**Title:** Mobility, inequality and polarization
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**Year:** 2011

**Abstract:**

The main objective of this thesis is to provide a clear understanding of the earnings distribution across five European countries characterized by different welfare and labour markets regimes in the pre-accession European Union (1994-2000). These are: Denmark, Germany, Spain, the UK, and Italy. We investigate three aspects of the earnings distribution: mobility, inequality and polarization. While inequality and polarization are two different "snapshots" of the earnings distribution, mobility also provides information about the underlying dynamics. Chapter 2 is concerned with the analysis of mobility as an equalizer od longer-term incomes (Shorrocks (1978), Fields (2010)) and builds on the approach pioneered by Schluter and Trede (2003). With this method we aim to overcome the lack of clarity arising from the use of alternative inequality measures, by providing a picture of mobility at the global and disaggregated level. Global results show that Denmark stands out as the most mobile and Germany as the least, but the ranking of the other countries is unclear. The local analysis reveals that Spain has higher mobility than the UK at the middle and top of the distribution, mobility in Italy is mainly driven by low-paid people, whilst Denmark dominates almost across the entire range of the distribution, especially in the top tail. In Chapter 3 we explore the concept of mobility defined as the degree to which earnings growth is pro-poor (Fields (2007), Jenkins and Van Kerm (2006)). We visually identify the difference in the overall degree of pro-poor growth across countries using mobility profiles (Van Kerm, 2009a). Finally, we investigate the determinants of mobility with a regression-based approach. Results show that the extent to which earnings growth is pro-poor is very similar across countries, but important differences emerge when analysing the determinants. While in Denmark life-course characteristics account for almost half of the overall pro-poor growth, this is around one third in Germany and Spain, are only one fifth of the total convergence in Italy and the UK. We also find that some events, such as job displacement, tend to pull people away from the mean and therefore do not contribute to the overall mean reversion. With chapter 4, we analyse polarization. This consists of assessing not only the degree to which individuals are distributed far from the global mean, but also the formation of some earnings groups (poles) around local means. We analyse this concept by adopting the "pure" polarization measure developed by Duclos, Esteban, and Ray (2004). The graphical analysis of polarization and the underlying forces (alienation, identification), show that polarization and inequality might tell us a different story. Denmark has low polarization and inequality, but Spain is characterized by low polarization and high inequality. Italy and the UK emerge with the highest level of polarization. Finally, we also perform a merely illustrative exercise as a first attempt to gain some insight on the range of variation of the index.