



OUR WORK

DATA

EVENTS

BLOG

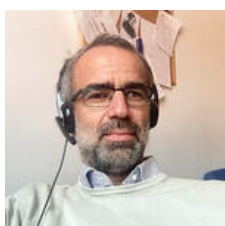
PUBLICATIONS

EXPERTS

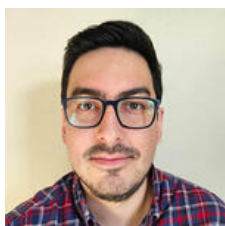
LEARNING

IMPACT

JOIN THE NETWORK



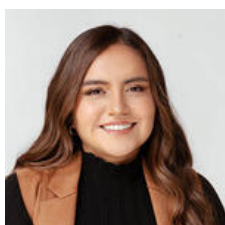
Paolo Brunori



Diego del Pozo



H. Xavier Jara



Lorena Moreno

July 2026

Blog

Is a formal job in Ecuador enough to level the playing field?

In most countries, inequality is strongly correlated with low levels of social mobility and inequality of opportunity. [New evidence from Ecuador](#) shows formal employment can act as a counterweight. In Ecuador, it has narrowed gender gaps in intergenerational mobility, but not the disadvantages associated with ethnicity or geographic location. Ecuador's formal labour market offers a pathway to upward mobility, but is that pathway open to everyone?

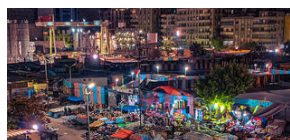
The relationship between income inequality and social mobility is known as the Great Gatsby Curve, a term coined by Alan Krueger in [a January 2012 speech at the Center for American Progress](#) and drawing on research contributions by Miles Corak and others. It shows that across countries, higher levels of income inequality often correlate with poorer life chances for those born into disadvantaged circumstances.

In [a new study](#) of over half a million formal workers in Ecuador, we find that this relationship appears weaker than might be expected—likely reflecting the fact that the analysis is restricted to parent–child pairs linked through formal sector records in a country where simply holding down a formal-sector job might be considered a privilege.



This blog is based on the UNU-WIDER working paper 'Mapping mobility and opportunity: How place, gender, and ethnicity shape economic outcomes in Ecuador' by Paolo Brunori, Diego del Pozo, H. Xavier Jara, and Lorena Moreno. Research for this paper was conducted as part of a collaboration with INEC, the Ecuadorian Statistical Office.

YOU MIGHT LIKE



How equal are life chances for children of different backgrounds in Egypt?



By Caroline Krafft
17.06.2026



Is your brother partly to blame for the gender pay gap?



By Joan Vilá
17.06.2026

Formal-sector workers are more upwardly mobile than expected

When we use records from Ecuador's civil registry, social security system, and national censuses to compare the earnings of children (born 1987–93) to their parents, we find that children's earnings are not strongly determined by their family background overall. In other words, among parent–child pairs employed in Ecuador's formal labour market, earnings depend less on family background than in most countries for which comparable estimates exist.

Our estimate for the intergenerational persistence of earnings—a common way of measuring social mobility in the technical literature—is low compared to most countries and is similar to estimates for Chile.

Still, children born into families at the extremes of the distribution—the bottom and top 20% of earners—register much higher persistence than those in the middle. Dividing the population into five equal groups by income—from poorest to richest—nearly 29% of children born into the bottom group remain there as adults. At the other end, 37% of children born into the richest group stay at the top, suggesting that the advantages and disadvantages of birth are powerful predictors of adult economic outcomes, even for the formally employed.

Gender gaps almost disappear

In Ecuador's labour market as a whole, women remain at a clear disadvantage. According to the national employment survey (December 2023), only 54% of working-age women participated in the labour market, compared with 78% of men. Among those who did, just 29% of women held a full-time job paying at least the minimum wage, versus 41% of men, and women were more than three times as likely to work without pay ([INEC–ENEMDU](#)).

Our study looks at a specific slice of this picture: people who secured formal employment. Women make up 44% of the



Has Ghana's educational expansion increased education mobility?



By Nicola
Branson
25.05.2026

Does where you work matter more than what you do?



By SA-TIED
06.05.2026

sample—a selective group, given the barriers described above. Yet once inside the formal sector, the mobility gaps between men and women are remarkably small. Among children born into the poorest group, 29% of men and 28% of women remain at the bottom—a negligible difference. Daughters from poor backgrounds are actually slightly more likely than sons to reach the top two income groups (30% vs 25%). At the upper end, persistence is almost identical: 36% of sons and 38% of daughters from the richest families stay there.

What is the catch? The levelling force of formal employment only operates for those who secure it—and, as the national figures show, women are far less likely to do so.

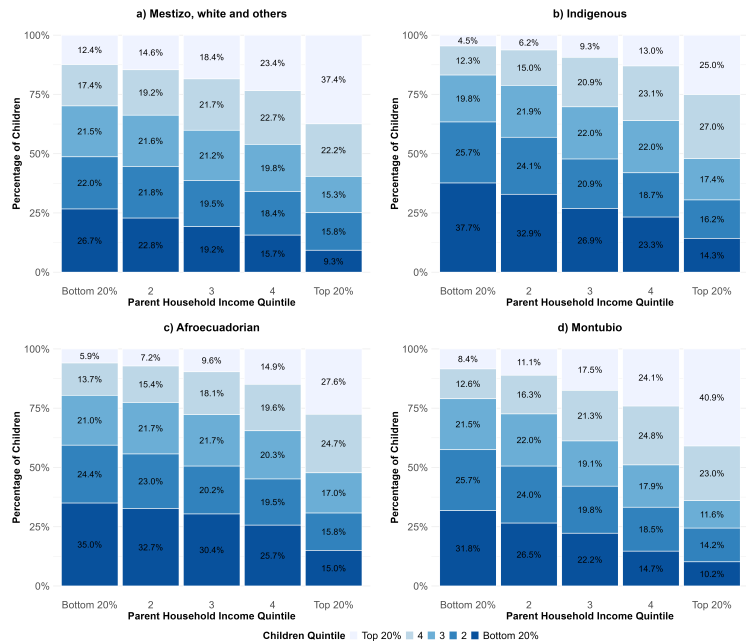
Ethnic barriers persist

The picture looks different when broken down by ethnicity. While formal employment compresses some gaps, Indigenous, Afroecuadorian, and Montubio workers still face substantial disadvantages:

- More than 1 in 3 ethnic minority children from the poorest families remain trapped in the bottom 20%, which is more than 6 percentage points higher than the average
- Less than 10% reach the top quintile, compared to 12.4% of Mestizo children from equally poor origins
- At the top, Mestizo and Montubio families retain stronger advantages—their children are more likely to stay in the highest income bracket.

These patterns reflect education, networks, and discrimination that predate formal employment.

Figure 1: Transition probability matrices by ethnicity



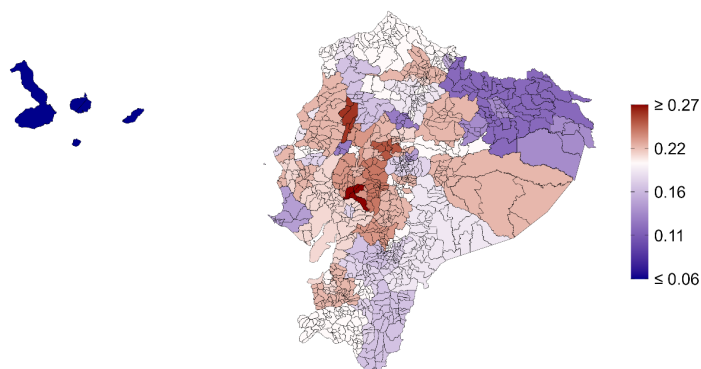
Note: Each cell shows the probability of a child born into a given income group moving up or down to another group as an adult, broken down by ethnic group.

Source: Authors' elaboration.

Where you live still determines your future

Using a machine learning approach, the study maps intergenerational mobility across 64 internally homogeneous areas—defined by where children were born and going beyond Ecuador's official administrative boundaries—to reveal where mobility is genuinely high or low.

Figure 2: Maps of intergenerational mobility across 64 areas in Ecuador (Intergenerational Elasticity)



Note: Darker areas indicate stronger income persistence across generations. High-persistence clusters concentrate in the central highlands; the northeastern Amazon and Galápagos show the lowest persistence.

Source: Authors' elaboration.

The variation is striking—and it maps onto Ecuador's distinct geography. The central highlands, including provinces like Bolívar and Cañar, are largely rural, with economies centred on small-scale agriculture, and home to a large share of Ecuador's indigenous population. Formal jobs in those provinces are scarce and concentrated in small towns and the public sector. Long-standing differences in educational infrastructure, connectivity to national markets, and land ownership mean that parental income strongly predicts children's earnings.

The link is far weaker in the northeastern Amazon—where formal employment revolves around the oil industry and the public sector and pay depends more on the job than on family background. The same is true in the Galápagos Islands, where a tourism-driven economy and low informality offer genuinely broad opportunity.

As this contrast shows, a weak link with parental income is not always good news: it can reflect widely shared opportunity, as in the Galápagos, or a formal labour market too thin for family

advantage to matter much—a distinction the opportunity analysis below makes clear.

Equality of opportunity in Ecuador

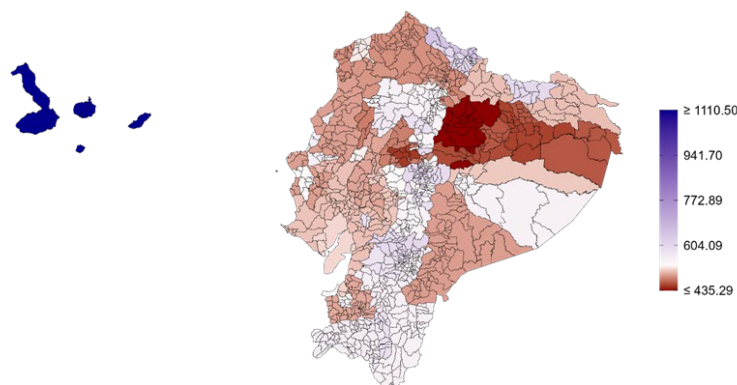
This rich source of data also gives us a unique view into how much circumstances beyond a person's control—at-birth circumstances, for example—determine their earnings in adult life. We estimate this using a measure of equality of opportunity proposed by [John Roemer in 1998](#).

We find that at-birth circumstances determine about 37% of total income inequality nationally. In the worst-performing areas, those born into the most disadvantaged circumstances can expect to earn only 69% of the national average. This estimate is similar to estimates for the United States, and [definitely higher than estimates for China, India, and South Africa](#).

Geographic variation in equality of opportunity is notable. In the worst-performing areas—several parishes in Los Ríos and Esmeraldas and parts of Cotopaxi—expected incomes for individuals born into disadvantaged families are below USD 400 a year. By contrast, in Galápagos, that figure exceeds USD 1,000. Thus, two areas with similar average incomes can deliver very different outcomes for their least-advantaged residents, depending on how unequally local opportunities are distributed.

Inequality of opportunity also varies substantially across the 64 areas analysed. Some areas exhibit levels above 12 Gini points—including cantons in Los Ríos (Babahoyo and Ventanas), Manabí (El Carmen), Napo (Tena), and Cotopaxi (Pujilí)—while others display levels closer to 8 Gini points.

Figure 3: Equality of opportunity across geographic areas in Ecuador



Note: Dark red areas are those where the worst-off individuals cannot expect to earn more than 70% of the national average income.

Source: Authors' elaboration.

Policy implications

The findings point to formal employment as one of the most powerful tools for promoting equal opportunity. But access to that employment remains deeply unequal by gender, ethnicity, and location. Three priorities stand out:

1. Expand access to formal employment—which means creating formal jobs, not only preparing workers for them. Skills and education pay off only where formal jobs exist to reward them. Job creation matters as much as human capital—alongside removing the barriers, from hiring practices to unpaid care work, that keep women and ethnic minorities out of the formal jobs that do exist.
2. Target disadvantaged regions—the central highlands and parts of the Amazon require tailored interventions in education, labour market infrastructure, and connectivity.
3. Address pre-labour-market inequalities—ethnic disparities begin before the job market. Early education and anti-discrimination policies are essential complements to labour market formalization.

Ecuador's formal labour market offers a pathway to upward mobility. The challenge is making sure that pathway is open to everyone—regardless of ethnicity, gender, or the geographic area where they were born.

The views expressed in this piece are those of the author(s), and do not necessarily reflect the views of the Institute or the United Nations University, nor the programme/project donors.

Context

PROJECT

[Inequality over the life course](#) is part of [Reducing inequalities across and within countries](#)

RELATED

Blog | [How equal are life chances for children of different backgrounds in Egypt?](#)

Blog | [Is your brother partly to blame for the gender pay gap?](#)

Blog | [Has Ghana's educational expansion increased education mobility?](#)

Research Brief | [Does where you work matter more than what you do?](#)

RELATED PUBLICATION

[Mapping mobility and opportunity: how place, gender, and ethnicity shape economic outcomes in Ecuador](#)

KEYWORDS

[ECUADOR](#)[EQUALITY AND INEQUALITY](#)[EQUALITY OF OPPORTUNITY](#)[SOCIAL MOBILITY](#)[INTERGENERATIONAL MOBILITY](#)[GENDER EQUALITY; LABOUR MARKETS](#)[PUBLIC POLICY](#)

[↑ To top of page](#)

UNU-WIDER

United Nations University World Institute for
Development Economics Research
Katajanokanlaituri 6 B, FI-00160 Helsinki, Finland
Tel: +358(0)9 6159911
Fax: +358(0)9 61599333
Mail: wider@wider.unu.edu



RESEARCH

[Current projects](#)
[WIID database](#)
[GRD database](#)

EXPERTS

[Resident researchers](#)
[Non-resident researchers](#)
[Interview series](#)
[Blog](#)

OPPORTUNITIES

[Vacancies](#)
[Visiting PhD Fellowships](#)
[Visiting Scholars](#)
[Procurement](#)
[Collaboration](#)

PUBLICATIONS

[WIDER Working Papers](#)
[Special issue journals](#)
[Books](#)
[Research briefs](#)
[Policy briefs](#)

EVENTS

[Upcoming](#)
[Conferences](#)
[WIDER Annual Lectures](#)
[Policy seminars](#)

ABOUT

[Personnel directory](#)
[WIDER Board](#)
[News](#)
[Press releases](#)
[Media inquiries](#)
[Contact us](#)