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Obedience in the Labor Market and Social Mobility: A Socio-Economic Approach

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This paper presents an analysis of what types of values, especially in regards to obedience vs. independence, families impart in their children. The approach is based on the framework in Acemoglu and Robinson (2021) and emphasizes the role of economic and political incentives on cultural adaptations. In the model, obedience is a useful characteristic for employers, especially when wages are low, since independent workers need to be given more incentives (when wages are high, these incentives are automatically provided). Hence, in low-wage environments, low-income families will be pushed towards imparting obedience values in order not to disadvantage their children in the labor market. To the extent that independence is useful for entrepreneurial activities, however, this then depresses their social mobility. High-income and privileged parents, on the other hand, always impart values of independence, since they expect that their children can enter into higher-income entrepreneurial or managerial activities thanks to their family resources and privileges. The framework is generalized to incorporate social mobility dynamics and barriers to entrepreneurship and upward social mobility. I also discuss how political activity can be hampered when labor market incentives encourage greater obedience, but also in turn, how political repression may further incentivize parents to shy away from independent values for their children.