



Dr. Daniel Schnitzlein, Research Associate at the German Socio-Economic Panel Study (SOEP) at DIW Berlin

NINE QUESTIONS TO DANIEL SCHNITZLEIN

»In Germany, Equal Opportunities Are Almost as Bad as in the US and Much Worse Than in Denmark«

1. Dr. Schnitzlein, you have studied how important family backgrounds are for an individual's economic success. Do people in Germany enjoy equal career opportunities, regardless of their origin? We have found that in Germany economic success, for example, measured as family income or hourly wage, is heavily dependent on family background. That is to say, the level of equality of opportunity in Germany is very low.
2. Is there any data? Yes. In our study, we used sibling correlations. This is an indirect measure of the importance of family background; we do not model the influence of the parents directly but consider how similar the siblings are. Based on these figures, we can calculate that 40 to 50 percent of inequality in Germany is due to family background.
3. How do your results differ from previous studies? Is the level of equal opportunities in Germany worse than previously suspected? It is worse than previously thought. By simply comparing, for example, the income of fathers and sons, we may assume that parental income has less of an impact in Germany. But if we move away from this one-dimensional view and extend it to the entire family background, we see that the influence of family background is much stronger.
4. You compared the situation in Germany to that of Denmark and the US. Why did you choose to compare these countries? First, we chose Denmark as a typical representative of the Scandinavian countries where equal opportunities are very good and, therefore, we find a very low correlation between economic success and family background, and, second, we chose the US because it has very poor equal opportunities and an individual's success depends very much on family background. These are the two endpoints of the scale.
5. How big are the differences, and where is Germany on that scale? The level of equal opportunities in Germany is as low as it is in the US. In contrast, if you look at Denmark, it has a very high level of equal opportunity. So we see a clear difference between Denmark and the US, and Germany is on a par with the US.
6. So the American dream of rags to riches is a legend? Yes. Both in the US and in Germany.
7. How do you explain this? What are the reasons for these differences? This question is very difficult to answer with our data. One major factor is certainly the institutional setting in these countries. It is difficult to identify individual factors here, but the literature suggests there is evidence that the education system is a driving force.
8. How do you intend to develop your methodology? The next step is to actually identify what exactly defines the level of equal opportunity. We want to determine more precisely what the international differences—and also changes in other countries we see over time—depend on. That will be the next step we'll take using this method.
9. What might those factors be? First, the parents' resources or household income, but also the parents' networks, that is, people who know the parents and, of course, how the education system is structured. But it may also be that different parenting styles have a strong influence.

Interview by Erich Wittenberg.

DIW Berlin—Deutsches Institut
für Wirtschaftsforschung e.V.
Mohrenstraße 58, 10117 Berlin
T +49 30 897 89 -0
F +49 30 897 89 -200

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Renate Bogdanovic
Tel. +49-30-89789-249
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