

Intergenerational mobility in Norway, 1865-2011

Jørgen Modalsli*

November 18, 2015

Abstract

There are large differences in intergenerational mobility between countries. Little is known, however, about how persistent such differences are, and how they evolve over time. This paper constructs a data set of 835 537 linked father-son pairs from census records and documents a substantial increase in intergenerational occupational mobility in Norway between 1865 and 2011. The increase is most pronounced in non-farm occupations. The findings show that long-run mobility developments previously described for the US and UK are not necessarily representative for other countries, and that high mobility in a given country today need not reflect high mobility before industrialization.

JEL codes: J62, N33, N34

Keywords: Intergenerational mobility, occupations, mobility measurement, economic history

*Statistics Norway, Research Department. Email: mod@ssb.no. I would like to thank Rolf Aaberge, Karin Hederos Eriksson, Magne Mogstad, Steven Nafziger, Gunnar Thorvaldsen, Ola Vestad, Daniel Waldenström, participants at workshops and seminars, and two anonymous referees for helpful comments and discussions. Support from the Research Council of Norway is acknowledged.

I Introduction

The spread of the Industrial Revolution from its core areas to other parts of the world from the mid-1800s onward led to massive increases in economic growth and human welfare. This development was accompanied by a decrease in income and wealth inequality in most Western countries, culminating in historically low income inequality in the 1960s. Information on economic inequality and growth does not, however, fully characterize the distribution of welfare across families. If social mobility is low, meaning that individuals' positions are to a large extent determined by those of their parents, not all members of society will be able to make use of the increased opportunities made available by industrialization. Economists often conceptualize this as a “dynasty utility function”, where individuals have preferences not only over their own welfare, but also that of their descendants. Hence, the distribution of economic utility depends on intergenerational mobility. The extent of such mobility changes over time, as documented by Long and Ferrie (2013): since the late nineteenth century, intergenerational mobility has decreased in the United States and remained relatively stable in the United Kingdom.¹

Constructing estimates of social mobility for time periods earlier than the late twentieth century is a challenging task. To examine the evolution of economic characteristics across generations, it is necessary to have data that measure these characteristics consistently over time, along with the possibility of linking individuals across generations and time periods. To study the *change* in mobility over time, an even longer time span of observations is needed. However, prior to the 1970s, few population registries were computerized, and even fewer large-scale surveys were conducted.

Some existing studies of trends in mobility rely on databases constructed from preserved records from specific rural regions or small towns.² However, since industrialization and economic development coincided with large population movements from the countryside to cities, estimates of social mobility in such small geographic regions cannot be easily generalized to infer trends in mobility for society as a whole. The use of countrywide, census-based data sets has so far been restricted to analyses of Great Britain and the United States.³

This paper uses full-count, digitized historical census data for Norway, and combines them with modern administrative data to construct a database of the occupations of a total of 835 537 father-son pairs spanning 146 years, from 1865 to 2011. Intergenerational occupational mobility is found to increase over the period studied, with the increase being driven by a decrease in the father-son persistence of

¹There is also substantial variation in intergenerational mobility across present-day countries (Corak, 2013).

²van Leeuwen and Maas (2010) review the historical sociological literature on intergenerational occupational mobility based on such regional databases. Lindahl *et al.* (2015), studying three generational transitions in the city of Malmö, find no large changes in intergenerational mobility in earnings. Dribe *et al.* (2012), using data from five rural parishes in southern Sweden, find some evidence of increased occupational mobility over time.

³See Long and Ferrie (2007, 2013), Ferrie (2005), Long (2013). For studies based on other types of sources, see, for example, Clark and Cummins (2015) (wealth estates) and Boberg-Fazlic and Sharp (2013) (family reconstitution data).

non-farm occupations.

This paper contributes to the literature in three ways. It presents the first nationwide, long-run data set on intergenerational occupational mobility outside the United States and United Kingdom; this is also the first study to use a consistent methodology for the nineteenth, twentieth and twenty-first centuries. In order to analyze this data set, new methodology on the decomposition of measures of intergenerational mobility is developed, highlighting the differential trends in mobility in and outside farming. While the increasing mobility in Norway was driven by decreasing non-farm father-son persistence, the decrease in mobility in the United States can be attributed to an increase in father-son persistence in farming. Supplementing the Norwegian mobility matrices with occupational mean income data provides an economic interpretation of the increase in occupational mobility, and shows the relative contribution to welfare equalization of changing relative mean occupation incomes and intergenerational mobility. Finally, this paper explores the role of regional economic differences in the change in social mobility over time. Few systematic differences in mobility are found across Norwegian regions, and the extent of neighborhood effects has changed little. Individuals who moved from one region to another experienced higher intergenerational occupational mobility than non-movers.

Long-run changes in social mobility

There is a small but expanding literature on the long-run development of social mobility in Western countries. Long and Ferrie (2013) demonstrate that intergenerational occupational mobility decreased in the United States between the nineteenth and twentieth century, using comparable sets of census or survey data for both periods. For England and Wales, mobility was lower than in the US in the nineteenth century, and it remains at about the same level today.⁴ Because of the distinct characteristics of the history of these countries (early Industrial Revolution in Britain and large geographic expansion and immigration in the United States) it is not clear how the results from these countries generalize to other Western countries. By constructing a comparable data series for Norway, it becomes clear that the stability of intergenerational mobility in Great Britain is not representative of Europe as a whole.

Social mobility in Norway between 1800 and 1950 has previously been discussed by Semmingsen (1954). Reviewing legal changes and the development of the cross-section income distribution, Semmingsen argues that the move toward a more fluid society started in the eighteenth century and accelerated through economic liberalization reforms in the nineteenth century. Social circulation is said to have increased from around 1850 onward, driven by industrialization and the increasing integration of Norway into the world market. Moreover, technological advances led to increasing population growth,

⁴Because of data limitations, most historical studies of intergenerational mobility use occupation information. However, using estate data, Clark and Cummins (2015) examine wealth mobility in the United Kingdom and find strong and stable persistence in the correlation between father and son wealth between 1858 and 2012.

putting old social structures under pressure. In agriculture, rates of self-ownership were high — by 1900, nearly all farms were run by owner-occupiers and there were no large estates of the type seen in Sweden, Denmark, and elsewhere in Europe. At the same time, old social classes disappeared (some cottagers were allowed to buy their land and became farmers) and new ones emerged, in particular the large industrial working class and a new middle class in the cities. The only quantitative studies of early social mobility in Norway known to this author are works on university admission lists (Palmstrøm, 1935; Aubert *et al.*, 1960) and on the biographies of theological candidates (Mannsåker, 1954). These studies show how the expansion in the number of university students led to a steadily increasing share of students being recruited from middle-class and farmer backgrounds rather than upper-class backgrounds. The present paper supports the assertion of increased non-farm mobility and shows that the results for academic elites are representative of the population as a whole. The trend is shown to have continued after 1960. However, the increased persistence in agriculture shown in this paper disagrees somewhat with the general picture of increased social mobility across the board.

Moving toward the latter half of the twentieth century, there are several studies on social mobility in Norway based on large administrative data sets. Bratberg *et al.* (2005) find a stable relationship between parents' and children's earnings (for children born between 1950 and 1965). They find that mobility is high but does not change much over time. Jäntti *et al.* (2006) and Raaum *et al.* (2007) find intergenerational income mobility to be higher in the Scandinavian countries than in the United States and the United Kingdom.^{5,6} The present paper puts these findings in a historical context by showing that the high social mobility in Norway was not present 150 years ago, and that it has increased steadily in the intervening period, concurrently with the development of a large range of policies relating to education and social assistance.

Since this paper shows that intergenerational mobility in Norway increased gradually during the entire period studied, it is hard to pinpoint any one economic change that coincided with this development. However, decreased within-country regional diversity is one change over time that is highlighted by several authors. Long and Ferrie argue that the fall in mobility in the United States can partly be explained by reduced economic differences between U.S. regions, which removes the opportunity to achieve social mobility through geographic migration. Regional differences are also a central theme in the work of

⁵The evidence using other outcomes than income is more mixed. The relationship between parents' and children's elementary education is studied by Black *et al.* (2005), who find correlations in Norway that are comparable to those in other countries, but use a school reform as an instrument to demonstrate a relatively low causal impact of parents' schooling length on children's outcomes. Dahl *et al.* (2014), using data on Norway from between 1989 and 2011, demonstrate that the receipt of disability benefits in one generation has a substantial causal impact on the receipt of disability benefit in the next generation.

⁶There is also a substantial sociological literature on intergenerational occupational mobility in Western countries over the last 40-50 years. Breen and Luijkx (2004) find evidence of moderately increasing social mobility ("fluidity") from 1970 onward in many Western countries, though with some exceptions (notably the United Kingdom). Ringdal (2004) confirms this picture for Norway, at least for the association between fathers' and sons' occupations; the evidence for a father-daughter association is weaker.

Boberg-Fazlic and Sharp (2013), who find moderate differences between the North and South of England in pre-1850 intergenerational occupational mobility.⁷ In this study of Norway, however, the difference in intergenerational mobility between regions is found to be only moderate, though one can observe a correlation between economic and occupational mobility.⁸ This is in line with the studies by Abramitzky *et al.* (2012, 2013), who find evidence of negative selection of transatlantic migrants from late nineteenth-century Norway, suggesting that migration was a way of moving out of adverse economic conditions at home. The present study does not find any signs that differential development of the country's regions contributed significantly to the increase in intergenerational mobility.

A full review of the development of policies that potentially facilitated occupational mobility in Norway between 1865 and 2011 is beyond the scope of this paper. It is worth noting, however, that relatively comprehensive poverty relief systems were in place already in the nineteenth century and that social insurance systems were rolled out gradually from the 1880s onward (Seip, 1994). A comprehensive, unified national social insurance and pension system was not established until the late 1960s.

Public elementary education was established by law in 1739, and formalized as seven-year primary education for all in 1889. There were several further reforms of primary education, extending the years of schooling or the number of hours taught per year, with reforms in nearly every decade until the establishment of 10-year primary education in 1997. Higher education was less prevalent until the post-World War II period, with the share of 19-year-olds completing academic-track upper secondary school (*examen artium*) not exceeding 10% until 1946. The public lending agency for students was established in 1947, and scholarships made independent of parents' incomes in 1968 (Norwegian Department of Education, 1999, chap. 4).

Finally, the Norwegian agricultural inheritance laws (the *odelsrett* and *åsetesrett*) differ in several ways from similar arrangements elsewhere in the world. These laws regulate the ownership of farms and agricultural land, and stipulate that family members (in particular descendants) have a preemptive right to purchase farms, and that farms cannot be split into smaller units and divided among heirs.⁹ One would expect these laws to strengthen persistence in farming in the entire time period studied here.

⁷Furthermore, Chetty *et al.* (2014b) find substantial regional heterogeneity in intergenerational income mobility in the present-day United States.

⁸A similar correlation has been observed for nineteenth-century United States (Long and Ferrie, 2013; Olivetti and Paserman, 2015); however, Chetty *et al.* (2014b, Appendix H) find no strong evidence for such a correlation in modern U.S. data.

⁹The laws have been in effect since ancient times, with several minor modifications in the time period studied; for a full review, see Norwegian Department of Justice (1972, chap. 1).

II Data and aggregate trends

Norwegian censuses

The data used in this study come from the Norwegian censuses of 1865, 1900, 1910, 1960, 1970, 1980, and 2011. With the exception of the 2011 census, which was compiled from administrative records by Statistics Norway, all censuses were based on interviews or mail-in forms. The 1865-1910 censuses were digitized and occupations coded in a collaboration between the Norwegian National Archives, the University of Tromsø, and the University of Minnesota (2014). The 1960 and 1980 censuses were consistently coded in 1984, see Vassenden (1987). In addition, data on occupation mean incomes and municipality mean incomes are obtained from tax statistics; they will be discussed in Section below.

To examine social mobility in Norway through the entire industrialization period, it is necessary to rely on occupation data rather than on education, incomes or the receipt of social assistance. Until the mid-twentieth century, the extent of higher education was very low in Norway; in the 1950 census, only 0.13 percent of the adult population (15 years or older) reported holding a university degree. While the state income tax was introduced as early as 1893, there is to date no large digitized sample of income data available. There is also a lack of micro data on social assistance, though these arrangements have existed since the 1860s.

Data from historical Norwegian censuses (for 1865 and 1900) has found some use in economic research, the most prominent examples being the studies of Abramitzky *et al.* (2012, 2013) on Norway-US migration. The individual records from the 1910 census were released in 2010, but they were only recently (2014) made available with occupation codes and have not yet been widely used in research. Modern registry data on Norwegian individuals (data from 1960 onward) have been used extensively in many areas of the social sciences; a partial survey of studies on social mobility is provided in Black and Devereux (2011). However, this study is the first to link data on individuals from the historical samples with modern registry data. It is also, to the knowledge of this author, the first academic study to take advantage of the occupation codes compiled for the 2011 registry-based census of Norway.

Following families over time

To study intergenerational mobility, it is necessary both to establish family relationships between individuals and to link observations of individuals that are made at different times. If information on the occupation of fathers and sons were taken from the same census, we would have reason to be worried about life-cycle bias. Occupations can change over the life cycle, and in farmer societies the son might not be able to take over the farm until the father reaches a certain age. Moreover, historically the main

source of relationship information in the census derives from the household; the father-son links are identified by the family information recorded in the census — individuals listed as the son of somebody else in the same household. For this reason, occupational information is always taken from two different censuses, using the following approach: First, an individual has an observed occupation. Second, we try to link him to a previous census. Third, in this previous census, we identify his father and record his occupation. This provides us with the observation on this father-son pair of occupations. To further minimize the risk of life-cycle bias, only occupation information for an individual between 30 and 60 years of age is used.¹⁰

The family relationships of people residing together are recorded in the census in all time periods studied here, and can be supplemented with population registry data after 1964. Hence, most of the effort of constructing a generational database relates to the linkage of individuals across censuses. The Norwegian Central Population Register, which has unique identification numbers for all individuals living in Norway, was established in 1964 based on the 1960 census. For this reason, linking individuals after 1960 is straightforward and link rates for the 1960-1980 period and the 1980-2011 period are close to 100 percent.

Before 1960, there was no national database of individuals in Norway. For this reason, individuals are linked based on names, birth dates, and birthplaces. The links are based on the full-count historical census micro-data samples of 1865, 1900 and 1910. The census records contain information on, among other things, names, sex, age, place of birth, name of residence location, and occupation. The 1910 census also has information on date of birth. The link to the modern period was established using an extract from the initial version of the Central Population Register with the unique identifier as well as the individual information listed above.

The spelling of first and last names changes between sources, both because of writing errors and because individuals might change the spelling of their name over time. For this reason, rather than only linking individuals whose names are identically spelled, a metric of the similarity of any two names is calculated using the Levenshtein algorithm as implemented by Reif (2010). Historically, several systems of family name formation were in use in Norway: inheritance of father’s surname, a patronymic based on the father’s first name, or the name of the farm of residence (or origin). Last names gradually came to be seen as permanent and were inherited directly from the father — this practice was encoded into law in 1923 (Norwegian Department of Justice and Police, 2001, chapter 4). To take account of this variation in naming customs, last-name comparisons are based on the last names as stated, on the last name stated compared to the farm name in the other period, and on the last name stated compared to a

¹⁰Based on registry data from 2011, we can verify that the variation in occupations across cohorts in the “son” generation (holding father’s occupation constant) is much lower in this age range than it is below the age of 30 or above age 60. Detailed results are available on request.

constructed patronymic based on the father’s name. Such differences are computed between all pairs of first names and all pairs of last names, and the difference is converted into a score used for considering matches.

Potential matches are also scored based on the similarity of birthplace and of time of birth. For the 1865-1900 link, only year of birth is available; 1910 and 1960 have complete birth dates. Until 1910, the municipality of birth is recorded, so 1865-1900 can be matched based on quite detailed birth locations (there were 491 municipalities in Norway in 1865), while the 1960 census only has county of birth and hence is matched on that basis. Individuals are matched if they have a high score on similarity of first name, last name, birthplace, and birth time, and if they are unique; that is, if there are no other potential matches with similar match quality. No information on the identity of family members or location of residence is used for matching, as this would bias the sample toward non-movers and those with more stable household structures. Further information on the matching method is provided in the Appendix.

The final data consist of occupational cross-sections for men aged 30-60 in 1865, 1900, 1910, 1960, 1970, 1980, and 2011.¹¹ This study is restricted to men (fathers and sons) for two reasons. First, most women change their names upon marriage in Norway, at least historically, and it is hence much harder to match women between the pre-1960 censuses than it is to match men. Second, the economic principles behind the categorization of women’s employment has changed over time, and very few married women report any occupational information before 1970.

t_0-t_1	Match- able in t_1	Share found in t_0	Known father in t_0	Matched pop.	Father’s age 30-60	Both have occ.	Final sample
1865-1900	246,875	36.9%	71.7%	65,230	91.4%	98.1%	58,459
1910-1960	223,874	50.7%	78.0%	88,470	88.8%	89.6%	70,339
1960-1980	717,678	100.0%	40.3%	289,040	82.3%	84.6%	201,298
1980-2011	883,951	100.0%	93.6%	827,210	80.8%	75.6%	505,441
Alternative sample: age 0-15 at t_0 only							
1865-1900	160,352	37.0%	82.8%	49,059	92.5%	98.1%	44,525
1910-1960	223,874	50.7%	78.0%	88,470	88.8%	89.6%	70,339
1960-1980	154,901	100.0%	80.3%	124,437	97.5%	86.0%	104,402
1980-2011	455,843	100.0%	97.4%	444,175	81.0%	78.5%	282,613
Other studies							
1850-1880	62,811	21.9%	74.2%	9,497	US 1% (1)		
1851-1881		20.3%		14,191	UK 2% (1)		
1865-1900		≈ 5%		20,446	NO/US (2)		

Table 1: Match rates, baseline and alternative sample. Other studies (1) refers to Long and Ferrie 2013; (2) to Abramitzky et al. 2012

From the seven census observations, the father-son observations with time differences approximating a generation length are: 1865 to 1900, 1910 to 1960, 1960 to 1980, and 1980 to 2011. The first four

¹¹The censuses between 1865 and 1900 and between 1910 and 1960 are not digitized in full, while the censuses of 1990 and 2001 do not contain information on occupation for the entire population.

lines of Table 1 show the match rates for these samples. Let t_0 denote the first census of the match, where fathers' occupations are observed, and t_1 denote the second census, where sons' occupations are observed. The first column states the matchable population — that is, t_1 census records of men between 30 and 60 years of age, born in Norway, who are old enough to have been observed in the t_0 census. The second column shows the share of these individual census records that can actually be matched to the t_0 census using the procedures outlined above. The match rate is 36.9% for the first set of observations and 50.7% for the second. Non-matches occur due to combinations of names and other characteristics being too common, so potential matches cannot be distinguished from each other, from name changes obstructing matches, and from misreporting or misspellings of names above the threshold used in the matching algorithms.¹² From 1960 onward, as a result of the introduction of national identification numbers, individuals are fully matched between censuses.

The third column of Table 1 shows the share of the matched population for which we have the identity of the father at t_0 . Non-matches here are mainly due to the father and son not residing together at t_0 . For this reason, the score is lowest in 1960; the individuals aged 30-60 in 1980 were aged 10-40 in 1960 and so a large number of these would have moved out of their parental home. When the Central Population Register was introduced in 1964, it was to a large extent based on the 1960 census and the family information from that census (derived from co-residence and household positions). After 1964, this information was continuously updated, giving a much higher father-son match rate in 1980. To alleviate the low father-son match in 1960, robustness checks were also conducted on a smaller sample, where the population was restricted to those who were 0-15 years old at t_0 . The match rates for this sample are given in lines five to eight in Table 1. The trends described in this paper also hold up for this restricted sample. The Appendix shows results with alternative samples and controls for father's and son's age.

The fourth column of the table shows the matched population that can potentially be used for analysis. However, once we restrict the father's age to being between 30 and 60 at the time of observation (column five) and both father and son actually reporting an occupation and being in the labor force (column six), this results in a final analysis sample ranging from 58 459 for 1865-1900 to 505 441 for 1980-2011.

There are some differences in matching between occupation groups. Farmers in 1900 are matched to their fathers in 1865 to a larger extent than non-farmers, as are white-collar workers in 1960 to their fathers in 1910. However, changes to the matching algorithm yield very little change in the estimated mobility. Moreover, the metrics of mobility used in this paper are robust to match rates that differ by son's occupation.¹³

¹²Estimates of intergenerational mobility do not change substantially when the thresholds are varied. See the Appendix for calculations based on samples constructed using alternative scoring rules.

¹³For a full tabulation of by-occupation match rates, as well as the robustness check on match rates, see the Appendix.

The matched population can be compared to other studies utilizing individual match rates, namely the studies by Long and Ferrie (2013) and Abramitzky *et al.* (2012). Since methodologies and the way of reporting percentages (counting from t_0 or t_1) differ across studies, not all the columns can be replicated for these studies. Backward match rates in the Long and Ferrie paper are slightly above 20%; since the data are sampled, they cannot rely on uniqueness for matches with substantial deviations, and the regional dimension in their data is coarser.¹⁴ Abramitzky *et al.* match the Norwegian census data in t_0 to US census data in t_1 and hence have additional challenges in the form of spelling changes and coarse details of birthplace reporting, bringing average match rates down to around 5%.

The study of mobility using father-son pairs that is established here can be contrasted with a recent literature that explores mobility trends by examining the joint distribution of surnames and economic outcomes without constructing explicit links.¹⁵ For some countries, this is the only approach possible given the data that are currently available. In many cases, however, such estimates can be difficult to compare; for example, the results of Guell *et al.* (2015) on Spain depend on a “name mutation” parameter that is not directly observed and could vary across countries. Moreover, Chetty *et al.* (2014a, Appendix B) show that estimates based on surnames can potentially be a measure of persistent differences between groups with similar characteristics, rather than of individual intergenerational mobility. Hence, it is preferable to use direct intergenerational links in situations where they can be feasibly constructed.

Changes in the occupation distribution

With the observation sample established as men between 30 and 60 years of age, we can now examine the changes in the cross-section distribution of occupations. Any study of mobility over a long time period has to take into account the large changes in economic environment that take place over time. In particular, changes in the occupation environment are important determinants of the relationship between parents’ and children’s employment opportunities.

At this point, it is useful to introduce the occupational categories that will be used in this paper, as the changes in the size of the occupational groups reflect the structural change in a clear manner. To facilitate comparison across countries, the classification is based on that used in Long and Ferrie (2013).

First, we separate farmers from non-farmers. Farming has historically been the most important occupation in nearly all societies, and it still employed a large part of the population in the mid-nineteenth century. There is substantial variation in the economic standing of farmers. However, in

¹⁴The twentieth-century mobility samples used by Long and Ferrie are derived from survey data based on questions asking respondents to recall father’s occupation at an earlier date, and they are therefore not comparable to the type of data utilized here.

¹⁵Prominent examples are Guell *et al.* (2015); Collado *et al.* (2013); Clark and Cummins (2015); Clark (2014). Olivetti and Paserman (2015) use a related methodology where they compare averages across first names for the same cohorts at different points in time.

most years, census records contain no information on farm sizes and auxiliary economic resources such as ownership of forests. Most farmers in Norway are and have been small-scale proprietors with few or no employees. Both owner-occupier farmers and tenant farmers are included in this group.

Second, we separate non-farm work into “white-collar” and “blue-collar” groups. These correspond roughly to a non-manual / manual division of tasks. The white-collar group includes both elite occupations like business executives and top-level civil servants, and more prevalent occupations like teachers, engineers, or salesmen.

The manual occupations are further split into a skilled/semi-skilled group that requires education or specialized training, such as carpenters and welders, and an unskilled group that depends mainly on purely physical work, including fishermen, cottagers, day laborers, and forestry workers. These four categories (White collar, Farmers, Manual skilled, Manual unskilled) provide the framework for the occupation analysis.

Any categorization of occupation over such a long time period has to involve some compromises, both because the granularity of classifications changes and because of the changing task content of occupations. The methodology used in this paper does not depend on any ranking of occupations; in particular, the movement between farming and other occupation groups reflects a sectoral change in the labor force (“horizontal” movement) as much as a “vertical” movement between social classes. Similarly, there will be some manual occupations at some points in time that are better paid than some white-collar occupations. Insufficient data on status changes in fine-grained occupation data, as well as substantial changes in occupational classifications over time, are the reasons why this paper relies on these four occupation categories. The results are robust to an expansion of the scheme to five categories (splitting white-collar occupations into “upper” and “lower” occupations). Appendix Tables A1-A4 list the most prominent occupations in each occupation group at different points in time.

Figure 1 shows the development of the population share of each of the occupation groups over time in Norway and the United States, in both cases restricted to men between 30 and 60 years of age. We see that there are some similarities in the trends in the two countries. The share of the populations that are farmers decreases from nearly half to nearly none; the change is somewhat more rapid in the United States. The share of white-collar occupations is increasing, to the extent that more than half of all men in both Norway and the United States now hold these types of occupations. Industrialization is reflected in the trend for manual skilled workers, where the population share in Norway increases from 18 percent in 1865 to 42 percent in 1960, then decreases to 31 percent in 2011. For most of the period, there is a downward trend in the number of unskilled workers; this also reflects the decline in the number of farm workers.

It should be noted that, in the mid-nineteenth century, the share of farmers in both Norway and

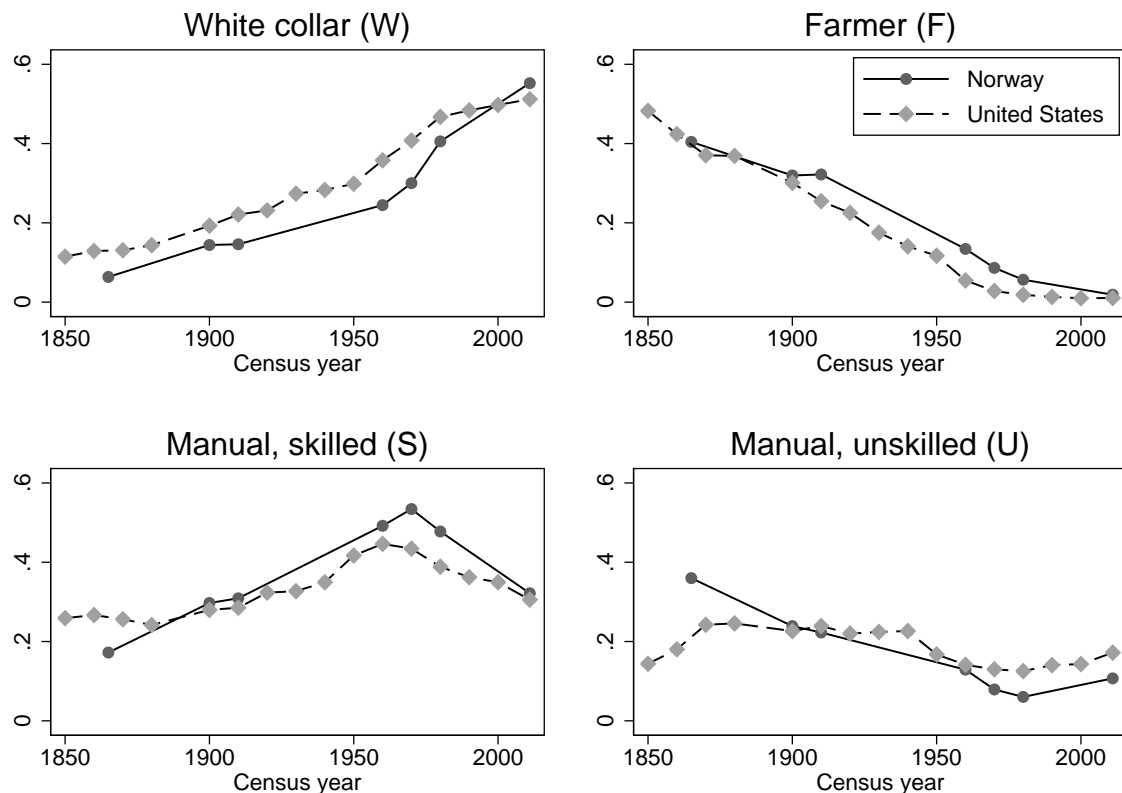


Figure 1: Occupational distributions. Share of men aged 30-60 that work in a given occupation group, Norway and United States. Sources: Norway: see text, US: author's calculation from USA IPUMS

the United States was much higher than in the “core” European countries. As an example, using a comparable occupation classification on data for Great Britain in 1851 and 1881 gives a share of farmers of seven and five percent, respectively, while the share of skilled or semi-skilled manual workers is nearly sixty percent in 1881. A similar exercise for Sweden for the years 1890 and 1900 gives a farmer share of 28 and 24 percent, respectively, lower than the US and Norway but much higher than Great Britain.

Mean incomes

The set of occupations presented above captures important transitions between tasks and industries. Occupation is the only variable that is available at the individual level and that is consistently measured over the entire time period studied, and the categorical analysis that will be presented in the first part of the next section does not rely on any ranking of these occupations in relation to each other.

However, for some analyses, it is desirable to also have income data. While this is not available at the individual level, mean incomes per occupation category can be constructed. Mean income by occupation category for men aged 30-60 for 1980 and 2011 is compiled from individual tax records on file at Statistics

Norway. Furthermore, information on occupation in 1960 is combined with the same individuals' incomes in 1967 (the first available year) and used as an estimate of mean income by occupation in 1960. For 1910, information on incomes by occupation is taken from published tables of mean income by occupation, gender, and age (Statistics Norway, 1915). The 1865 data are taken from income categories for 1868 reported in Norwegian Department of Justice (1871).¹⁶

White-collar mean incomes fell from 2.36 times the population mean income in 1865, when the white-collar group was very small, to 1.17 times the population mean in 1980, with a moderate increase after this. Manual skilled workers experienced a decline from 1.06 times the population mean income in 1910 to 0.61 in 2011. The means for the two remaining groups, farmers and unskilled, generally increased from 1910 to 1980, then fell again from 1980 to 2011. These substantial changes in the income distribution over time show the importance of using income data from several years when imputing occupational status or incomes, as opposed to relying on cross-section data from one year only. The time trends are shown in Figure A1.

In addition to the countrywide occupation mean incomes, the income mean per municipality is available from the tax statistics, which have been kept more or less continuously since 1893. The mean incomes are taken from tax publications for 1900, 1910, and 1960, from compilations of individual tax records for 1970 and later, and from the 1868 report cited above for 1865. These numbers give the mean income for all taxpayers and will be used in some regional analyses.

III Social mobility

Transition matrices and probabilities

The central unit of analysis for the study of intergenerational mobility is the 4×4 matrix of father's and son's occupation choices. Visual examination of the matrix provides some information about the extent of occupational change between generations.¹⁷ For example, in the 1865-1900 period, 45.6 percent of sons belonged to a different occupation group than their father, increasing to 50.2 percent from 1910 to 1960, 51.5 percent from 1960 to 1980, and decreasing slightly to 49.7 percent for the 1980-2011 period.

We can further analyze the occupational choices of sons (indexed by j) given the occupational choice of fathers (indexed by i). Denoting the raw counts in Table A5 by X_{ij} , the probability of a son entering occupation j given father's occupation i is

¹⁶Unlike the other years, the age restriction for the 1865 income data is all men aged 25 and above. Moreover, the data are given in income intervals rather than as mean incomes, so some imputation of incomes was necessary. No income data were available for 1900, and the 1910 income data have been used.

¹⁷The matrices for the four transition periods are presented in Table A5.

$$p_{ij} = X_{ij} / \sum_{j=1}^4 X_{ij} \quad (1)$$

where the indexing $j = \{1, 2, 3, 4\}$ corresponds to the four occupation groups (White collar, Farmer, Skilled, Unskilled). We can examine the evolution of these probabilities from 1865 to 2011 in Figure 2, where each panel refers to one father's occupation and the line within each panel is the probabilities of a son's occupation.

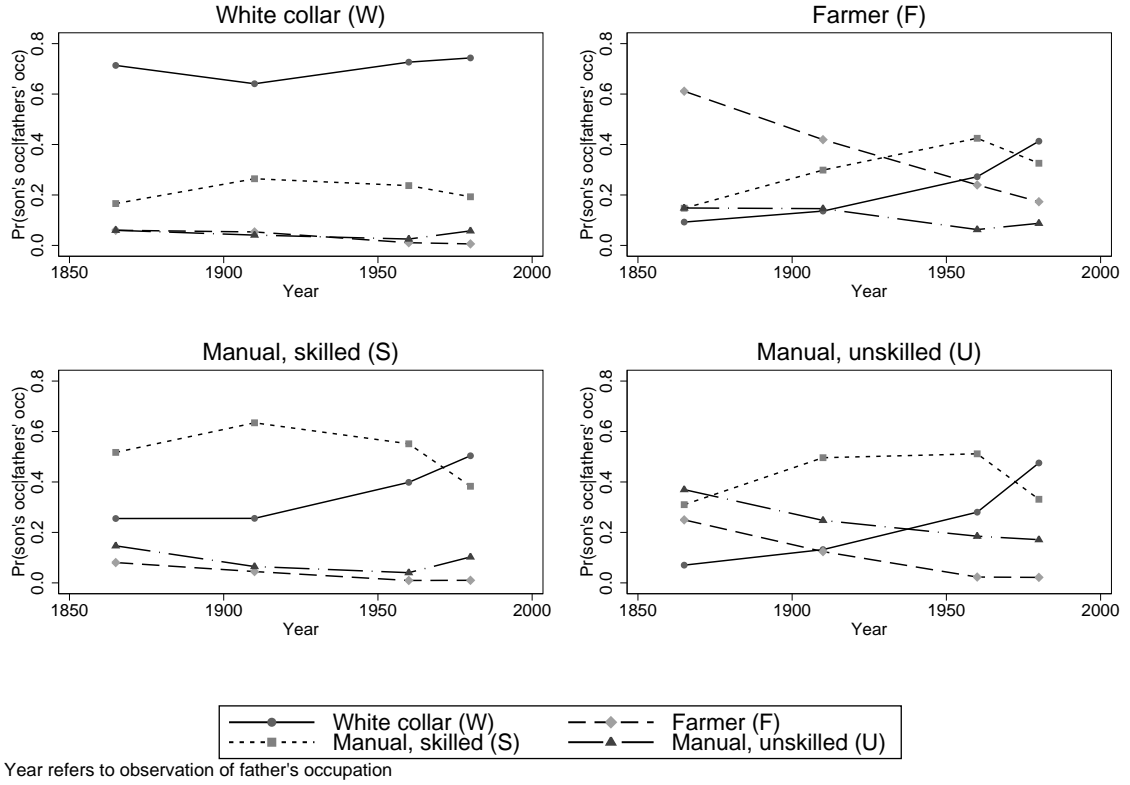


Figure 2: Transition probabilities. Probability of son's occupation (lines), given father's occupation (figure titles)

The upper-left panel shows the relative occupation distribution of sons of men with white-collar occupations. For all periods, the share of sons with the same occupation is more than 60%. Around 20% of sons enter skilled occupations, while there is always a low share of sons going into farming or unskilled occupations.

The upper-right panel of Figure 2 shows the occupation choices of sons of farmers. In 1865, agriculture was widespread and 60% of the linked sons of farmers are recorded as farmers in 1900. This share falls dramatically over time but is still 18% for the last period, even though the share employed in farming in

in 2011 was only around one percent. The largest non-farm occupation choice for farmers' sons is manual skilled occupations until 1980. Over the entire time period, white-collar occupations gain ground among sons of farmers, and in the 1980-2011 period, this is the most common type of occupation for this group. The recruitment into unskilled occupations is relatively stable.

Those growing up with fathers who have skilled manual occupations overwhelmingly choose similar occupations, though the share steadily declines in the late twentieth century and is gradually replaced by white-collar occupations. For sons of unskilled fathers, there is also a large propensity to enter into skilled occupations; after 1900, less than one-third of sons of unskilled fathers enter unskilled occupations.

From 1865 to 2011, there was an increase in the probability of switching occupations for all groups except sons of white-collar workers. However, this large increase (mainly from an increase in the probability of sons entering white-collar or manual skilled occupations) is related to the development of the occupation distribution in the economy as a whole, as shown in Figure 1. The number of farmers fell sharply over the period we study, but the number of unskilled occupations has also decreased. This reflects changes in the non-farm sector, but the farm sector also employed a lot of unskilled labor - as hired hands or part of cottager contracts - that disappeared over time. To take account of such changes, it is useful to apply some of the standard tools of categorical analysis.

Assessing relative mobility

To better understand how intergenerational occupational mobility has changed over time, it is necessary to correct for the change in the marginal occupation distributions. Standard two-way odds ratios provide a useful tool in this context. For a father's occupation i , the "advantage" his son has in relation to entering the same occupation i compared to any other occupation can be expressed as a ratio of probabilities $p_{i,i}/(1 - p_{i,i})$. The availability of occupations changes over time, and we can hence expect this ratio to be affected by the availability of i occupations compared to other occupations. To account for this change, we compare the probability ratio for sons of i -fathers to similar ratios for non- i fathers, indexed by $\neg i$: $p_{\neg i,i}/(1 - p_{\neg i,i})$. These odds ratios, composed from 2×2 tables of fathers' and sons' occupations collapsed from the 4×4 tables shown above, are denoted

$$\Theta_{2,i} = \log \left(\frac{p_{i,i}/(1 - p_{i,i})}{p_{\neg i,i}/(1 - p_{\neg i,i})} \right) \quad (2)$$

and express the "advantage" a son of a father with occupation i has in relation to entering occupation i compared to a son of a father with a different occupation. For each of the four occupations, the trend in Θ_2 is shown in Figure 3.

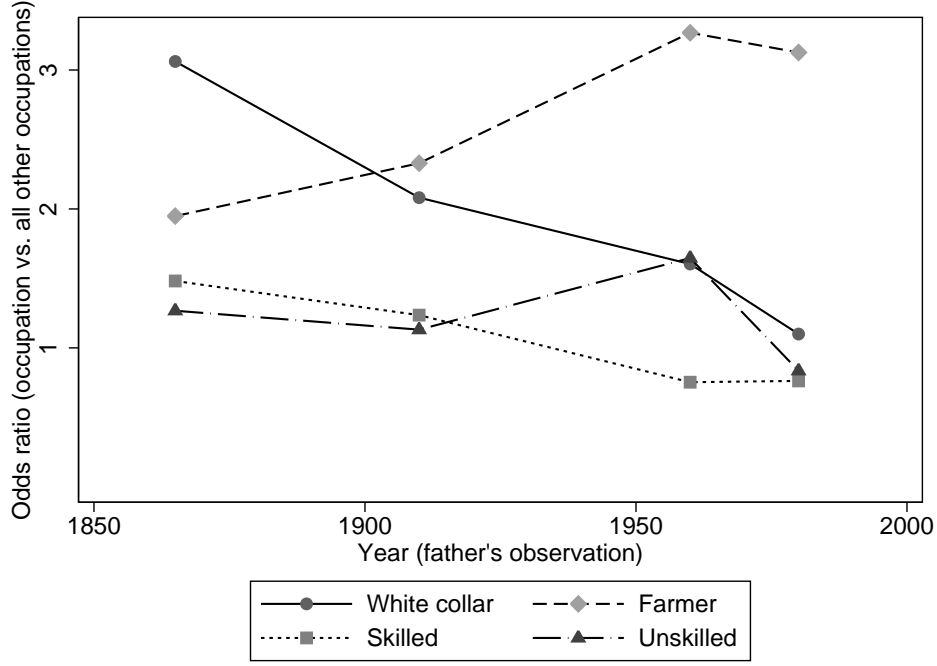


Figure 3: Two-way odds ratios: excess probability of entering occupation, given that father had same occupation. For each occupation X , $\log((p_{X,X}/p_{X,-X})/(p_{-X,X}/p_{-X,-X}))$

The odds ratio for white-collar, starting at $\Theta_{2,W} = 3.1$, shows that sons of white-collar fathers in the first observed generation were $\exp(3.1) = 21$ times more likely than other individuals to enter white-collar occupations compared to non-white-collar occupations. This advantage gradually disappeared over time, and the odds ratio in the period 1980-2011 was reduced to 1.1, giving a probability ratio for sons of white-collar fathers that is around three times higher than that of sons of fathers with other occupations.

The figure shows a similar trend for sons of fathers with manual skilled occupations, though starting from a lower level and with a more gradual development. For sons of fathers with manual unskilled occupations, the trend is less clear, with persistence being higher for the 1960-1980 father-son pair than for the 1910-1960 pair. Finally, for farmers, the trend is entirely the opposite of the other occupations, with an increase from $\Theta_{2,F} = 1.9$ in 1865-1900 to 3.1 in 1980-2011.

Outside the diagonal: the full set of odds ratios

While two-way odds ratios as presented above correct for changing marginal distributions, the trends in Figure 3 only represent changes in movement into or out of any given occupation. Some changes in social mobility concern movements outside the diagonal of the mobility matrix. For example, from 1960-1980 to 1980-2011 the probability of entering a white-collar occupation increased faster for a son of a father in the “manual, unskilled” category than for a son of a father in the “manual, skilled” category. Such

differences in probabilities outside the diagonal also need to be taken into account in a study of the time trends in intergenerational mobility.

To preserve the restriction that movements between occupation groups cannot necessarily be categorized as upward or downward, we continue to use odds ratios, but move to the full universe of all ratios in the intergenerational mobility matrix. There are a total of 144 such odds ratios for a 4×4 table; however, because of symmetry, only 36 of these are unique. For a set of two father's occupations (indexed i, l) and two son's occupations (j, m), the (log) odds ratio Θ_{ijlm} is

$$\Theta_{ijlm} = \log \left(\frac{p_{ij}/p_{im}}{p_{lj}/p_{lm}} \right) \quad (3)$$

If we consider the example where i and j are white-collar occupations and l and m are farming occupations, the nominator of the odds ratio compares the probability of the son of a white-collar father entering a white-collar occupation to the probability that he will enter a farmer occupation. In 1865, these probabilities were 0.71 and 0.17, respectively. The denominator gives the corresponding ratio for sons of farmers, which is 0.25/0.52. The log odds ratio Θ_{WWFF} is then the ratio of these two ratios, $\log(8.60) = 2.15$.

To compare mobility at different points in space and time, we use the statistic proposed by Altham (1970) and further used by Altham and Ferrie (2007) and Long and Ferrie (2013), to assess the degree to which matrices are different from each other. The distance between two matrices is computed as a constant times the quadratic mean of all differences between the odds ratios obtained from the matrices.¹⁸ We focus on the comparison between an observed mobility matrix P and a hypothetical matrix J of full mobility, where a son's occupational choice is independent of father's occupation. For J , all log odds ratios Θ are zero. The measure of mobility for a matrix P , where a high number indicates low mobility, is hence

$$d(P, J) = \left(\sum_{i=1}^N \sum_{j=1}^N \sum_{l=1}^N \sum_{m=1}^N [\Theta_{ijlm}^P]^2 \right)^{1/2} \quad (4)$$

The metric $d(P, J)$ (d henceforth) summarizes the distances of odds ratios from zero: if there are large differences in the transition probabilities of sons of fathers with different occupations, a society is said to exhibit a low degree of intergenerational occupational mobility. Zero refers to full mobility, that

¹⁸The constant is $N(N-1)$, where N is the number of categories in the matrix. While arguments could be made for using the geometric mean directly, that is, dividing the Altham statistics reported here by 12, this paper uses the original scaling to facilitate comparisons to previous studies.

is, no association between fathers' and sons' occupations, while there is in theory no upper bound on d except for that imposed by the discreteness of the data.¹⁹

The first column of Table 2 below reports the Altham statistic for the Norwegian samples, along with the US and UK estimates from Long and Ferrie (2013). All statistics are significantly different from zero at the 1% level using the χ^2 test proposed by Altham and Ferrie (2007). The Altham statistic d for the 1865-1900 father-son pair in Norway was 24.1. This is comparable to the 1851-1881 statistic for the UK (at 22.7), and much higher (indicating lower intergenerational mobility) than nineteenth-century United States, which has $d = 11.9$ (for 1850-1880) and $d = 14.6$ (1880-1900). Mobility in Norway increased over time, with the Altham statistic down to 20.3 for the 1910-1960 period. However, for the 1960-1980 father-son pair, the statistic increased to 22.3, before falling again to 19.2 in 1980-2011. There was a strong increase in the US Altham statistic from the nineteenth to the twentieth century, with the 1950s-1970s statistic at 20.8. For the UK, there was also a small increase.²⁰

It follows from these numbers that there was an increase in intergenerational occupational mobility in Norway from the nineteenth to the twentieth century, compared to a strong decrease in the United States and a moderate decrease in the United Kingdom. However, as the Altham statistic d combines information on all odds ratios of a mobility matrix in a single number, it is hard to fully disentangle what these changes reflect. Xie and Killewald (2013) and Hout and Guest (2013) challenge the use of this metric, arguing that low mobility among farmers is given undue weight in the estimation of social mobility. For the Norwegian data, this would mean that the high persistence among farmers is taken to contribute to low social mobility today, even though the economic role of farmers has greatly diminished.

To examine in more detail which occupational categories contribute to the mobility metric d , we can classify the odds ratios by whether they involve farmers or not. Each odds ratio is a comparison of a pair of fathers' occupations and a pair of sons' occupations. In a set of four occupations, there are six pairs, half of which will contain any one category. As half of the odds ratios involve farmers in one of the father's occupations and half involve farmers in one of the son's occupations, we have four categories with nine odds ratios in each.²¹

¹⁹Alternatively, one can compare two matrices P and Q directly by calculating (as in Long and Ferrie)

$$d(P, Q) = \left(\sum_{i=1}^N \sum_{j=1}^N \sum_{l=1}^N \sum_{m=1}^N [\Theta_{ijlm}^P - \Theta_{ijlm}^Q]^2 \right)^{1/2}$$

This distance does not, however, give any explicit ordering of the matrices with respect to intergenerational occupational mobility. Such comparisons are reported in the Appendix, Table A6. Note that, because of the multidimensional nature of the matrix comparisons, in general, $d(P, Q) \neq |d(P, J) - d(Q, J)|$.

²⁰Using a multinomial logit model (see Section) we can control for the age composition of the father and son populations when calculating the Altham statistics for the Norwegian data. As shown in further detail in Appendix A.6 (Table A8), this hardly changes the Altham statistic; for the four periods, it is 24.1, 20.4, 21.9, and 18.9, respectively.

²¹The 36 unique odds ratios are combinations of six pairs of fathers' and sons' occupations. Using W, F, S, U as shorthand for white-collar, farmer, skilled, and unskilled occupations, respectively, define the set $\mathcal{A} = \{WS, WU, SU, FW, FS, FU\}$. Let $\sum_{(i,l) \in \mathcal{A}}$ denote the sum over terms where i is W, W, S, F, F, F and l is S, U, U, W, S, U . We can then rewrite the Altham statistic as sums over odds ratios comparing fathers' and sons' occupation pairs

We start with the odds ratios that do not compare farmers at all: the comparisons between white-collar and skilled (WS), white-collar and unskilled (WU), and skilled and unskilled (SU) fathers paired with the WS, WU and SU comparisons for sons (nine odds ratios in total). Here the increasing mobility trend in Norway is evident in nearly all odds ratios: they move closer to zero as time passes. If we compare non-farm probability ratios for sons of white-collar workers to those of sons of skilled workers, the difference disappeared rapidly - and monotonously - in Norway between 1865 and 2011. In the US and UK, however, there is a slight increase. Mobility also increases over time for other comparisons of non-farm fathers and non-farm sons. For example, the probability of entering a white-collar occupation over an unskilled manual occupation in the late nineteenth century was more than 60 times higher for the son of a white-collar worker than for the son of an unskilled manual worker in Norway in the period 1865-1900 ($\Theta_{WWUU} = 4.13$), while the corresponding numbers for the UK and the US are around 20 and 7. Between 1960 and 1980, the difference was still as high as 19 in Norway, higher than both other countries, but it decreased to around 4 by the end of the period studied. This is another expression of the trend of increasing intergenerational mobility in Norway.

When we move to the odds ratios comparing non-farm fathers (WS, WU, SU, as above) to farmer vs. non-farmer sons — farmer-white collar (FW), farmer-skilled (FS) and farmer-unskilled (FU) — the trend in Norway is similar to that in the comparisons between non-farm fathers: on average, the absolute value of odds ratios decrease. There is, however, a substantial difference between sons of farmer and white-collar fathers in terms of the probability of entering a white-collar occupation in all periods. In the UK, there is little change on average, while, in the US, odds ratios comparing non-farmer fathers to farmer/non-farmer sons are increasing slightly over time. Similarly, if we compare farm and non-farm fathers (FW, FS, FU) to non-farm sons (WS, WU, SU), the average absolute odds ratio decreases in Norway and remains stable in the UK and US.

Finally, we compare the probability ratios between farming and non-farming for sons of farmers and sons of non-farmers. The aggregate squared difference of these odds ratios captures most of the particularly high persistence in farming occupations. In 1865, the square of the Altham statistic $d(P, J)$ was $24.1^2 = 580$, of which 228, or around one-third, was driven by these farm-farm comparisons. In the final period, more than eighty percent (300 of 19.1^2) was driven by low mobility among farmers. This

$$d(P, J) = 4 \left(\sum_{(i,l) \in \mathcal{A}} \sum_{(j,m) \in \mathcal{A}} [\Theta_{ijlm}]^2 \right)^{1/2}$$

The multiplication by four results from only considering the 36 unique odds ratios rather than the full set of 144 odds ratios. For example, $\Theta_{WFSU} = \Theta_{SUWF} = -\Theta_{WUSF} = -\Theta_{SFWU}$; only Θ_{WFSU} is included in the sum here, while all four are included in Equation (4).

The set of thirty-six odds ratios, its division into groups and their relative development are further illustrated in the Appendix, Figure A2.

highlights the main challenge of using a non-weighted metric for mobility, since the farm group in the final period has a very low share of total population. This is an important reminder that a study of the separate odds ratios is required.

As there are strong similarities between the 27 odds ratios not including differences between farmers and non-farmers for both fathers and sons, we aggregate these odds ratios to a “non-farm” version of the Altham statistic, d^N . The remaining odds ratios compare the probability ratio of entering a farm occupation compared to a non-farm occupation for sons of farmers to the similar ratio for sons of non-farmers. The root of the sum of squares of these nine odds ratios is denoted d^F .²²

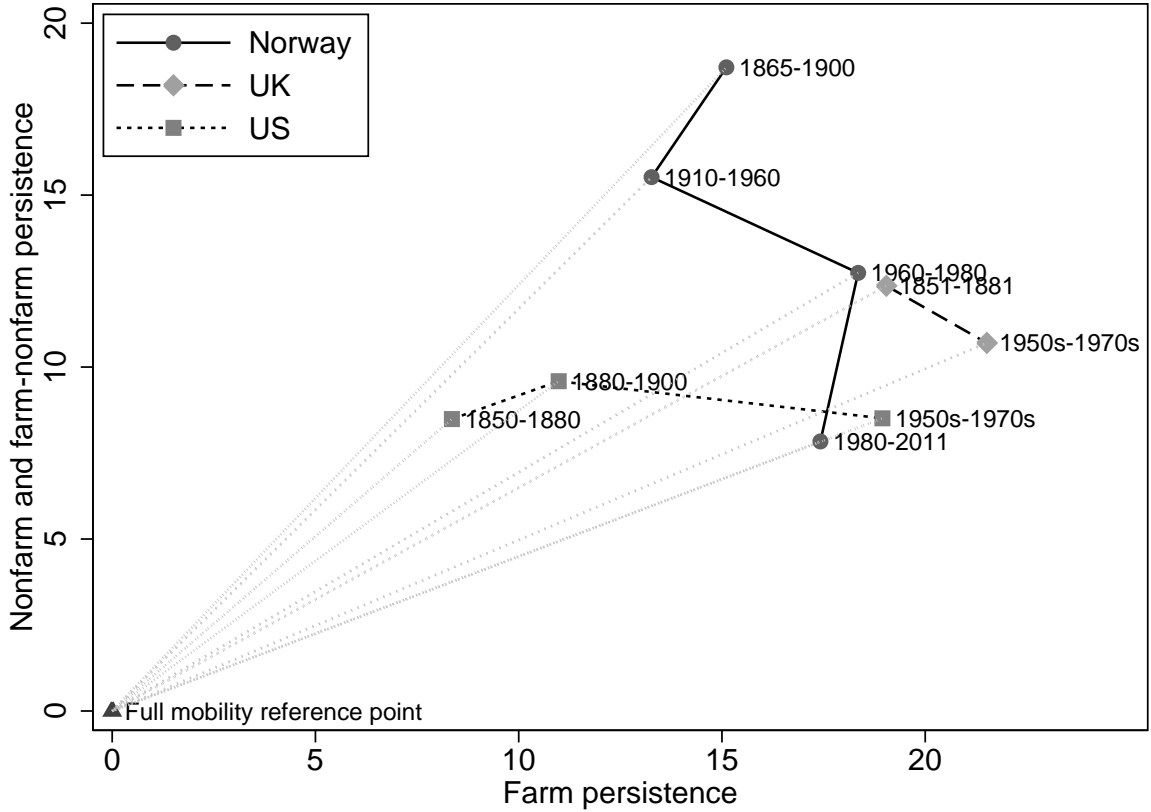


Figure 4: Two components of the Altham statistic, change over time

From the definition of the Altham statistic, it follows that the Euclidean distance between a point

²²In the notation of Footnote 21, \mathcal{A} can be partitioned into two mutually exclusive subsets: the non-farm comparison set is $\mathcal{N} = \{WS, WU, SU\}$ and the farm comparison set is $\mathcal{F} = \{FW, FS, FU\}$. The farm component d^F is the aggregate of odds ratios comparing farmers to non-farmers for both fathers and sons, while the non-farm component d^N is the aggregate of the remaining components.

$$d^F = 4 \left(\sum_{(i,l) \in \mathcal{F}} \sum_{(j,m) \in \mathcal{F}} [\Theta_{ijlm}]^2 \right)^{1/2}$$

$$d^N = 4 \left(\sum_{(i,l) \in \mathcal{N}} \sum_{(j,m) \in \mathcal{N}} [\Theta_{ijlm}]^2 + \sum_{(i,l) \in \mathcal{F}} \sum_{(j,m) \in \mathcal{N}} [\Theta_{ijlm}]^2 + \sum_{(i,l) \in \mathcal{N}} \sum_{(j,m) \in \mathcal{F}} [\Theta_{ijlm}]^2 \right)^{1/2}$$

(d^F, d^N) given by these two indices and $(0,0)$ is equal to the aggregate statistic, $d = \sqrt{(d^N)^2 + (d^F)^2}$, as they are both partial sums of the squared odds ratios. This also facilitates a graphical exposition of the changes in mobility in Norway, the United States, and the United Kingdom between the nineteenth and twentieth centuries. Figure 4 shows d^N on the vertical axis and d^F on the horizontal axis. The distance from $(0,0)$ to the country observations in the figure denotes aggregate mobility as measured by the Altham statistic.²³

Farm and farm-non-farm persistence d^N was extremely high in Norway compared to the United Kingdom and United States in the nineteenth century. As shown in Figure 4, d^N was 18.7 in the period 1865-1900, much higher than in either the United States ($d^N = 8.5$) or the United Kingdom ($d^N = 12.4$). Over time, persistence fell, to 15.5 in 1910-1960, 12.7 in 1960-1980, and 7.8 in 1980-2011. In contrast, U.S. non-farm mobility in the 1950s-1970s was at the same level as in 1850-1880, at $d^N = 8.5$.

On the other hand, farm persistence in Norway increased from $d^F = 15.1$ in the first period to $d^F = 17.4$ in the final period. A dramatic change is seen in the United States; the decomposition used here shows that nearly all the decrease in intergenerational occupational mobility from the nineteenth to the twentieth century came from increasing persistence among farmers. Hence, the aggregate trends of increasing mobility in Norway and decreasing mobility in the United States (shown as a movement toward the $(0,0)$ point in Figure 4) represent not only opposing, but fundamentally different trends. In Norway, non-farm mobility increased substantially while farm mobility showed a moderate decrease; in the United States, non-farm mobility was stable, while farm mobility decreased substantially.

Compared to Norway and the United States, the changes in the United Kingdom between the nineteenth and twentieth centuries are small. There was a small increase in non-farm mobility and a small decrease in farm mobility.

These results for intergenerational mobility do not depend exclusively on the metric used here. Table 2 also shows estimates of intergenerational occupational mobility using a set of different metrics used in the literature. Columns 4 to 6 show the share of the individuals in the matrix who have different occupations than their fathers when the matrices are adjusted to have similar marginal frequencies, as described in Mosteller (1968) and Altham and Ferrie (2007). For nearly all such adjustments, there is an increase in the share off the main diagonal between 1865-1900 and 1980-2011 in Norway.²⁴ The seventh column shows the weighted average of “over-representation” of individuals along the diagonal of the matrix compared to what a model of occupational independence would show; a higher number

²³Figure 4 is not directly comparable to the two-dimensional plot comparing mobility matrices in Altham and Ferrie (2007). Altham and Ferrie’s plot uses multidimensional scaling to achieve the best possible approximation to the correct distance between the matrices shown. In the figure shown here, on the other hand, only the distance between the individual matrices and $J(0,0)$ is given weight — and is shown exactly — while the distance between matrices is not to scale.

²⁴The one exception is when the marginal distributions are forced to match 1865-1900, which gives roughly the same off-diagonal shares in 1865-1900 and 1980-2011 (a difference of 0.2%). This is because this particular adjustment greatly increases the weight placed on farmers.

Country and time	Altham statistic			Share off diagonal M' with marg. dist adjusted to			Over-repr. at diag. $\sum s_{ii}$	Altham with 5 categories
	Conventional $d(P, J)$	Nonfarm d^N	Farm d^F	NO10-60	NO80-11	US50-80		
Norway 1865 - 1900	24.1***	18.7	15.1	0.481	0.403	0.369	1.6	43.8***
Norway 1910 - 1960	20.4***	15.5	13.3	0.502	0.430	0.387	1.8	36.4***
Norway 1960 - 1980	22.3***	12.7	18.3	0.488	0.453	0.362	1.5	34.5***
Norway 1980 - 2011	19.1***	7.8	17.4	0.538	0.497	0.393	1.3	28.6***
US 1850 - 1880	11.9***	8.5	8.4	0.573	0.493	0.454	1.3	21.8***
US 1880 - 1900	14.6***	9.6	11.0	0.546	0.465	0.423	1.6	26.4***
US 1952 - 1972	20.8***	8.5	18.9	0.533	0.486	0.383	1.4	31.1***
UK 1851 - 1881	22.7***	12.4	19.0	0.482	0.458	0.355	1.5	41.2***
UK 1952 - 1972	24.0***	10.7	21.5	0.501	0.453	0.358	1.3	37.5***
Change in mobility, Norway 1865-2011	+	+	-	+	+	+	+	+

Table 2: Estimates of intergenerational mobility, 1865-2011

corresponds to lower mobility. Using this methodology yields the same trends as the main specification, though the sign of the comparison between 1865-1900 and 1910-1960 in Norway reverses. Finally, we can follow Long and Ferrie (2013) and use a five-way classification of occupations as a robustness check, where we split the white-collar group into a “high” and “low” category. The resulting Altham statistics are shown in the eighth column, which shows monotonically increasing intergenerational mobility in Norway. These alternative approaches are described in more detail in the Appendix.

Mobility as income jumps

So far, the analysis has not been based on any *sorting* of occupation categories by economic status. Mobility as expressed by individual odds ratios or the Altham statistic can be interpreted as both vertical and horizontal changes. However, using the occupation mean incomes presented in Section , we can approach the question of how changing occupation mobility has affected mobility in income.

From the set of occupation mean incomes and the population distribution over these occupations, we can construct between-occupation Gini coefficients for the populations examined in the transition matrices. These coefficients, which disregard any income variation inside the occupation groups, follow the N -shape often described in the literature (Roine and Waldenström, 2015), with an increase from 15.7 in 1865 to 23.1 in 1910, decreasing to 16.0 in 1960 and 7.9 in 1980, and finally increasing to 11.5 in 2011. The development over time is to a large extent driven by the difference between the mean white-collar income and the population mean, as well as the size of the white-collar group.

To examine occupation-induced economic mobility, a natural starting point is to consider the distribution of income changes between generations. Let (y_q^F, y_q^S) denote the mean incomes of the occupations held by father-son pair q (observed in the census years of fathers and sons), and let (\bar{y}^F, \bar{y}^S) denote the corresponding population mean incomes. The income jump Δ_q is then defined as the change in income

(relative to mean income) from father to son:

$$\Delta_q = \frac{y_q^S}{\bar{y}^S} - \frac{y_q^F}{\bar{y}^F} \quad (5)$$

Scaling both incomes sets average income growth to zero and is equivalent to choosing fathers as the base and re-scaling incomes of sons by the average growth rate.²⁵ We can then compare this change in average income over time to the between-occupation Gini coefficients of fathers and sons, respectively.

Time period	Between-occ. income Gini		Average absolute income difference $ \Delta $	Average inc. diff. for sons of			
	Fathers	Sons		W Δ^W	F Δ^F	S Δ^S	U Δ^U
1865-1900	12.9	24.6	0.40	-0.43	-0.14	0.49	0.21
1910-1960	24.5	17.2	0.33	-0.79	0.24	-0.05	0.30
1960-1980	16.6	7.9	0.24	-0.45	0.28	0.02	0.28
1980-2011	8.0	11.2	0.18	-0.10	0.18	0.04	0.16

Table 3: Cross-section income inequality and average father-son income difference, by time period and father’s occupation

The results from this exercise are shown in Table 3. The first two columns show between-occupation Gini coefficients among the fathers and sons in the sample. The third column shows the mean absolute income difference $|\Delta|$ between fathers and sons.²⁶ The dispersion in income changes decreases over time; between 1865 and 1900 the mean absolute income difference was forty percent of mean income, decreasing to eighteen percent in 1980-2011. The distribution of the population between groups of negative and positive dispersion also changes over time. Only 32 percent of sons of 1865 fathers have higher mean occupation income than their fathers, while 62 percent of sons of 1980 fathers have higher mean incomes.

The largest positive income jumps are obtained when sons of non-white-collar fathers enter white-collar occupations. This explains the large positive income shock in the first period, where the white-collar group was still relatively small and with very high mean incomes. There was a substantial decrease in farmers’ relative incomes between 1865 and 1900, resulting in negative income jumps for more than three-quarters of sons of farmers.

Table 3 also shows the average income change between father and son given father’s occupation. The income change is a combination of the change in income for those not changing occupation and the income jumps of those who change occupations. In the first time period, the highest “father” incomes are held by farmers and white-collar workers, resulting in negative mean income changes for these groups;

²⁵Equation (5) can be expressed in terms of mean income in father’s generation as $\frac{1}{\bar{y}^F} \left(\frac{1}{g} y_q^S - y_q^F \right)$ or, correspondingly, in terms of mean income in son’s generation as $\frac{1}{\bar{y}^S} (y_q^S - g y_q^F)$, where the growth rate $g = \frac{\bar{y}^S}{\bar{y}^F}$.

²⁶As Equation (5) scales fathers’ and sons’ incomes by the population mean, the mean value of Δ across the population is by definition zero.

similarly, the improvement in average wages for manual skilled workers gives positive income for sons of S fathers. While there is high mobility out of farming in all periods, farmer incomes are lowest, relatively speaking, in 1910 and 1960, giving high positive income changes for sons of farmers in these periods. From 1910 onward, sons of skilled workers on average do not experience large income changes from their fathers. There is substantial mobility both into higher- and lower-paid occupations, and on average these sons' income changes cancel out. Sons of unskilled fathers on average always experience substantial income growth.

It is evident that the average change in income has decreased at the same time as intergenerational occupational mobility has increased. This apparent paradox is partly explained by decreasing income inequality; over time, the occupational income distribution becomes more compressed, decreasing the income gain or loss an individual experiences by moving to a different occupation group than his father. This is more formally addressed in the next subsection.

The contribution of mobility to income equalization across dynasties

As mentioned in the introduction, intergenerational mobility matters for the evaluation of the distribution of economic utility when considered across several generations. When we have data on the occupational mean income of both fathers and sons, we can approximate a “dynasty income distribution” by studying the distribution of income calculated over several generations. This distribution is affected both by the distribution of income in any given generation and by intergenerational mobility — how occupations change across generations in a given dynasty.

We can conceptualize the utility of a dynasty (from the father's point of view) as a simple two-generation utility function

$$U_{\text{dynasty}} = u(c_{\text{father}}) + \beta u(c_{\text{son}}) \quad (6)$$

where U is the total dynastic utility, u is a period utility function, and β is the discount rate. For the time period studied here, the operationalization has to be more pragmatic: father's and son's consumption is proxied by the mean income of their occupation category in the census year. In this way, we get a metric of the utility of individual father-son pairs, measured consistently over time.

To simplify the exposition, linear utility functions will be used and the discount rate will be set to the inverse of the aggregate growth rate of the economy g , giving relative wages of fathers and sons similar weights. That is, we consider the distribution of *dynastic income* Y :

$$Y = y_f + \frac{1}{g}y_s \quad (7)$$

and note that Y is proportional to the sum of the incomes within each generation scaled by the generation mean, $\frac{y_f}{\bar{y}_f} + \frac{y_s}{\bar{y}_s}$.

This dynastic income Y is then the object of analysis. How has the distribution of Y changed over time? Again, we measure the dispersion of occupational mean incomes by the Gini coefficient — in this case, it is then a Gini coefficient of dynastic incomes. The dynastic Gini is 16.4 in the 1865-1900 period, 19.0 in 1910-1960, 11.1 in 1960-1980, and 8.4 in 1980-2011. In a similar way to the cross-section Gini coefficients, there is increasing inequality from the first to the second period and decreasing inequality thereafter. There is now no increase in the final (1980-2011) time period, as the fathers in this sample lived in a time of very low income inequality, which moderates the higher inequality experienced by their sons.

At the same time as the decrease in dynastic income Gini coefficients, cross-section inequality fell and intergenerational mobility increased. We now attempt to answer the question of which of these two phenomena contributed most to the decrease in the dynastic Gini. This question is similar to the study of institutional factors and the wage distribution by DiNardo *et al.* (1996) and of marital matching and inequality by Eika *et al.* (2014), and a similar nonparametric approach will be used here. Fundamentally, by adjusting wage sets and mobility matrices separately, we can assess how much of the change in inequality is due to changes in mobility and the wage structure, respectively.

The dynastic income distribution can be conceptualized as follows: for a given 4×4 mobility matrix M linking father's occupation at t_0 to son's occupation at t_1 , we apply the mean occupation income in t_0 to the fathers and the mean occupation income at t_1 to the sons. The counterfactual analysis then *either* consists of replacing the occupational income distributions with counterfactuals and keeping the mobility matrix, *or* replacing the mobility matrix and keeping the marginal income distributions. In both cases the marginal distributions of individuals at t_0 and t_1 are preserved.

To preserve marginal distributions when considering counterfactual social mobility, the algorithm of Mosteller (1968) is applied. By selectively multiplying rows or columns of the mobility matrix by constants, the marginal distributions of the counterfactual matrix can be set to fit the actual marginal distributions, with the odds ratios and hence d^N , d^F and the Altham statistic $d(P, J)$ remaining at the counterfactual level.

The results of this procedure are presented in Figure 5. We first consider the counterfactual mobility matrices shown in the left panel. The dotted line shows the observed dynastic income inequality, with

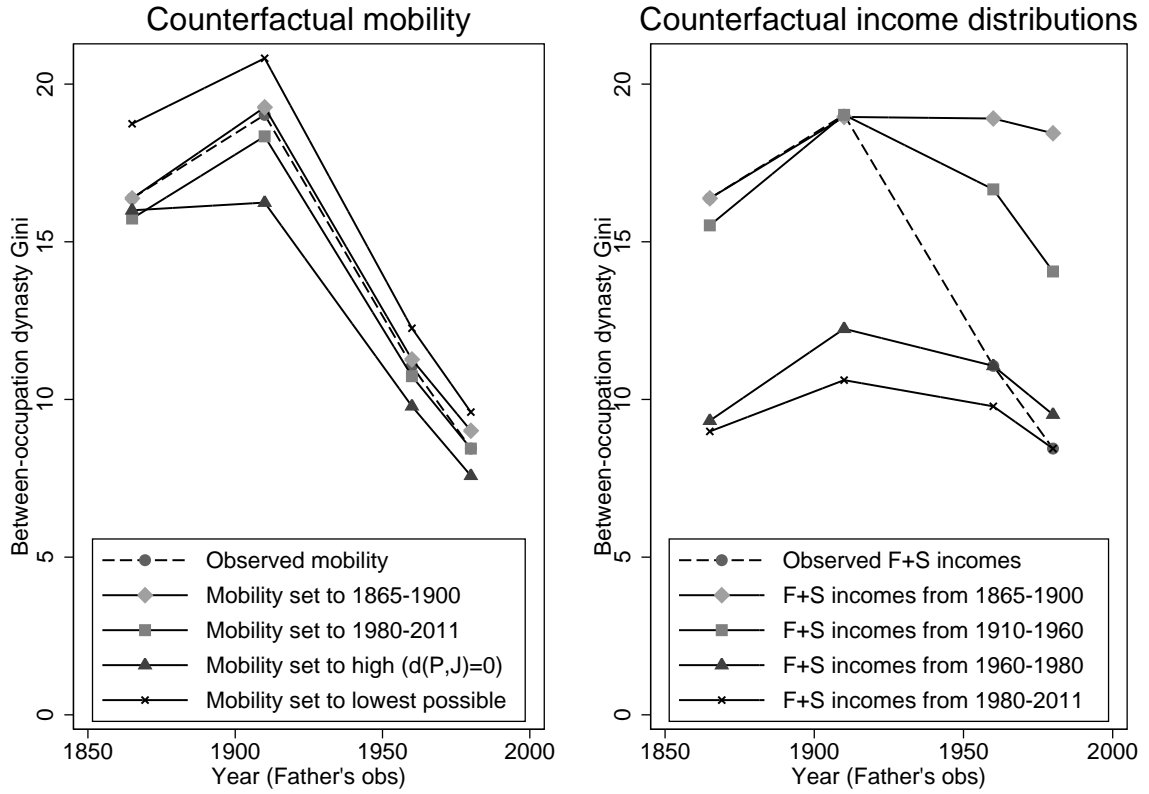


Figure 5: Counterfactual between-occupation dynasty (father+son) Gini coefficients. Left panel: using observed occupation distributions and incomes, keeping mobility constant over time. Right panel: using observed occupation distributions and mobility matrices, keeping fathers' and sons' income distributions constant over time.

mobility matrices being as observed in the data. If we fix mobility at any of the observed four matrices discussed in this paper, there is no large change in the level of the dynastic Gini coefficient; the periods with highest and lowest mobility are shown in the figure, and it is clear that both lie quite close to the actual observed dynastic inequality. We also consider the most mobile society we can imagine, where all odds ratios are zero and there is no impact of father's occupation on son's occupation — $d(P, J) = 0$. We now observe slightly lower dynastic income inequality, with the Gini coefficient going from the observed 19.0 in 1910-1960 to 16.2 with full mobility. Similarly, we consider a mobility-minimizing matrix and find that the maximal feasible dynastic Gini given the actual marginal income distribution is 20.8 in 1910-1960.

It is evident from the left panel that replacing the mobility matrix with a counterfactual one — either one from data or hypothetical “extreme” matrices — does not greatly affect dynastic income inequality. In all cases the Kuznetsian hump-shape is preserved. In 1960-1980 and 1980-2011, the difference is never more than two Gini points. In the earliest two periods, the results are somewhat different: the actual

dynastic Gini for the period 1865-1900 is quite close to that which would be obtained if there were perfect mobility, while the distance is almost three Gini points during the 1910-1960 period.

In the right panel, the actual mobility matrices are always used, but the father and son income distributions (that is, the ratio of occupation mean incomes to the population mean) are replaced by counterfactual distributions. It is evident from the panel that there is a large effect on the dynastic Gini coefficient from changing the income distributions. While the inverse-U shape is preserved in all cases, the levels are highly dependent on the marginal distributions used. The uppermost line in the figure fixes the incomes at the 1865-1900 level. High white-collar incomes in particular contribute to dynastic inequality being above Gini=16 in all time periods in this counterfactual scenario. The slightly more equal 1910-1960 income distribution also yields high income inequality in all periods. In contrast, the 1960-1980 and 1980-2011 income distributions result in a more egalitarian distribution of dynastic income.

This decomposition exercise shows that, while there has been a substantial increase in intergenerational mobility in Norway over the time period studied, the change in the between-occupation income distribution is quantitatively more important when explaining changes in the dynastic income distribution. Because of data limitations, however, the analysis here does not incorporate within-occupation income inequality.

IV Geographical determinants of intergenerational mobility

The previous section established that mobility increased in Norway from 1865 to 2011; occupational choice became less dependent on father's occupation, with the exception of farmers. The transformation trends described in the introduction and illustrated by the changing occupation distributions in Figure 1 did not take place all across the country at the same time. Cities grew rapidly, with associated diversity in economic activity, while some areas remained rural and dependent on agriculture for a long time. The purpose of this section is to examine the extent to which the observed changes in occupational mobility were driven by changes in the geographic makeup of economic activity in Norway.

To examine geographical determinants of intergenerational occupational mobility, the municipalities of Norway have here been grouped into 160 clusters of municipalities to obtain regional units ("regions" henceforth) that are constant over time.²⁷ To the regional differences can be added some covariates from published statistics, such as the mean incomes described above. At the regional level, there are often not enough individuals for all 16 cells in the mobility matrix to be populated, making calculation of

²⁷There have been large changes in the municipal structure of Norway during the period studied here. For this reason, municipalities are aggregated into units that are stable over time.

the Altham statistic impossible. For this reason, we start the regional analysis by examining Altham statistics for larger regions, defined by various economic characteristics.

Regional differences in mobility

There are several hypotheses that can be made regarding the connection between economic development and social mobility, and this section is only able to scratch the surface in this regard. First, as it is now established that increased social mobility and economic development have occurred in parallel in Norway, it would not be surprising if this also held in cross-section; that is, if regions with a higher degree of urbanization or higher income growth experienced higher social mobility. Second, industrialization and economic development led to massive population movements. One would expect that those with a higher propensity to move location would also have a higher propensity to choose a different occupation than their father. Finally, there was substantial emigration from Norway to the US and Canada between 1865 and 1930. While we cannot observe the outcomes of the emigrants directly, we can compare mobility in regions with high and low overseas emigration rates.

The non-farm and farm components of the Altham statistic (d^N and d^F) for these subpopulations is given in Table 4. The first line of the table shows the reference total for the country as a whole, with steadily increasing non-farm intergenerational occupational mobility ($d^N = 18.7$ in 1865-1900 to $d^N = 7.8$ in 1980-2011) and a decrease in farm mobility ($d^F = 15.1$ in 1865-1900 to $d^F = 17.4$ in 1980-2011).

		Non-farm mobility d^N				Farm mobility d^F			
		1865-1900	1910 - 1960	1960-1980	1980-2011	1865-1900	1910 - 1960	1960-1980	1980-2011
Reference		18.7	15.5	12.7	7.8	15.1	13.3	18.3	17.4
	Rural (R)	17.1	16.0	13.4	7.9	11.7	9.6	16.0	15.4
	Urban (U)	18.0	14.8	12.3	7.7	15.8	14.8	19.4	18.7
Local inc. growth	Below mean	19.0	15.1	12.5	7.9	15.1	15.6	18.8	18.1
	Above mean	18.1	15.2	12.5	7.8	15.1	9.8	18.0	16.7
Geographic mobility	Non-mover (R)	17.5	16.7	14.6	8.7	11.5	9.9	16.3	15.1
	Non-mover (U)	19.2	15.9	13.3	8.6	17.2	16.7	20.6	19.7
	Mover ($R \rightarrow R$)	19.3	16.3	10.8	6.0	8.4	5.6	6.9	10.5
	Mover ($R \rightarrow U$)	14.9	12.1	10.2	5.7	7.9	7.2	10.3	10.0
	Mover ($U \rightarrow R$)	15.4	12.0	9.7	5.6	7.5	6.4	14.0	10.9
	Mover ($U \rightarrow U$)	15.4	11.5	8.4	5.4	9.2	7.5	10.1	10.6
Local emigr. rate	Low	18.5	15.8			14.8	11.8		
	High	18.9	14.4			15.4	14.7		

Table 4: Mobility indices d^N and d^F (components of the Altham statistic) for subsamples of the total population

First, we consider local regions with cities/towns and completely rural areas separately. We find that there is only a very small difference in non-farm mobility d^N between rural and urban areas, and that

both rural and urban mobility is similar to the country as a whole. For the farm component there is a larger difference, with urban areas (which include farming areas close to cities and towns) exhibiting more persistence in farming in all periods. One possible explanation for this difference is that near-city areas (counted as urban regions here) have more established, larger farms and a larger population in non-farm occupations. This could mean that the farmer population in these areas on average enjoys a more exclusive social status, and hence exerts a larger influence on sons' occupations than the more heterogeneous rural farmer population.

Second, we group local regions by income growth, and consider high- and low-growth regions (those with income growth above and below the mean) separately. Again, we find very small differences, if any at all, in the non-farm mobility component. However, high income-growth areas have less persistence among farmers. High income-growth areas are to a large extent rural, as the rural-urban income gap was much higher in the nineteenth century than it is today. Furthermore, there is a systematic correlation between the level of income in a given municipality and nearly all the farm-farm odds ratios, indicating that farm mobility was lowest in high-income regions.²⁸

Farmer persistence in rural areas could be lower because of migration patterns. The movement of people from the countryside to cities and suburban areas is substantial in the entire period studied here. Given a fixed number of farms, if this migration is drawn from all layers of society, we will observe higher mobility into farming in the sending than in the receiving region. We can examine this more closely by moving from groupings of region of origin to a grouping of individuals by their realized movement decisions. If we maintain the rural-urban distinction, we have two groups of non-movers and four groups of movers. Mobility metrics for each of the six mover groups are provided in Table 4. It is clear that movers experience higher occupational mobility than Non-movers: individuals more likely to change occupation are more likely to move, and vice versa. However, mobility for those who move from one rural area to another looks more like mobility for non-movers in the first two periods studied.

Finally, we can examine whether there is any association between intergenerational mobility and international emigration. Using statistics on overseas emigration by municipality obtained from the Norwegian National Data Service (NSD), average annual emigration rates are computed for the 1865-1900 period and the 1910-1930 period (transatlantic migration from Norway fell to a negligible level after 1930). Regions are then grouped according to whether they had emigration rates above or below the mean. The expected difference in mobility depends on the characteristics of emigration: if the "poor but industrious" emigrate, we would expect within-region social mobility to be lower, as the potentially upwardly mobile population is smaller. If, on the other hand, it is the well-off that emigrate, more high-status occupations would be available for those in farming and unskilled occupations, leading to

²⁸The results from such a regression analysis are presented in the Appendix, Table A7

higher mobility.

From the last rows of Table 4, it is evident that the difference in d^N between the high- and low-emigration regions is not very large. There is slightly lower mobility in the high-emigration regions in the 1865-1900 period, while the difference is the opposite in the next period. Farm mobility d^F is always higher in the low-emigration regions. As mobility is similar in high- and low-emigration regions, we can draw the preliminary conclusion that emigration did not substantially affect intergenerational occupational mobility in Norway. There could, however, be differential effects within each occupation group that are not picked up here.

The small differences in mobility between regions with different levels of economic development suggest that the increase in mobility over time is not driven by regional convergence. An analysis of odds ratios (presented in the Appendix) finds no systematic evidence of consistent relationships between economic development and specific odds ratios across local regions. However, there could still be local conditions that affect the patterns of intergenerational mobility. Identifying such neighborhood effects is the topic of the next section.

Neighborhood effects

Neighborhood effects on intergenerational mobility have been explored in a range of studies, summarized in Solon (1999) and Black and Devereux (2011). Neighborhood effects are typically considered as an extension of sibling correlations in income; however, with a limited number of categories, this is not a straightforward process for the occupational data used here. The idea behind such effects is similar, however: If you live in a rural area, you are more likely to have a farmer father. You are also more likely to have a farming occupation, as such jobs are more widely available.

This section introduces a way of correcting for region of origin, using the covariate-adjusted Altham statistic described in Modalsli (2015). Occupational choice is interpreted as resulting from a multinomial logit model, with dummy variables for father's occupation as individual control variables. The estimated system consists of three equations for the four occupations, with white-collar occupations being the reference category. Individuals are indexed by q , while $\mathbf{D}_q = \{D_F, D_S, D_U\}$ characterizes father's occupation, $\beta_k = \{\beta_k^F, \beta_k^S, \beta_k^U\}$ is the associated parameter vector and \mathbf{X}_q is a vector of other individual covariates with associated parameters γ_k .

$$\log \left(\frac{Pr(Occ_q = k)}{Pr(Occ_q = W)} \right) = \alpha_k + \beta'_k \mathbf{D}_q + \gamma'_k \mathbf{X}_q + \epsilon_{k,q} \quad k = F, S, U \quad (8)$$

It follows from Equation (4) that the Altham statistic can now be expressed exclusively using the β

coefficients:

$$d(P, J) = \left(\sum_{i=1}^N \sum_{j=1}^N \sum_{l=1}^N \sum_{m=1}^N [(\beta_j^i - \beta_m^i) - (\beta_j^l - \beta_m^l)]^2 \right)^{1/2} \quad (9)$$

If we omit the \mathbf{X} covariates, the estimated odds ratios and Altham statistic are similar to those studied in Section . To examine the effect of neighborhoods, we can make use of the available data on municipal covariates: the employment shares of each of the four occupation groups (from the census), and the mean incomes for each region. The results of each of these adjustments are presented in Table 5. The table also presents 95% confidence intervals, obtained by bootstrapping the Altham statistics using the covariance matrices obtained from the multinomial logit estimation.

	Time period	(1) No controls	(2) No controls, clustered SE	(3) Local mean income	(4) Employment shares	(5) Regional dummies
Altham stat. $d(P, J)$	1865-1900	24.1 (23.5 – 24.6)	24.1 (22.9 – 25.3)	22.0 (21.0 – 22.9)	20.9 (19.8 – 22.3)	20.7 (19.4 – 22.0)
	1910-1960	20.4 (20.1 – 20.8)	20.4 (19.3 – 21.6)	18.2 (17.6 – 18.9)	17.8 (17.8 – 17.8)	17.8 (17.1 – 18.4)
	1960-1980	22.3 (22.1 – 22.6)	22.3 (21.1 – 23.5)	21.3 (20.6 – 22.0)	19.9 (19.2 – 20.7)	20.0 (19.3 – 20.8)
	1980-2011	19.1 (18.9 – 19.3)	19.1 (18.3 – 20.0)	18.1 (17.4 – 18.9)	16.8 (16.2 – 17.4)	17.1 (16.4 – 17.7)
Non- farm d^N	1865-1900	18.7 (17.9 – 19.4)	18.7 (17.3 – 19.9)	17.3 (16.4 – 18.5)	16.3 (14.9 – 17.6)	16.0 (14.6 – 17.4)
	1910-1960	15.5 (14.9 – 16.0)	15.5 (14.2 – 16.7)	14.2 (13.0 – 15.5)	13.8 (13.8 – 13.8)	13.7 (12.7 – 14.9)
	1960-1980	12.7 (12.4 – 13.2)	12.7 (11.6 – 13.9)	11.5 (10.7 – 12.4)	11.0 (10.3 – 11.9)	11.1 (10.3 – 12.0)
	1980-2011	7.8 (7.5 – 8.2)	7.8 (7.2 – 8.5)	7.3 (6.7 – 8.0)	7.0 (6.5 – 7.6)	7.0 (6.5 – 7.7)
Farm d^F	1865-1900	15.1 (14.3 – 15.6)	15.1 (13.9 – 16.9)	13.6 (12.1 – 14.7)	13.2 (12.0 – 14.5)	13.1 (11.9 – 14.8)
	1910-1960	13.3 (12.9 – 13.7)	13.3 (11.5 – 15.2)	11.4 (10.0 – 12.9)	11.3 (11.3 – 11.3)	11.3 (10.0 – 12.7)
	1960-1980	18.3 (18.0 – 18.7)	18.3 (16.7 – 19.8)	17.9 (16.6 – 19.0)	16.6 (15.4 – 17.7)	16.6 (15.3 – 17.8)
	1980-2011	17.4 (17.1 – 17.7)	17.4 (16.4 – 18.4)	16.6 (15.6 – 17.6)	15.3 (14.5 – 16.1)	15.6 (14.7 – 16.4)

Table 5: Estimates of social mobility in Norway when controlling for regional background, 95% confidence intervals in parentheses, standard errors clustered on region in columns 2-5

The first column reports the baseline Altham statistic for Norway and the corresponding confidence intervals. It is evident that the intervals are relatively small. As all covariates used in this section are at the regional level, standard errors will be clustered on regions; the second column of Table 5 reports the baseline estimates with such clustering. This expands the confidence intervals somewhat, but most differences between time periods can still be clearly distinguished.

Adding one variable for the local mean income does increase the measured social mobility — the Altham statistic decreases. This reflects the fact that some of the effects previously ascribed to father's occupation are now taken up instead by the coefficient on regional mean income. The reduction is not large — for the 1865-1900 period, the Altham statistic is reduced from 24.1 to 22.0, while for the 1980-2011 period, it decreases from 19.1 to 18.1. However, the 95%-intervals for the statistic do not overlap in any of the periods. Correcting for occupation shares by adding occupation shares for the occupation

categories (with W as reference category) further increases estimated mobility.

Finally, the entire regional variation can be taken out by adding a dummy variable for each region. When this is done, the Altham statistic decreases by approximately 3 in all periods. The decrease reflects the fact that odds ratios are, on average, closer to zero within local regions than in the country as a whole; hence, the mobility statistic calculated without controls attributes some between-region variation in occupation choice to father's occupation. The effect is small, however, and does not change the time trend in intergenerational occupational mobility in Norway. The effect is similar across the sub-components d^F and d^N .

The correction for neighborhood effects does lead to an increase in the estimate of intergenerational occupational mobility. However, as this increase is roughly similar in all time periods studied, there is no evidence that changes in regional economic composition drove the changes in intergenerational mobility. If this were the case, we would expect the correction to matter more in the early periods, when there was greater regional economic heterogeneity in Norway. For this reason, we conclude that the increasing trend in mobility is not primarily driven by regional convergence.

V Concluding comments

The results presented in this paper show that the importance of family background, as measured by father's occupation, has decreased over time in Norway. This increase in intergenerational mobility is driven by decreased persistence in non-farm occupations. In this way, the development differs from the previously documented decrease in mobility in the United States, which is shown here to derive mainly from an increase in father-son persistence in farming.

Given the large geographic differences in intergenerational mobility that have been found in present-day United States (Chetty *et al.*, 2014b), we might expect disappearing regional economic differences to be driving at least parts of the differences in intergenerational mobility over time. However, while adding controls for regional elements suggests some persistence effect of childhood region, this element is relatively constant over the entire period studied. Differences in non-farm mobility (which drives all of the decrease in aggregate mobility) between regions of the country are not particularly pronounced. Regional diversity did play a role in the sense that geographic mobility appears to have facilitated occupational mobility. This is in line with the results of Abramitzky *et al.* (2012, 2013), who find suggestive evidence of a similar mechanism working at the international level in the late nineteenth century.

As the change in mobility (in particular mobility between non-farm occupations) increases steadily during the entire 146 years studied here, it is not likely that any single reform can explain the difference between high persistence in nineteenth-century Norway and low persistence today. Controlling for

regional differences does not remove the time trend in mobility. Hence, we draw the conclusion that the increase in mobility was likely the result of several factors, including technological change and a gradual increase in formal education. The Norwegian welfare state has expanded enormously in the period studied. The quality and scale of elementary education increased continuously over the first 100 years, followed by high-school reforms and the expansion of university and college education. Future work will attempt to map more carefully the effect of the expansion of education on intergenerational mobility. Moreover, increases in old-age, disability and unemployment insurance, health care and other reforms are likely to have had substantial impacts on intergenerational mobility. Low mobility in farming occupations is consistent with a mobility-reducing role of Norwegian agricultural inheritance laws.

The present paper is the first to show a radical change in intergenerational mobility in a European country. This result is robust to a large set of sample restrictions as well as alternative ways of measuring mobility, and it stands in contrast to the thesis by Clark (2014) that mobility is driven by fundamental processes that do not change over time. While there may be some one-off effect from particular reforms that have been enacted in the period under study, particularly with respect to education, the continuous decrease in the measured odds ratios does suggest a secular trend in intergenerational mobility. This does not necessarily imply that mobility will continue to increase in the future; after all, income inequality in the Scandinavian countries decreased for roughly a full century before starting to increase again in the 1980s. As the outcomes for children born in the 1980s and 1990s are not observed yet, it remains to be seen whether increasing income inequality will be accompanied by a decrease in intergenerational mobility.

References

- Abramitzky, Ran, Boustan, Leah Platt, & Eriksson, Katherine. 2012. Europe's Tired, Poor, Huddled Masses: Self-Selection and Economic Outcomes in the Age of Mass Migration. *American Economic Review*, **102**(5), 1832–1856.
- Abramitzky, Ran, Boustan, Leah Platt, & Eriksson, Katherine. 2013. Have the poor always been less likely to migrate? Evidence from inheritance practices during the age of mass migration. *Journal of Development Economics*, **102**, 2–14.
- Altham, Patricia M E. 1970. The Measurement of Association of Rows and Columns for an $r \times s$ Contingency Table. *Journal of the Royal Statistical Society Series B*, **32**(1), 63–73.
- Altham, Patricia M E, & Ferrie, Joseph P. 2007. Comparing Contingency Tables: Tools for Analyzing Data from Two Groups Cross-Classified by Two Characteristics. *Historical Methods*, **40**(1), 3–16.
- Aubert, Vilhelm, Torgersen, Ulf, Tangen, Karl, Lindbekk, Tore, & Pollan, Sonja. 1960. Akademikere i norsk samfunnsstruktur 1800-1950. *Tidsskrift for samfunnsforskning*, **1**, 185–204.
- Black, Sandra, & Devereux, Paul. 2011. Recent Developments in Intergenerational Mobility. *Handbook of Labor Economics*, **4b**, 1487–1541.

- Black, Sandra E, Devereux, Paul J, & Salvanes, Kjell G. 2005. Why the Apple Doesn't Fall Far: Understanding Intergenerational Transmission of Human Capital. *American Economic Review*, **95**(1), 437–449.
- Boberg-Fazlic, Nina, & Sharp, Paul. 2013. North and South: Social Mobility and Welfare Spending in Preindustrial England. *EHES Working Paper*, **37**(apr).
- Bratberg, Espen, Nilsen, Øivind Anti, & Vaage, Kjell. 2005. Intergenerational earnings mobility in Norway: Levels and trends. *Scandinavian Journal of Economics*, **107**(3), 419–435.
- Breen, Richard, & Luijkx, Ruud. 2004. Social Mobility in Europe between 1970 and 2000. In: Breen, R (ed), *Social Mobility in Europe*. OUP.
- Chetty, R., Hendren, N., Kline, P., Saez, E., & Turner, N. 2014a. Is the United States still a Land of Opportunity? Recent Trends in Intergenerational Mobility. *American Economic Review: Papers and Proceedings*, **104**(5), 141–147.
- Chetty, Raj, Hendren, Nathaniel, Kline, Patrick, & Saez, Emmanuel. 2014b. Where is the land of opportunity? The geography of intergenerational mobility in the United States. *Quarterly Journal of Economics*, **129**(4), 1553–1623.
- Clark, Gregory. 2014. *The Son Also Rises: Surnames and the History of Social Mobility*. Princeton University Press.
- Clark, Gregory, & Cummins, Neil. 2015. Intergenerational Wealth Mobility in England, 1858-2012: Surnames and Social Mobility. *Economic Journal*, **125**(582), 61–85.
- Collado, M Dolores, Ortuño-Ortín, Ignacio, & Romeu, Andrés. 2013. Long Run Intergenerational Social Mobility and the Distribution of Surnames. *University of Murcia Working paper*, **2**.
- Corak, Miles. 2013. Income Inequality, Equality of Opportunity, and Intergenerational Mobility. *Journal of Economic Perspectives*, **27**(3), 79–102.
- Dahl, Gordon B., Kostol, Andreas R., & Mogstad, Magne. 2014. Family Welfare Cultures. *Quarterly Journal of Economics*, **129**(4), 1711–1752.
- DiNardo, J, Fortin, Nicole M, & Lemieux, Thomas. 1996. Labor market institutions and the distribution of wages. *Econometrica*, **64**(5), 1001–1044.
- Drøbe, Martin, Helgertz, Jonas, & van de Putte, Bart. 2012. Intergenerational social mobility during modernization: A micro-level study of two communities in southern Sweden 1830-1968. *Working paper*.
- Eika, Lasse, Mogstad, Magne, & Zafar, Basit. 2014. Educational Assortative Mating and Household Income Inequality. *NBER Working Paper*.
- Ferrie, Joseph P. 2005. The End of American Exceptionalism ? Mobility in the United States Since 1850. *Journal of Economic Perspectives*, **19**(3), 199–215.
- Guell, M., Rodriguez Mora, J. V., & Telmer, C. I. 2015. The Informational Content of Surnames, the Evolution of Intergenerational Mobility, and Assortative Mating. *The Review of Economic Studies*, **82**(2), 693–735.
- Hout, Michael, & Guest, Avery. 2013. Intergenerational Occupational Mobility in Great Britain and the United States since 1850: Comment. *American Economic Review*, **103**(5), 2021–2040.
- Jäntti, Markus, Røed, Knut, Naylor, Robin, Björklund, Anders, Bratsberg, Bernt, Raaum, Oddbjørn, Österbacka, Eva, & Eriksson, Tor. 2006. American Exceptionalism in a New Light : A Comparison of Intergenerational Earnings Mobility in the Nordic Countries , the United Kingdom and the United States. *IZA Discussion Paper*, **1938**.
- Lindahl, Mikael, Palme, Mårten, Massih, Sofia Sandgren, & Sjögren, Anna. 2015. Long-term intergenerational persistence of human capital: an empirical analysis of four generations. *Journal of Human Resources*, **50**(1).

- Long, Jason. 2013. The surprising social mobility of Victorian Britain. *European Review of Economic History*, **17**, 1–23.
- Long, Jason, & Ferrie, Joseph. 2007. The path to convergence: Intergenerational occupational mobility in Britain and the US in three eras. *Economic Journal*, **117**, 61–71.
- Long, Jason, & Ferrie, Joseph. 2013. Intergenerational Occupational Mobility in Great Britain and the United States since 1850. *American Economic Review*, **103**(4), 1109–1137.
- Mannsåker, Dagfinn. 1954. *Det norske presteskapet i det 19. hundreåret: sosialhistoriske studiar*. Norske samlaget.
- Modalsli, Jørgen. 2015. Estimating occupational mobility with covariates. *Economics Letters*, **133**, 77–80.
- Mosteller, Frederick. 1968. Association and estimation in contingency tables. *Journal of the American Statistical Association*, **63**(321), 1–28.
- Norwegian Department of Education. 1999. Nyttige lærepenger: Om utdanningsfinansieringen gjennom Lånkassen. *Norges Offentlige Utredninger*, **33**.
- Norwegian Department of Justice. 1871. *Tabeller til opplysning om stemmerets- inntægts- og skatteforholdene i Norge i året 1868*. Norges Officielle Statistik B no. 3.
- Norwegian Department of Justice. 1972. Om odelsretten og åsetesretten. *Norges Offentlige Utredninger*, **22**.
- Norwegian Department of Justice and Police. 2001. Lov om personnavn: Tradisjon, liberalisering og forenkling [Law for personal names: Tradition, liberalization and simplification]. *NOU*, **1**.
- Olivetti, Claudia, & Paserman, M Daniele. 2015. In the Name of the Son (and the Daughter): Intergenerational Mobility in the United States, 1850-1930. *American Economic Review*, **105**(8), 2695–2724.
- Palmstrøm, Henrik. 1935. Om en befolkningsgruppes utvikling gjennom de siste 100 år. *Statsøkonomisk tidsskrift*, 161–370.
- Raaum, Oddbjørn, Bratsberg, Bernt, Røed, Knut, Osterbacka, Eva, Eriksson, Tor, Jantti, Markus, & Naylor, Robin A. 2007. Marital Sorting , Household Labor Supply , and Intergenerational Earnings Mobility across Countries. *The B . E . Journal of Economic Analysis & Policy: Advances*, **7**(2).
- Reif, Julian. 2010. *STRGROUP: Stata module to match strings based on their Levenshtein edit distance*. Statistical Software Components, Boston College Department of Economics.
- Ringdal, Kristen. 2004. Social Mobility in Norway 1973-95. *Pages 251–267 of: Breen, R (ed), Social Mobility in Europe*. OUP.
- Roine, Jesper, & Waldenström, Daniel. 2015. Long run trends in the distribution of income and wealth. *Handbook of Income Distribution*, **2A**, 469–592.
- Seip, Anne Lise. 1994. *Sosialhjelpsstaten blir til: norsk sosialpolitikk 1740-1920*. 2 edn. edn. Oslo: Gyldendal.
- Semmingsen, Ingrid. 1954. Standssamfunnets oppløsning i Norge. *Ståndssamhällets upplösning i Norden*, **1**(2), 49–86.
- Solon, Gary. 1999. Intergenerational mobility in the labor market. *Handbook of Labour Economics*, **3**, 1761–1800.
- Statistics Norway. 1915. *Indtægts- og formuesforhold efter skatteligningen 1911 i forbindelse med Folketællingen 1910*. Norges Officielle Statistik VI no. 24.

- The Digital Archive (The National Archive), Norwegian Historical Data Centre (University of Tromsø) and the Minnesota Population Center. 2014. *National samples of the 1865, 1900 and 1910 Censuses of Norway, Version 2.0*. Tromsø: University of Tromsø.
- van Leeuwen, Marco H.D., & Maas, Ineke. 2010. Historical Studies of Social Mobility and Stratification. *Annual Review of Sociology*, **36**(1), 429–451.
- Vassenden, Kåre. 1987. Folke- og boligtellingsene 1960, 1970 og 1980: Dokumentasjon av de sammenlignbare filene. *Rapporter, Statistisk Sentralbyrå*, **2**.
- Xie, Yu, & Killewald, Alexandra. 2013. Intergenerational Occupational Mobility in Great Britain and the United States Since 1850: Comment. *American Economic Review*, **103**(5), 2003–2020.