

Equality of opportunity and educational achievement in Portugal

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Abstract Portugal has one of the highest levels of income inequality in Europe, and low wages and unemployment are concentrated among low skill individuals. Education is an important determinant of inequality. However, there are large differences in the educational attainment of different individuals in the population, and the sources of these differences emerge early in the life-cycle when families play a central role in individual development. We estimate that most of the variance of school achievement at age 15 is explained by family characteristics. Observed school inputs explain very little of adolescent performance. Children from highly educated parents benefit of rich cultural environments in the home and become highly educated adults. Education policy needs to be innovative: (1) it needs to explicitly recognize the fundamental long run role of families on child development; (2) it needs to acknowledge the failure of traditional input based policies.

Keywords Income inequality · Education · Performance

JEL Classification I2

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