

CHANNELS OF INEQUALITY OF OPPORTUNITY: THE ROLE OF EDUCATION AND OCCUPATION IN EUROPE

Juan C. Palomino
Universidad Complutense de Madrid

Gustavo A. Marrero
Universidad de La Laguna

Juan G. Rodríguez
Universidad Complutense de Madrid

Paper abstract: This paper studies the contribution of individual education and occupation to individual opportunity in Europe. Although the differences in inequality of opportunity (IO) among European countries are significant, no systematic approach has yet been proposed to analyze the channels through which different individual circumstances turn into different income levels. Here, we propose a simple two-step method to quantify the contribution to IO of individual education and occupation across Europe in 2004 and 2010. Despite that there is no information on school quality and labour market connections, we find that the level of education explains up to 30% of total IO, with important differences across Europe but no clear patterns of change over time. Moreover, we observe a positive (negative) correlation between the share of IO channeled through education and the share of the population with low (tertiary) education. Once education is taken into account, the occupational category of individuals explains less than 5% of total IO in most European countries with different geographical patterns of change over time.