Université Paris I Panthéon-Sorbonne
Ecole d'économie de la Sorbonne
Master Economie Appliquée

ECONOMICS of EDUCATION
Course given by Robert Gary-Bobo
M1
Academic Year 2026-27, first semester

Course outline

1. Introduction. Optimal Allocation of Resources for Education and Economic Justice Criteria.
2. Theory of Human Capital : The Becker-Mincer Model. Classic results.
3. Job Market Signaling (Spence's Model). Employer Learning.
4. Econometrics of the Mincer Equation. Endogeneous education in wage equations.
4a. Instrumental Variable estimation.
4b. Self-selection models. Roy's model. Models with latent types and unobserved heterogeneity à la Heckman.
5. Classroom Economics. The *value-added* of school and teachers. Econometric methods.
6. Discrimination and education: endogenous discrimination and human capital investment. Coate and Loury's Model.

A few references:

Eric Hanushek and Finis Welch, editors, (2006), *Handbook of the Economics of Education*, Elsevier, Amsterdam.

Abdulkadiroglu, Atila, Pathak, Parag, Schellenberg, Jonathan and Christopher Walters (2020), "Do Parents Value School Effectiveness", *American Economic Review*, 110(5), 1502-1539.

Coate, Stephen, and Glenn C. Loury (1993), "Will Affirmative-Action Policies Eliminate Negative Stereotypes?"*, American Economic Review*, 83(5), 1220–1240.

Angrist, Joshua D. and Victor Lavy (1999), "Using Maimonides' Rule to Estimate the Effect of Class Size on Scholastic Achievement", *Quarterly Journal of Economics*, 114(2), 533–575.

James J. Heckman, Lance J. Lochner and Petra E. Todd (2006), ``Earnings Functions, Rates of Return and Treatment Effects: The Mincer Equation and Beyond'', chapter 7 in Eric Hanushek and Finnis Welch, editors, *Handbook of Economics of Education, volume 1*, p 307-458, Elsevier, Amsterdam.

David Card (1999), "The Causal Effect of Education on Earnings", Chap. 30 in: Orley C. Ashenfelter and David Card, editors, *Handbook of Labor Economics, Volume 3, Part A*, p. 1801-1863, Elsevier, Amsterdam.