

A new comparative earnings potential measure to study mobility processes

in Germany and the UK

Dr. Laura Langner & Prof. Jonathan Gershuny

University of Oxford, Department of Sociology & Nuffield College

This paper proposes a new UK-Germany comparative earnings capacity measure for the study of mobility processes, similar to economists' notion of human capital. In essence, it is an index of characteristics which determine an individual's reasonable earnings expectations, based upon current and past labour-market-related behavior—the cumulated effect of all the individual's previous human capital investments. The measure has two advantageous characteristics as an indicator of individuals' social position and life-chances: it has comprehensive coverage, including both those currently in employment and the un- or non-employed; and it is continuous. The measure is calculated using UK and German longitudinal data (SOEP and BHPS/Understanding Society). One potential application is demonstrated: Modelling changes in social position between decades.