INTRODUCTION
The German National Educational Panel Study (NEPS) is an exceptional and unique research endeavor which aims to gain new insights into the acquisition of competencies across the entire life span, to describe crucial educational transitions, to study educational careers, to identify the determinants of competence development and educational decisions and to analyze the impact of education and competencies on the life course. This article gives a brief overview of the conception and structure of the NEPS. It then describes in more detail the general approach to modeling and measuring competencies used by the NEPS, as well as the way of addressing the issue of subject-specific competencies in higher education.

RESEARCH QUESTIONS, RESEARCH DESIGN AND ORGANIZATION OF THE NEPS

Overview
The NEPS, funded by the Federal Ministry of Education and Research, is an instrument for studying education over the life course and addresses a wide range of questions, including:

- How do competencies develop over the life course?
- What are the central factors in the process of competence acquisition and educational decision-making? What role do educational institutions, non-formal and informal learning environments play? How important are social characteristics, the cultural context and economic living conditions?
- What does the relationship between competencies and educational credentials look like? To what extent do certificates (grades) reflect levels of competence?
- Which competencies are decisive for educational and labor market success? To what extent do labor market outcomes depend on acquired competencies, credentials, social origins, social and cultural capital and personality traits?
- What are returns to education and competencies in terms of income, occupational career, subjective well-being, social, political and cultural participation and health?
Which factors favor participation in continuing education in later life? What conditions are unfavorable for lifelong learning?

The preeminent theoretical orientation of the NEPS is the life course perspective, meaning that the study aims to investigate the process of education, learning and competence development over the entire life span. In order to provide relevant data quickly, the NEPS uses a specific methodological approach (see Figure 1). We decided not to observe a single birth cohort over several decades, but to start with different cohorts at the same time and to follow them over a longer period of time. The cohorts are either age-based (newborns, adults) or defined by a specific point in their educational career (e.g., entry into higher education). Each of these cohorts focuses on one or two stages of education. In accordance with the structure of the German education system, the NEPS distinguishes between eight educational stages, e.g., stage 1 “From birth to early child care”; stage 5 “From upper secondary school to higher education, vocational training and the labor market”; and stage 7 “From higher education to the labor market” (see Figure 2).

Figure 1. The multi-cohort sequence design of the NEPS.