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Wage Mobility in East and West Germany

by Regina T. Riphahn, Daniel D. Schnitzlein
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Abstract:

This article studies the long run patterns and explanations of wage mobility as a characteristic of regional labor markets. Using German administrative data we describe wage mobility since 1975 in West and since 1992 in East Germany. Wage mobility declined substantially in East Germany in the 1990s and moderately in East and West Germany since the late 1990s. Therefore, wage mobility does not balance recent increases in cross-sectional wage inequality. We apply RIF (recentered influence function) regression based decompositions to measure the role of potential explanatory factors behind these mobility changes. Increasing job stability is an important factor associated with the East German mobility decline.

Text: See [Discussion Paper No. 6246](#)

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