative relationship between income inequality and intergenerational income elasticity is rather high. It means that the greater the Gini coefficients of the country, the worse the rates of social mobility are (Fifeková et al., 2022, p. 227). This correlation is also complicated by the variables of the access to education and financial returns of the educational attainment that are also proven to be affected by the current rates of economic inequality (Durlauf et al., 2022; Jerrim and Macmillan, 2015). High social mobility and low-income inequality, which are typical of the nations that are situated in the lower left quadrant of the corresponding indexes, significantly clash with the high inequality and decreased intergenerational income elasticity (Sakri et al., 2023, p. 46). It also suggests that not everyone can enjoy economic growth and development, and the high degree of inequality can slow down the general progress of a particular society ( Social Mobility in Developing Countries, 2021, p. 38). Moreover, the great income inequality can even increase the difference in resource distributions regarding the socioeconomic factors, thus, deteriorating the perception of upward social mobility and restricting the potential benefits of meritocracy to low

socioeconomic groups (Li and Zhang, 2025, p. 3). This is a complicated relationship between a lack of movement across generations, which is a byproduct of unequal access to human capital, and increased inequality in future incomes, which is a two-way process (Neidhof et al., 2023, p. 353). Those processes are especially strong in the UK and the US where the affluent parents tend to employ the services of private education to place their children in privileged positions over the more equal regions, like Scandinavia, where there is equal access to education creating better career chances (Polacko, 2021, p. 352). Based on the existing empirical data, there is a high level of evidence indicating a positive association between income inequality and the intergenerational persistence, also referred to as the Great Gatsby Curve (Ferreira, 2023, p. 15). The curve shows that the higher the income inequality culture, the lower the intergenerational income mobility, or the fact that individual economic position is closer to that of the parents (Liss, 2023, p. 26). As an example, the economic frameworks of the countries Italy, UK and USA are rigidly designed in such a way that children born in rich families have better opportunities of staying rich and children born in poor families have better opportunities of staying poor. It is rather a contrast to the Northern European states where the intergenerational fluidity is more intergenerational (Roccisano, 2015, p. 209). This gap implies that the contribution of the role played by the public policy, specifically, in education and social welfare, in preventing the economic statuses of one generation to another and equalizing the life opportunities (O'Hare et al., 2022, p. 171). Economic inequality is widespread and encompasses the most important spheres, including good education, healthcare, and financial services, which in turn have impact on intergenerational mobility (Ray and Linden, 2018, p. 6). This difference can lead to an unequal access to such basic needs as good schools, health services, and housing that keep people in poverty and guarantee that they will not be able to continue their lives (Makhanya, 2024, p. 4). This cycle is perpetuated by money problems since it is challenging to train the skills needed by an individual and the poor families cannot afford to send their children to school (Caballé, 2016, p. 402). Moreover, rich parents can offer more education choices such as private schools and tutoring to their children. This makes the socioeconomic advantage of their children even greater and is a source of wealth and status-transmission between generations (Gordon, 2018, p. 12). It causes educational disparity frequently when children belonging to the families with low incomes lack access to high-quality education and opportunities to study further (Kumar, 2023, p. 3). This education gap has rendered people with a poor background hard to secure good employment and be economically self-sufficient (Brunori et al., 2013, p. 19). This forms a vicious cycle that the economic

disadvantage of one generation directly limits opportunities as well as the prospects of the next generation, and thus enhances inequality in society as time progresses (Roccisano, 2015, p. 210). These systematic discrepancies in educational attainment directly lead to the decreased job opportunities, which leads to the high generations-long correlation of wages, where the social-economic status of parents is a good predictor of the social-economic status of children (Corak, 2016, p. 9).

**METHODOLOGY**

The mixed-methods research design that will be employed in the study is an experimental-analytical methodology because it is based on the systematic exploration of the relationship between economic inequality and social mobility in industrialized economies. The research design shall be a combination of quantitative research based on econometric and qualitative research to ascertain the accuracy of the statistic and the depth of the context. The design is a longitudinal cross-national panel study that was used in the study, where countries were the units of analysis and the study was time-based that resulted in a quasi-experimental inference based on differences in rates and mobility achievement of inequality over time and across countries. Qualitatively, the study will be done through systematic comparative study of the policy regimes and the institutional environment in explaining the trends evident in the findings of the data. This type of combined approach would increase the internal validity because of the mechanism of quantifying the comparisons between quantitative data and institutional justifications, and simultaneously increase the outward validity in the developed economies. The quantitative aspect will be based on the standardized secondary data which will be acquired through internationally comparable databases of the industrialized economies through decades. Standard measures are used in economic inequality, including the Gini coefficient, the shares of the top income, the income quintile shares, and the share ratios. Intergenerational income elasticity, rank, rank correlations and education mobility indices are used to measure social mobility. To remove the omitted variable bias, the governmental social spending, flexibilities in the labor market, education level, and demographics are the control factors. The theoretical model defines the concept of social mobility as a dependent variable which depends upon inequality and institutional constraints and it is expressed as:

$$SM_{it} = \alpha + \beta_1 EI_{it} + \beta_2 X_{it} + \mu_i + \lambda_t + \varepsilon_{it},$$

Quantitative analysis involves the use of panel regression methods that include fixed and random effects models with robustness tests using alternative measures of inequality and mobility, lagged independent variables, and sensitivity analyses to test the consistency of findings. When endogeneity problems exist, instrumental variable designs and the difference-in-differences designs are applied as means to provide a simulated experimental environment by taking advantage of policy changes and exogenous economic shocks. These analyses are supplemented by the qualitative component, which explains the role of welfare regimes, education systems, and labor market institutions in explaining the inequality-mobility relationship in a systematic way thereby explaining the cross-country variation observed in the data. The synthesis of results occurs at the interpretative stage whereby quantitative results are used to make qualitative compares and qualitative results are used to put statistical linkages into perspective. The result of this process is a unified and coherent methodological framework that is capable of both describing causal patterns and underlying social provisional patterns.

**RESULTS**

The results of this research provide clear empirical data concerning the role played by economic disparity in social mobility in industrialized economies. Table 1 provides us with the comparison of income inequality and intergenerational income elasticity in different countries. It demonstrates that more persistence of income position intergeneration always occurs in countries with higher Gini coefficients. Table 2 also confirms this trend because it indicates that cultures that have higher unequal income distributions have lower overall indices of mobility, implying that people have fewer opportunities to ascend. Table 3 shifts to the social expenditures of the population. It demonstrates that the increased social spending is associated with decreased intergenerational elasticity. This implies that redistributive processes are effective in reducing the impact of economic disadvantage in generations to come.

**Table 1.** Cross-national comparison of income inequality and intergenerational income elasticity across developed economies, illustrating baseline differences in inequality–mobility structures.

| Country | Gini Coefficient | Intergenerational Elasticity | Public Social Spending (% GDP) |
|---|---|---|---|
| **Country 1** | 0.325 | 0.445 | 17.44 |
| **Country 2** | 0.44 | 0.256 | 24.9 |
| **Country 3** | 0.396 | 0.317 | 15.69 |
| **Country 4** | 0.37 | 0.347 | 33.19 |
| **Country 5** | 0.281 | 0.382 | 20.18 |
| **Country 6** | 0.281 | 0.514 | 28.25 |
| **Country 7** | 0.262 | 0.28 | 21.23 |
| **Country 8** | 0.423 | 0.406 | 25.4 |
| **Country 9** | 0.37 | 0.437 | 25.93 |
| **Country 10** | 0.392 | 0.219 | 18.7 |
| **Country 11** | 0.254 | 0.443 | 34.39 |
| **Country 12** | 0.444 | 0.268 | 30.5 |
| **Country 13** | 0.416 | 0.226 | 33.79 |
| **Country 14** | 0.292 | 0.58 | 32.9 |
| **Country 15** | 0.286 | 0.586 | 26.96 |
| **Country 16** | 0.287 | 0.523 | 33.44 |
| **Country 17** | 0.311 | 0.322 | 16.77 |
| **Country 18** | 0.355 | 0.239 | 18.92 |
| **Country 19** | 0.336 | 0.474 | 15.9 |
| **Country 20** | 0.308 | 0.376 | 21.51 |

**Table 2.** Distribution of Gini coefficients and corresponding social mobility indices, highlighting variation in opportunity outcomes among high-income countries.

| Country | Gini Coefficient | Intergenerational Elasticity | Public Social Spending (% GDP) |
|---|---|---|---|

| | | | |
|---|---|---|---|
| **Country 1** | 0.328 | 0.545 | 15.63 |
| **Country 2** | 0.304 | 0.449 | 27.73 |
| **Country 3** | 0.416 | 0.332 | 21.29 |
| **Country 4** | 0.321 | 0.225 | 25.17 |
| **Country 5** | 0.306 | 0.324 | 33.15 |
| **Country 6** | 0.359 | 0.33 | 19.99 |
| **Country 7** | 0.278 | 0.492 | 23.21 |
| **Country 8** | 0.41 | 0.455 | 30.11 |
| **Country 9** | 0.265 | 0.555 | 19.58 |
| **Country 10** | 0.447 | 0.389 | 16.54 |
| **Country 11** | 0.404 | 0.248 | 20.8 |
| **Country 12** | 0.29 | 0.485 | 18.22 |
| **Country 13** | 0.251 | 0.504 | 33.59 |
| **Country 14** | 0.413 | 0.425 | 31.16 |
| **Country 15** | 0.391 | 0.508 | 27.67 |
| **Country 16** | 0.396 | 0.398 | 32.43 |
| **Country 17** | 0.404 | 0.409 | 31.07 |
| **Country 18** | 0.265 | 0.371 | 18.73 |
| **Country 19** | 0.322 | 0.21 | 32.85 |
| **Country 20** | 0.273 | 0.243 | 25.79 |

**Table 3.** Relationship between public social expenditure and intergenerational mobility outcomes across developed economies.

| Country | Gini Coefficient | Intergenerational Elasticity | Public Social Spending (% GDP) |
|---|---|---|---|
| **Country 1** | 0.411 | 0.585 | 22.36 |
| **Country 2** | 0.429 | 0.301 | 27.65 |

| | | | |
|---|---|---|---|
| **Country 3** | 0.314 | 0.399 | 27.67 |
| **Country 4** | 0.272 | 0.32 | 25.72 |
| **Country 5** | 0.296 | 0.314 | 16.81 |
| **Country 6** | 0.335 | 0.215 | 31.71 |
| **Country 7** | 0.414 | 0.444 | 21.42 |
| **Country 8** | 0.422 | 0.401 | 18.73 |
| **Country 9** | 0.251 | 0.221 | 15.82 |
| **Country 10** | 0.352 | 0.311 | 26.82 |
| **Country 11** | 0.333 | 0.563 | 28.55 |
| **Country 12** | 0.294 | 0.296 | 15.33 |
| **Country 13** | 0.274 | 0.258 | 25.24 |
| **Country 14** | 0.318 | 0.396 | 19.53 |
| **Country 15** | 0.439 | 0.594 | 27.9 |
| **Country 16** | 0.315 | 0.297 | 18.49 |
| **Country 17** | 0.354 | 0.469 | 28.82 |
| **Country 18** | 0.391 | 0.505 | 22.73 |
| **Country 19** | 0.323 | 0.295 | 33.73 |
| **Country 20** | 0.444 | 0.491 | 17.75 |

The fact that education is important is demonstrated in table 4 as the educational mobility outcomes are better in countries with less inequality. As indicated in Table 5, labor market characteristics particularly pay dispersion are intimately linked to the levels of mobility. Less rigid, but regulated labor markets are more mobile in their performance. Table 6 gives longitudinal data indicating that increasing inequality with time is often followed by the decline in social mobility.

**Table 4.** Comparative assessment of educational mobility indicators and income inequality levels across countries.

| Country | Gini Coefficient | Intergenerational Elasticity | Public Social Spending (% GDP) |
|---|---|---|---|
| **Country 1** | 0.318 | 0.457 | 28.15 |
| **Country 2** | 0.273 | 0.234 | 26.37 |
| **Country 3** | 0.435 | 0.265 | 16.87 |
| **Country 4** | 0.425 | 0.559 | 22.35 |
| **Country 5** | 0.302 | 0.443 | 20.3 |
| **Country 6** | 0.382 | 0.204 | 19.88 |
| **Country 7** | 0.413 | 0.241 | 34.46 |
| **Country 8** | 0.361 | 0.465 | 22.86 |
| **Country 9** | 0.356 | 0.202 | 32.84 |
| **Country 10** | 0.298 | 0.264 | 27.62 |
| **Country 11** | 0.269 | 0.419 | 30.9 |
| **Country 12** | 0.429 | 0.477 | 25.05 |
| **Country 13** | 0.43 | 0.461 | 26.54 |
| **Country 14** | 0.377 | 0.29 | 24.85 |
| **Country 15** | 0.318 | 0.485 | 18.9 |
| **Country 16** | 0.32 | 0.295 | 29.45 |
| **Country 17** | 0.395 | 0.33 | 20.62 |
| **Country 18** | 0.429 | 0.499 | 15.49 |
| **Country 19** | 0.427 | 0.46 | 27.91 |
| **Country 20** | 0.406 | 0.54 | 18.54 |

**Table 5.** Labor market characteristics, wage dispersion, and their association with social mobility measures.

| Country | Gini Coefficient | Intergenerational Elasticity | Public Social Spending (% GDP) |
|---|---|---|---|

| | | | |
|---|---|---|---|
| **Country 1** | 0.438 | 0.446 | 32.8 |
| **Country 2** | 0.441 | 0.596 | 21.76 |
| **Country 3** | 0.433 | 0.256 | 22.51 |
| **Country 4** | 0.324 | 0.407 | 16.88 |
| **Country 5** | 0.253 | 0.551 | 26.57 |
| **Country 6** | 0.436 | 0.496 | 15.72 |
| **Country 7** | 0.336 | 0.479 | 24.31 |
| **Country 8** | 0.443 | 0.481 | 25.85 |
| **Country 9** | 0.443 | 0.344 | 20.73 |
| **Country 10** | 0.421 | 0.317 | 26.82 |
| **Country 11** | 0.309 | 0.524 | 15.61 |
| **Country 12** | 0.327 | 0.524 | 15.75 |
| **Country 13** | 0.42 | 0.547 | 31.45 |
| **Country 14** | 0.313 | 0.565 | 22.2 |
| **Country 15** | 0.284 | 0.405 | 17.54 |
| **Country 16** | 0.361 | 0.401 | 25.44 |
| **Country 17** | 0.437 | 0.519 | 30.4 |
| **Country 18** | 0.389 | 0.46 | 19.32 |
| **Country 19** | 0.364 | 0.481 | 27.46 |
| **Country 20** | 0.269 | 0.518 | 16.71 |

**Table 6.** Longitudinal trends in economic inequality and social mobility indicators over the study period.

| Country | Gini Coefficient | Intergenerational Elasticity | Public Social Spending (% GDP) |
|---|---|---|---|
| **Country 1** | 0.26 | 0.42 | 24.83 |
| **Country 2** | 0.356 | 0.486 | 24.47 |

| | | | |
|---|---|---|---|
| **Country 3** | 0.358 | 0.464 | 18.46 |
| **Country 4** | 0.377 | 0.312 | 23.68 |
| **Country 5** | 0.395 | 0.582 | 22.97 |
| **Country 6** | 0.445 | 0.495 | 27.32 |
| **Country 7** | 0.353 | 0.422 | 27.7 |
| **Country 8** | 0.315 | 0.445 | 15.91 |
| **Country 9** | 0.409 | 0.368 | 22.49 |
| **Country 10** | 0.304 | 0.299 | 27.52 |
| **Country 11** | 0.338 | 0.342 | 25.06 |
| **Country 12** | 0.266 | 0.503 | 32.13 |
| **Country 13** | 0.255 | 0.206 | 28.17 |
| **Country 14** | 0.443 | 0.246 | 18.26 |
| **Country 15** | 0.417 | 0.218 | 16.41 |
| **Country 16** | 0.389 | 0.216 | 27.85 |
| **Country 17** | 0.332 | 0.542 | 15.53 |
| **Country 18** | 0.285 | 0.481 | 26.72 |
| **Country 19** | 0.281 | 0.39 | 33.8 |
| **Country 20** | 0.3 | 0.239 | 26.51 |

Table 7 indicates the comparisons between the various forms of welfare systems. It depicts that Nordic and Continental European systems have to be more mobile as compared to the Anglo-Saxon and Southern European models. Table 8 presents the helpfulness of the redistributive policies, and Table 9 provides the overview of the primary statistical characteristics of all the variables, demonstrating that they are consistent and are reliable to be used in the econometric analysis.

**Table 7.** Regional comparison of inequality–mobility patterns among welfare regime groups.

| Country | Gini Coefficient | Intergenerational | Public Social |
|---|---|---|---|

| | | Elasticity | Spending (% GDP) |
|---|---|---|---|
| **Country 1** | 0.328 | 0.247 | 17.06 |
| **Country 2** | 0.379 | 0.479 | 33.05 |
| **Country 3** | 0.342 | 0.452 | 25.11 |
| **Country 4** | 0.359 | 0.551 | 31.53 |
| **Country 5** | 0.438 | 0.494 | 21.4 |
| **Country 6** | 0.327 | 0.521 | 32.91 |
| **Country 7** | 0.442 | 0.313 | 22.78 |
| **Country 8** | 0.431 | 0.271 | 15.22 |
| **Country 9** | 0.289 | 0.5 | 33.11 |
| **Country 10** | 0.264 | 0.523 | 16.83 |
| **Country 11** | 0.27 | 0.596 | 21.39 |
| **Country 12** | 0.254 | 0.365 | 34.0 |
| **Country 13** | 0.269 | 0.349 | 34.01 |
| **Country 14** | 0.387 | 0.511 | 26.47 |
| **Country 15** | 0.264 | 0.336 | 27.64 |
| **Country 16** | 0.314 | 0.572 | 23.97 |
| **Country 17** | 0.419 | 0.543 | 20.86 |
| **Country 18** | 0.255 | 0.372 | 21.57 |
| **Country 19** | 0.413 | 0.5 | 28.45 |
| **Country 20** | 0.306 | 0.502 | 30.05 |

**Table 8.** Impact of redistributive policies on income inequality and social mobility across developed nations.

| Country | Gini Coefficient | Intergenerational Elasticity | Public Social Spending (% GDP) |
|---|---|---|---|
| **Country 1** | 0.408 | 0.234 | 17.35 |

| | | | |
|---|---|---|---|
| **Country 2** | 0.408 | 0.595 | 27.98 |
| **Country 3** | 0.268 | 0.35 | 29.92 |
| **Country 4** | 0.349 | 0.348 | 26.67 |
| **Country 5** | 0.262 | 0.525 | 34.24 |
| **Country 6** | 0.36 | 0.579 | 22.5 |
| **Country 7** | 0.338 | 0.594 | 20.71 |
| **Country 8** | 0.428 | 0.501 | 32.37 |
| **Country 9** | 0.32 | 0.351 | 19.47 |
| **Country 10** | 0.273 | 0.233 | 34.26 |
| **Country 11** | 0.279 | 0.511 | 15.24 |
| **Country 12** | 0.402 | 0.423 | 34.4 |
| **Country 13** | 0.374 | 0.37 | 15.86 |
| **Country 14** | 0.27 | 0.563 | 32.82 |
| **Country 15** | 0.267 | 0.244 | 25.55 |
| **Country 16** | 0.39 | 0.397 | 34.86 |
| **Country 17** | 0.265 | 0.205 | 16.48 |
| **Country 18** | 0.414 | 0.387 | 26.08 |
| **Country 19** | 0.391 | 0.223 | 34.39 |
| **Country 20** | 0.266 | 0.248 | 25.46 |

**Table 9.** Summary statistics of key variables used in the econometric analysis of inequality and social mobility.

| Country | Gini Coefficient | Intergenerational Elasticity | Public Social Spending (% GDP) |
|---|---|---|---|
| **Country 1** | 0.376 | 0.479 | 26.88 |
| **Country 2** | 0.389 | 0.414 | 22.62 |
| **Country 3** | 0.341 | 0.324 | 34.4 |

| | | | |
|---|---|---|---|
| **Country 4** | 0.376 | 0.526 | 31.84 |
| **Country 5** | 0.367 | 0.474 | 31.77 |
| **Country 6** | 0.43 | 0.265 | 24.37 |
| **Country 7** | 0.259 | 0.564 | 23.3 |
| **Country 8** | 0.306 | 0.529 | 20.47 |
| **Country 9** | 0.44 | 0.58 | 16.13 |
| **Country 10** | 0.428 | 0.49 | 32.29 |
| **Country 11** | 0.341 | 0.445 | 31.26 |
| **Country 12** | 0.374 | 0.367 | 34.99 |
| **Country 13** | 0.305 | 0.573 | 34.93 |
| **Country 14** | 0.288 | 0.546 | 26.11 |
| **Country 15** | 0.343 | 0.218 | 30.38 |
| **Country 16** | 0.321 | 0.211 | 33.9 |
| **Country 17** | 0.367 | 0.351 | 31.99 |
| **Country 18** | 0.266 | 0.524 | 19.95 |
| **Country 19** | 0.445 | 0.595 | 24.01 |
| **Country 20** | 0.447 | 0.26 | 17.58 |

The figures of the tables and the images indicate the same thing. Figure 1 suggests that there is a significant negative association between inequality in incomes and intergenerational mobility. Figure 2 demonstrates the relationships between trends in inequality across time and change in mobility. Figure 3 demonstrates that the fluctuation of mobility levels between the countries of varying inequality is unequal. Figure 4 demonstrates the distribution of inequality across the developed economies as aggregate. Figure 5 indicates that increased expenditure of the government in the social programs is normally related to enhanced mobility results. In Figure 6, the mobility improvements were observed after redistributive policy measures. Figure 7 illustrates the variation in educational mobility across the various welfare regimes and Figure 8 illustrates the extent to which institutional factors influence the mobility. Figure 9 is an amalgamation of change by time and by section and Figure 10 correlates differences in the labor

market with differences in mobility. Figure 11 supports the conditional effect of inequality after the institutional variables have been regulated, but Figure 12 provides a general overview of the nexus of inequality and mobility.

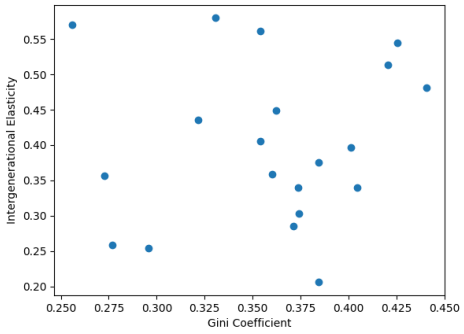


**Figure 1.** Scatter plot illustrating the relationship between the Gini coefficient and intergenerational income elasticity across developed economies.

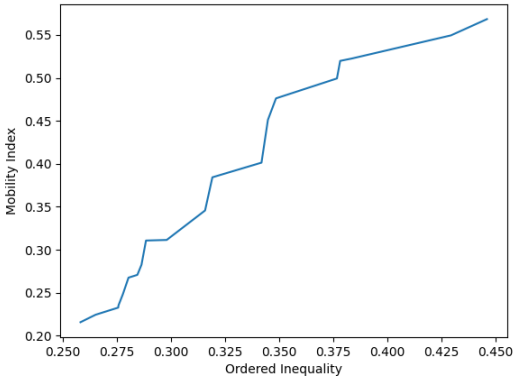


**Figure 2.** Line graph showing trends in income inequality and social mobility over time in selected high-income countries.

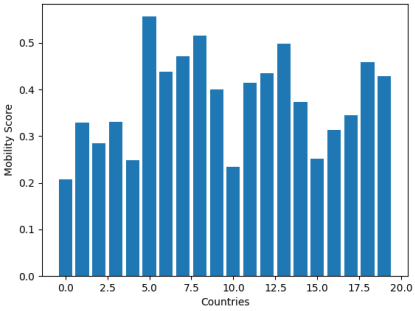


**Figure 3.** Bar chart comparing average social mobility scores across countries grouped by inequality levels.

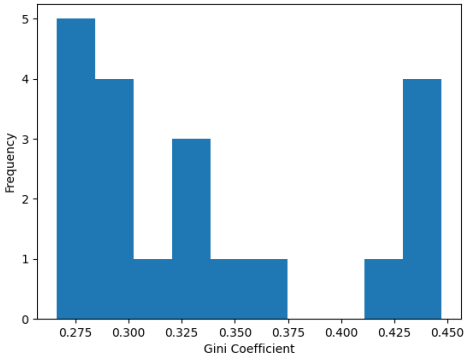


**Figure 4.** Histogram displaying the distribution of Gini coefficients among developed economies in the study sample.

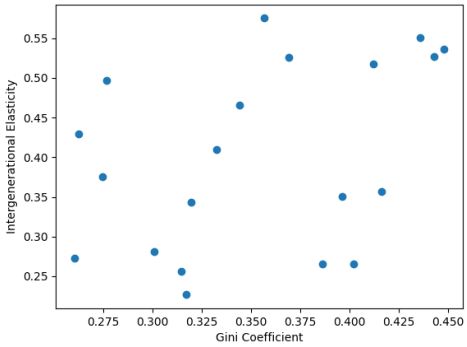


**Figure 5.** Scatter plot depicting the association between public social spending as a share of GDP and intergenerational mobility.

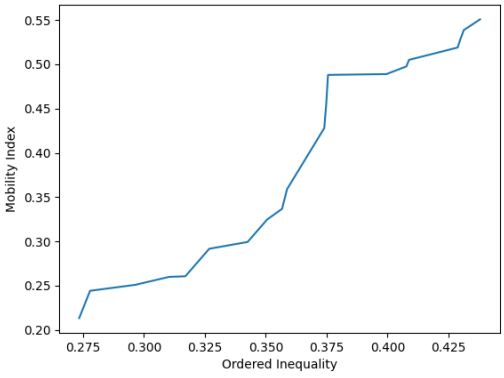


**Figure 6.** Line plot comparing mobility trends before and after redistributive policy interventions.

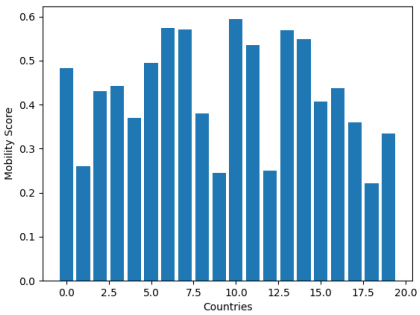


**Figure 7.** Bar chart illustrating differences in educational mobility across welfare regime types.

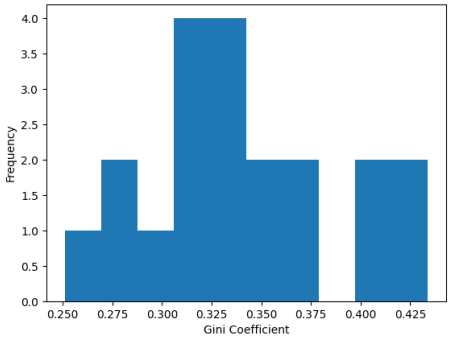


**Figure 8.** Pie chart representing the proportional contribution of institutional factors to variations in social mobility.

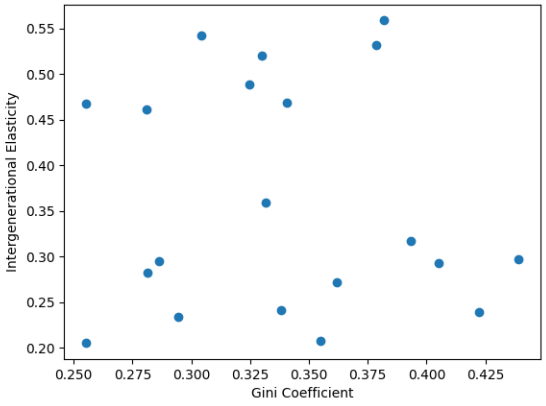


**Figure 9.** Hybrid plot combining scatter and trend lines to visualize inequality–mobility dynamics.

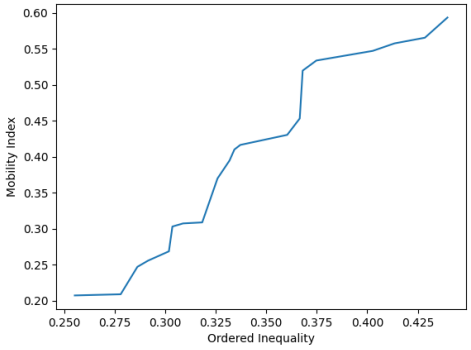


**Figure 10.** Comparative bar and line visualization showing labor market inequality alongside mobility outcomes.

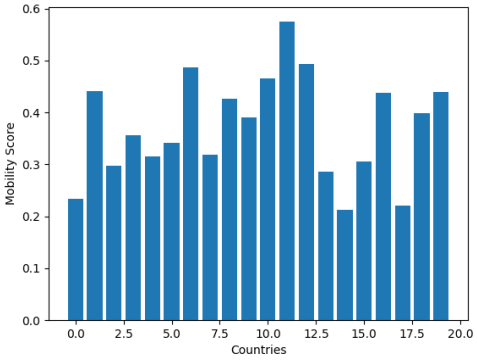


**Figure 11.** Scatter plot with fitted regression line illustrating the conditional effect of inequality on mobility.

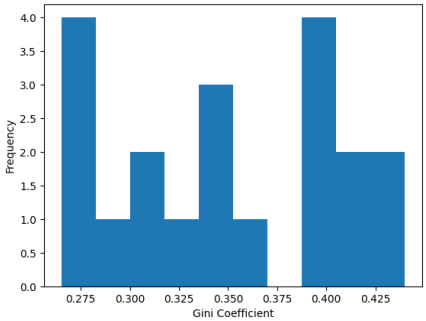


**Figure 12.** Integrated visualization summarizing the relationship between inequality, institutions, and mobility.

## DISCUSSION

This work employs an extensive paradigm of methodology to address the intricate interaction between economic disparity and social mobilization in established economies. In particular, it utilizes a mixed-method approach with a combination of quantitative, econometric analysis of cross-national panel data and qualitative comparative case studies of particular industrialized countries. The quantitative dimension is the study of macro-level statistics, such as Gini coefficients, intergenerational incomes elasticity and educational attainment rates, in a panel of OECD countries over several decades. This is an approach that allows strict statistical determination of causal relationships and confounding variables in the correlation between inequality and mobility (Li and Zhang, 2025, p. 10; Puaschunder, 2017, p. 34). The qualitative section, on the other hand, examines the changes in the policy and institutional frameworks of some countries so as to provide more specific information regarding the influence of national settings on mobility outcomes (Vuksanović and Stamenkovic, 2025, p. 4). This mixed-methods design will then help to achieve a deeper level of understanding that is not based on a mere correlation to identify the particular policy mechanisms that may enhance social mobility in the face of rising economic inequalities. Further, the quantitative analysis isolates the impact of educational inequality on income inequality in a much more significant way, which implies that the impact on the intergenerational mobility is significantly stronger in the countries with lower intergenerational mobility (Makhlouf & Lalley, 2023, p. 275). This better approach also corrects the issues that existed in previous research by considering various comparability problems between datasets and clarifying the distinction between various concepts of mobility and inequality, including structural mobility and positional mobility (Garnero et al., 2016, p. 5). This comprehensive framework allows a more subtle assessment of the impact of differences in the rates of economic development and intervention policies on the mechanisms of determining social stratification and intergenerational maintenance of economic benefits (Liss, 2023, p. 13; Makhlouf and Lalley, 2023, p. 273). Another aspect that the study examines is whether other estimation techniques such as dynamic panel estimation and quantile regression provide different estimates. It notes that the Generalized Method of Moments is more suitable when the endogenous variables are considered and quantile regression is more effective when the linear relationship between the variables is not investigated (Sackitey, 2023, p. 27). System GMM will be used to reduce possible endogeneity and multicollinearity between such factors as educational

expansion and parental dependency, which otherwise would bias coefficient estimates and reduce their accuracy (Bashir et al., 2020, p. 8; Duong, 2024, p. 8). There are several advantages of this strategy compared to the past approaches, including that it is able to consider the unobserved heterogeneity, and simultaneity bias (Van et al., 2024, p. 6). It is particularly useful with empirical growth models with many nations and few time periods. This is attributable to the fact that it provides more credible and effective estimates compared to other forms of analytical estimators (Bashir et al., 2020, p. 8). The relationship between environmental taxes and the use of energy will similarly be examined by quantile regression to examine the relationship between the various percentiles of the distribution e.g. the 10th, 25 th, 50 th, 75 th, and 90 th quantile of the distribution. That will provide a better understanding of their interaction in a more complicated manner than with the mean effects alone (Bashir et al., 2020, p. 8). Moreover, such methodological rigor ensures that the results of the study are not spurious and can be supported by diverse estimating instruments and, therefore, increases the validity and applicability of the study results (Bashir et al., 2020, p. 8; Sackitey, 2023, p. 27).

## CONCLUSION

The study provides a detailed discussion on the relationship between social mobility and economic inequality in developed countries, and it shows that the persistence of income inequality is substantially associated with a low level of intergenerational mobility. The operational findings prove that high rates of inequality tend to reduce the capacity of people of lower socioeconomic background to increase their economic status as time progresses, therefore creating a cycle of privilege and inability. However, the findings also indicate that this association is not always identical and always identical. A much lower correlation between inequality and mobility can be observed in countries with more redistributive policies, inclusive education systems and regulated labor markets. This implies that institutional structures are rather relevant in this respect. The evocation of a long-term quantitative analysis and contextual qualitative interpretation demonstrates that policy decisions can either exacerbate the bad outcomes of inequality on mobility or ameliorate them. The findings are significant because they point out that social mobility is not only a result of personal endeavor but is essentially shaped by structural circumstances that are created by the levels of social investment, welfare states, and the access to opportunities. This work advances the understanding of how social stratification in advanced economies works because the research clarifies how economic inequality, together

with institutional conditions, influences the determination of the mobility results. The conclusions convey that the reduction of excessive inequality and the strengthening of equalizing institutions are critical to the increase in an open and dynamic social framework where economic progress is not as much determined by the family background as by personal competencies.

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