

PARENTS, SCHOOLS AND HUMAN CAPITAL DIFFERENCES ACROSS COUNTRIES

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Abstract

This paper studies the contribution of parental influence in accounting for cross-country gaps in human capital achievements. We argue that the cross-country variation in unobserved parental characteristics is at least as important as the one in commonly used observable proxies of parental socio-economic background. We infer this through an indirect empirical approach, based on the comparison of the school performance of second-generation immigrants. We document that, within the same host country or even the same school, students whose parents come from high-scoring countries in standardized international tests (PISA) do better than their peers with similar socio-economic backgrounds. This finding is not driven by differential selection into emigration. We provide several pieces of evidence that support the transmission of cultural values as a leading channel behind the cross-country variation in the parental component. Unobserved parental characteristics account for about 15% of the cross-country variance in test scores, roughly doubling the overall contribution of parental influence. (JEL: O15, J24, E24, I25)

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