

## Revisiting the “Meritocratic Power” of a College Degree in Intergenerational Mobility in Taiwan Under Higher Education Expansion

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### Abstract

This study starts from the classic question “whether education promotes social mobility?”, and aims to connect the relationship among social origins, education and the labor market outcomes. Integrating 14 waves of Taiwan Social Change Survey, spanning the thirty years from 1992 to 2022, this study will provide systematic analyses to response the theoretical and methodological debate of the hypothesis of the “meritocratic power” of a college degree (Hout, 1984; 1988) and the selection issue (Zhou, 2019). The meritocratic power hypothesis believes that the college degree can reduce or compensate the influence of family background on the labor market outcomes—college as an equalizer, whereas the argument of selection thinks the difference from the pre-college stage determines the effect of the college on the labor market outcomes—college as a selector. By investigating the two research hypotheses of “meritocratic power of a college degree” and “the equalizing effect of higher education”, this study tries to sort out the role of higher education in the process of social mobility and how it changes across successive birth cohorts.

Hout’s series of studies using mobility tables to analyze the inter-generation mobility between parents and children (Hout, 1984; 1988) became the beginning of the equalizing nature of university education. Hout(1984) found that between 1962 and 1973, the effect of father’s occupational status on son’s occupational status declined. This was attributed to the effect of education. Even among college graduates in 1973, the influence of family background did not exist; his follow-up research found similar results using data from 1972 to 1985—the intergenerational transmission effect among college graduates is weak. Hout came to a conclusion: as higher education expansion, a college degree will become a new answer to the old problem of “overcoming disadvantaged position.” In line with this research agenda, the following studies consistently support the meritocratic power of college. Pfeffer & Hertel (2015) found that even in a cohort experiencing educational expansion, a college degree can still eliminate the influence of family background. Torche(2011; 2018) found that the influence of family background at different educational stages shows a U-shaped relationship. The influence of family background is greatest among people with a high school education and below, and the influence drops to almost zero when one reaches a college degree. However, at the graduate school stage, the influence of family background appears again (Torche, 2011; 2018). Chetty et al. (2017) found that once people from low-income families have the opportunity to enter the same school as people from high-income families, there will be no difference in earnings.

However, when emphasizing the meritocratic power of a college degree, the issue of selectivity must be concerned. Recent research focuses on responding to the equalizing effects and selectivity issues in higher education (Zhou, 2019; Fiel, 2020), dealing with the issue of selectivity in different ways. Zhou (2019) is the first study to systematically deal with the issues of selectivity, replacing the past conditional mobility with the concept of controlled mobility to avoid confounding that jointly affects the opportunity of entering college and labor market outcomes. Fiel (2020) argues that this method can only deal with the selectivity problem by the observed variables, and believes that using fixed effects to control family differences (Altonji & Dunn, 1996) and twin studies (Ashenfelter & Rouse, 1998) can solve the problem. These series of studies focusing on selectivity have found that after controlling for selection effects, the effect of family background does not differ by having a college degree or not. Zhou (2019) analyzed NLSY data and found that family background has a stable impact on earnings regardless of college graduation; Fiel (2020) also found that a college degree does not have an equalizing effect, and a graduate degree does not have the effect of widening inequality as the results in Torche (2018).

The discussions between equalization and selective are actually two different issues (Witteveen & Attewell, 2020). The former focuses on whether higher education has achieved an equalizing effect (Zhou, 2019; Fiel, 2020), and needs to consider the selective issue of entering college; the latter test of meritocracy discourse (Hout’s related discourse) is concerned with the equalization effect among the subgroup of college graduates. These two different research questions can be examined separately. Therefore, this study follows the model setting of Torche (2011) under the hypothesis of “meritocratic power of a college degree”, using the children’s socioeconomic status indicator (occupational prestige) as the dependent variable and the parents’ socioeconomic status indicator (occupational prestige) as the independent variable to discuss the difference in this coefficient between different subgroups of educational levels. In the proposition of “the selective issue of the equalizing effect of higher education”, the residual balancing weighting proposed by Zhou (2019) is used to deal with the selective issue.