Introduction
Poverty and inequality are important issues in economics which are profoundly related with intergenerational mobility. Intergenerational mobility helps understanding why the transmission of economic advantage does not work identically across countries.

Measures
Relative mobility measures which is the outcome of children relative to their different backgrounds. Commonly measured in the literature by Intergenerational Income Elasticity

1. \( \log(y_i) = \beta_0 + \beta_1 \log(y_p) + \epsilon \)
2. \( IGE = \rho \log(y_i)log(y_p) * \log(y_p) \)

or by a rank-rank regression

3. \( R_i = \beta_0 + \beta_1 P_i + \epsilon \)
4. \( \beta_1 = \beta_{KP} \)

Understanding Intergenerational Mobility
Patterns and Trends:
- Developing vs. Developed countries.
- Variation at a regional level within a country.

Predictors:
- Inequality, segregation, urban vs. rural.
- Education, family structure, non-monetary investments and school quality.

Measuring Chile’s Intergenerational Mobility: An Exercise
Chile is an interesting case, as it is a late-industrialised country that suffered a market-oriented reform under the dictatorial regime of Augusto Pinochet. Chile is a highly unequal country, highlighting the concentration of the earnings in the top of the distribution. The Latin American country has a low intergenerational mobility.

The “2001 Chilean Mobility Survey” (CMS) was conducted by Florencia Torche and Guillermo Wormald (2005). The data used for the measures is from CMS, which contains information of education level and household income of the respondents. Conversion of levels of education into years of education and conversion of Monthly Household Income

Conclusions
- The role of predictors needs to be further examined, since data available was limited. Nonetheless, inequality and education are important transmitters of socioeconomic advantage or disadvantage.
- The estimates constructed with “2001 Chilean Mobility Survey” did not give similar estimations to other research due to the bias of the regressions, since the lack of data.
- Intergenerational mobility is of key importance in an era of increasing inequality and poverty.

Selected References