

Research Projekt 2.1.312

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## **Wage returns of vocational and higher general education within and between occupations, job tasks, and firms**

**Key facts in brief**

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In employment societies like Germany the majority of the population realize their economic (and some tied social) participation via wages. Decisions about formal qualification level tracks, i.e. apprenticeship training versus a university degree, may depend on current and prospective income opportunities of these tracks, for school leavers, respectively. Furthermore, advances in technology and increasing globalization raise the question of how wage returns to vocational and higher general qualifications (i.e. university degrees) are changing in different occupational contexts over the course of time.

Like in many other industrialized countries wage inequality in Germany is still increasing. In our project we investigate the contribution of changing wage returns of different qualification levels to these wage inequalities, in the occupational context, respectively. Therefore our theoretical concept reflects the ideas of task-biased technological change and occupational closure. We show that one consequence of such a concept is that our main research question is split up into different sub-questions. We aim to answering each of these sub-questions with one sub-project.

An important methodological link between these sub-projects is applying different regression approaches. The aim of these regression approaches is estimating qualification-related educational returns with as unbiased as possible. Decisive for this are the structure of the respective research data (cross-section, individual longitudinal individual data, linked employer-employee data) and the available set of variables.

Single sub-projects focus on our main question in different perspectives:

- (i) wage returns to vocational and higher general education in various data sources (comparing whether and how return rates of qualification levels depend on the respective data source and regression method(s) used),
- (ii) returns to vocational and higher general education as efficiency parameters for the occupational tasks actually performed,
- (iii) the contribution of general and task-specific human capital for wages,
- (iv) wage returns to vocational and higher general education at workplaces with different skill requirements,
- (v) returns to vocational and higher general education reflecting the heterogeneity of firms.

Findings from all of these sub-projects will be published in the form of journal articles. At the end of the project major findings of all sub-projects will be summarized in a detailed report.