PANTHÉON SORBONNE
UNIVERSITÉ PARIS 1

PANTHEON SORBONNE MASTER OF ECONOMICS

University Diploma – Master 1 Level

PRESENTATION

The Pantheon-Sorbonne Master of Economics (PSME) is an internationally recognized, fully English-taught graduate program at the Sorbonne School of Economics. Established in 2007, the program has consistently attracted outstanding students from around the globe and provides rigorous training in economics within a truly international academic environment in the heart of Paris.

“In the PSME we train citizens of the world who will make a difference for future generations.”

A Program Designed for International Excellence

PSME is a first year of graduate studies (Diplôme Universitaire) corresponding to the M1 level of the European Bologna system. It delivers a complete and demanding core curriculum in economics—macroeconomics, microeconomics, and econometrics—followed by advanced field courses and the preparation of a Master’s thesis equivalent to an MSc dissertation.

In parallel, students benefit from intensive French language training designed to facilitate academic and professional integration in France, and to prepare those wishing to pursue second-year Master’s programs (M2/MPhil level), whether taught in French or English.

We offer multiple tracks enabling students to specialize in a chosen field and build a strong foundation in one of our areas of expertise: **Development Economics**, **Financial Economics**, **International and Environmental Economics**, or the **PSME General Track**, designed for students who wish to explore a broad range of course offerings during the second semester.

Gateway to Advanced Specialization

Upon successful completion of the program, students may apply to the highly selective M2 programs of the Sorbonne School of Economics. These programs offer one of the most comprehensive Master’s portfolios in France, with over 100 courses structured into approximately 20 specialized tracks covering a wide range of fields in economics.

The Faculty of Economics at Panthéon-Sorbonne University is among the most respected economics departments in France and internationally. Within this demanding and research-intensive academic setting, PSME offers international students a carefully structured pathway into advanced graduate study.

To preserve academic excellence and close interaction with faculty, enrollment is intentionally limited. Admission is reserved for students with a strong quantitative and analytical background in economics. The first semester consolidates advanced theoretical and empirical foundations, while the second semester allows students to explore specialized fields and define their academic trajectory.

SEMESTER 1

Course title: MICROECONOMICS

Program / Year: PSME – Level M1

Teaching staff: Angelo Secchi

Web page or EPI: https://cours.univ-paris1.fr/course/view.php?id=38759

Semester: 1

Type (lecture, tutorial, etc.): Lectures + Tutorials

Number of hours: 36 hours of lectures (in person) + 24 hours of tutorials (in person)

Assessment methods: Midterm exam and final exam

Description:

This course provides a rigorous foundation in modern microeconomic theory at the graduate level. Its primary objective is to formalize and deepen economic intuitions introduced in intermediate level microeconomics courses. Previous knowledge is required. We therefore advise students without a background in microeconomics to take preparatory steps before the course begins.

The course develops the core theoretical tools used in contemporary microeconomic analysis, covering consumer and producer theory, general equilibrium, and game theory. Mathematical methods are employed as a language to structure economic reasoning and to derive precise, testable implications, but mathematics itself is not the focus of the course. The course is designed to prepare students for advanced graduate coursework and research in microeconomics, as well as for applied fields that rely on solid theoretical foundations.

Slides are made available weekly on EPI and should be downloaded prior to class. Additional readings and detailed materials are provided on EPI.

Course outline:

- Introduction
- Consumer theory
- Duality, Slutsky equation, and the integrability problem
- Revealed preference and uncertainty
- Production theory
- Midterm exam (covers material up to Production Theory)
- General equilibrium in a barter economy
- General equilibrium in a pure exchange economy
- General equilibrium with production
- Game theory I: strategic-form games
- Game theory II: extensive-form games

Reference Manual / Textbooks:

Jehle and Reny – Advanced Microeconomic Theory

Osborne and Rubinstein – Models in Microeconomic Theory

Simon, C. P. and L. Blume – Mathematics for Economists

Gibbons, R. – A Primer in Game Theory

Additional readings and detailed syllabus available on EPI

Course title : MACROCONOMICS

Program / Year: PSME – Level M1

Teaching staff : Elizaveta Burina

Web page or EPI : EPI

Semester : 1

Type (lecture, tutorial, etc.) : Lectures + Tutorials

Number of hours : 36 hours of lectures (in person) + 24 hours of tutorials (in person)

Assessment methods : Project, midterm and final exam

Description :

This master-level course provides a rigorous overview of contemporary macroeconomic debates, situating them within both academic research and current policy discussions. It examines how macroeconomic analysis has evolved in response to financial globalization, recurring crises, and structural changes in the global economy.

A central objective of the course is to establish clear analytical links between the real economy (output, employment, productivity) and the financial sector (monetary policy, asset markets, financial intermediation), with a strong international perspective. Students engage with the core theoretical frameworks that underpin modern macroeconomics—from IS-LM and Mundell–Fleming models to Real Business Cycle (RBC) and New Keynesian (NK) models—while exploring their empirical relevance and policy implications.

The course combines theoretical rigor with applied components, including model-based analysis and computational exercises in Python. Particular attention is given to monetary and fiscal policy design, time consistency issues, nominal rigidities, liquidity traps, and unconventional monetary policy in low interest rate environments.

By the end of the course, students will be equipped to understand, evaluate, and contribute to ongoing macroeconomic policy debates in both national and international contexts.

Course outline :

- Introduction to macroeconomics. System of National Accounts.
- SNA exercises [BW] Ch.1,2
- Policy-making: monetary and fiscal parts. Discussion/debate [BW] Ch.9, 10, 17
- IS-LM (TR) model Practice [BW] Ch.11
- IS-TR-BP (Mundell–Fleming) model Practice [BW] Ch.12
- Phillips curve, Okun’s law, recent evidence Discussion+intro to Python [BW] Ch.13
- AS-AD model: short run dynamics Practice [BW] Ch.14,15
- Real Business Cycles (RBC)
- Introduction to Python for RBC [R] Ch.5
- A simple DSGE models with money (CIA) Practice, Python [G] Ch.2
- Time-consistent and inconsistent monetary policy. Barro-Gordon model. Practice [WA] Ch.8
- Nominal rigidities Practice, Python
- NK synthesis Practice, Python [G] Ch.3, [CS]
- Low r*, NK liquidity trap, unconventional monetary policy
- Discussion+ revision
- Recent trends in macroeconomics
- Review and Q&A

Main references :

- [BW] Burda, M. and Charles W. (2017) 'Macroeconomics: A European Text', 8th edition, Oxford University Press.
- [G] Gali, J. (2008) 'Monetary Policy, Inflation, and the Business Cycle', Princeton University Press.
- [R] Romer, D. (2011) 'Advaned Macroeconmics', 4th edition, McGraw-Hill Education.
- [WA] Walsh, Carl E. (2010) 'Monetary Theory and Policy', 3rd edition, MIT Press.
- [CS] Carlin, W. and Soskice, D. (2005) The 3-equation New Keynesian Model - a graphical exposition. Topics in Macroeconomics, 5(1)

Course title : EONOMIC GROWTH

Program / Year: PSME – Level M1

Teaching staff : Carmen Camacho

Web page or EPI : EPI : https://cours.univ-paris1.fr/course/view.php?id=34336

Semester : 1

Type (lecture, tutorial, etc.) : Lectures + Tutorials

Number of hours : 36 hours of lectures (in person) + 24 hours of tutorials (in person)

Assessment methods : Final exam, Midterm exam, Presentation

Prerequisites : Students should have completed a Macroeconomics course and feel comfortable with mathematical tools for economists and concepts, such as differential equations.

Description :

Economic growth is at the root of the economic profession. Building on standard growth models, the recent decade has brought forward a large amount of new literature and research on the topic. This course is aimed at building a theoretical understanding of economic growth.

The course is organized in two parts and covers both theoretical and empirical work on economic growth.

The first part offers a detailed analysis of modern growth theories, including the Solow model, the Ramsey-Cass-Koopmans model, and overlapping generations (OLG) models. This part emphasizes the mathematical foundations of growth theory and provides students with the analytical tools and modeling skills needed to work with dynamic economic models.

The second half focuses on the empirics of economic growth. Students will be exposed to the vast literature on the topic. While some historically important papers are discussed, the course mainly focuses on recent research and how these models are used in the current field of economic growth.

Main references :

Robert J. Barro and Xavier Sala-i-Martin (2003) "Economic Growth".

Daron Acemoglu (2007) "Introduction to Modern Economic Growth".

De La Croix, D., & Michel, P. (2002). A theory of economic growth: dynamics and policy in over-lapping generations. Cambridge University Press.

Maths (there are several editions of both):

1) Chiang, A. (2005), "Fundamental Methods of Mathematical Economics".

2) Chiang, A. (2000), "Elements of Dynamic Optimization".

Course title : ECONOMETRICS

Program / Year: PSME – Level M1

Teaching staff : Morgane Louanen and Jerome Hericourt

Web page or EPI : EPI https://cours.univ-paris1.fr/course/view.php?id=38567

Semester : 1

Type (lecture, tutorial, etc.) : Lectures + tutorials

Number of hours : 36 hours of lectures (in person) + 24 hours of tutorials (in person)

Assessment methods : Project and Final exam

Description:

This course provides a rigorous grounding in econometric theory and practice, equipping students with the essential tools to analyze economic data, interpret empirical results, and critically evaluate research. It covers foundational methods such as OLS regressions and panel data analysis, as well as intermediate topics including randomized experiments, difference-in-differences, and instrumental variables. Through the analysis and discussion of academic and policy papers, students will learn to interpret empirical research and develop the skills necessary to conduct their own studies. The course goes beyond introductory econometrics; prior exposure to econometrics is highly recommended, though not strictly required.

The ultimate goal is to enable you to produce sound, meaningful empirical work — particularly for your master's thesis. The course goes beyond introductory econometrics, prior exposure to econometrics is highly recommended, though not strictly required.

Course outline :

Part 1 :

- Introduction/Ordinary Least Squares (1) ML
- OLS (2) ML
- Inference/heteroskedasticity ML
- Endogeneity ML

Part 2 :

- Panel (1) JH
- Panel (2) JH
- IV JH
- Time series JH
- Discrete choice models (1) JH
- Discrete choice models (2) JH

Part 3 :

- Policy evaluation (Experiments) (1) ML
- Policy evaluation (Experiments) (2) ML

Main references :

All needed material can be found in the appendix of Greene's

"Econometric Analysis", or the appendix of Wooldridge's

"Introductory Econometrics", available at the MSE library

Joshua D. Angrist and Jörn-Steffen Pischke, Mostly Harmless Econometrics: An Empiricist's Companion

Joshua D. Angrist and Jörn-Steffen Pischke, Mastering Metrics: The Path from Cause to Effect

Scott Cunningham, Causal Inference: The Mixtape, https://mixtape.scunning.com/

Jeffrey M. Wooldridge, Econometric Analysis of Cross Section and Panel Data

A. Colin Cameron and Pravin K. Privedi, Microeconometrics: Methods and Applications

Stata guide : Microeconometrics using Stata, by A.C.
Cameron and P.K. Trivedi, Stata Press

I Very comprehensive "help" in software

I http://www.stata.com/statalist/

I http://www.ats.ucla.edu/stat/stata/

SEMESTER 2

Course title: DEVELOPMENT ECONOMICS (MACRO)

Program / Year: PSME – Level M1

Teaching staff: Nouhoum Toure and Rémi Bazillier

Web page or EPI: EPI : https://cours.univ-paris1.fr/course/view.php?id=13004

Semester : 2

Type (lecture, tutorial, etc.): Lectures

Number of hours: 36 hours

Assessment methods: Final exam

Description:

This course examines major macro-development issues from the perspective of developing countries. It begins with a broad analytical and historical overview of structural differences across countries, focusing on inequality between and within nations, and on long-run development trajectories.

The first part of the course develops theoretical foundations related to poverty traps, inequality, structural transformation, and rural–urban dynamics. The second part emphasizes the empirical analysis of the fundamental and historical determinants of development, including geography, economic integration, institutions, colonization, and historical persistence.

Combining theoretical modeling and empirical evidence, the course equips students with the analytical tools necessary to understand contemporary development challenges and the long-run determinants of global inequality. Required readings from leading academic contributions form an integral part of the material and are included in the final examination.

Course outline

Part I – Theoretical Foundations of Development (Nouhoum Toure)

1. Introduction: Between- and Within-Country Inequality

- Historical and comparative perspectives on global inequality
- International comparisons of living standards and development indicators
- Theories of economic development

Selected readings:

- Acemoglu (2003), “Root Causes” Diamond, Guns, Germs and Steel (Parts I & II)

2. Theories of Poverty Traps

- Financial market failures and poverty traps
- Preferences and behavioral dimensions
- Anti-poverty policies
- Poverty traps and women’s empowerment

Selected readings:

- Balboni et al. (2021)
- Ghatak (2015)

3. Inequality and Development

- Is inequality conducive or detrimental to growth?
- The functional role of inequality

- Empirical evidence on causality between inequality and development

Selected readings:

- Galor & Zeira (1993)
- Galor & Moav (2004)
- Galor, Moav & Vollrath (2009)

4. Rural–Urban Migration and Urbanization

- The Lewis (1954) dual economy model
- Harris–Todaro (1970) model

Selected readings:

- Basu, Chapters 7–9

Part II – Empirical and Historical Determinants of Development (Rémi Bazillier)

Chapter 1: Fundamental Determinants of Development
Geography :

- Direct and indirect effects
- The resource curse

Economic integration :

- Frankel & Romer (1999)
- Dollar & Kraay (2004)
- Feyrer (2019)

Institutions :

- Hall & Jones (1999)
- Acemoglu, Johnson & Robinson (2001)
- Rodrik, Subramanian & Trebbi (2004)

Chapter 2: Historical Determinants of Development

- Persistence: culture and institutions
- Multiple equilibria (Nunn, 2007)
- Reversal of fortune
- Slave trade
- Colonization and legal origins

Main References:

• Michael P. Todaro & Stephen C. Smith (2011), Economic Development, Addison-Wesley, 11e edition

• Ray, Debraj: Development Economics, Princeton University Press.

• Easterly, William: The Elusive Quest for Growth: Economists' Adventures and Misad-ventures under the Tropics, MIT Press.

• Basu, Kaushik: Analytical Development Economics, MIT Press.

• Jared Diamond: "De l'inégalité parmi les sociétés" (traduction de "Guns, Germs and Steel", Penguin Books)•

Course title : HEALTH ECONOMICS

Program / Year: PSME – Level M1

Teaching staff : Isabelle Hirtzlin

Web page or EPI : EPI

Semester : 2

Type (lecture, tutorial, etc.) : Lectures

Number of hours : 36 hours

Assessment methods : Midterm report on a public health policy (policy brief) + Final exam

Prerequisites : Students should have completed a course in principles of microeconomics and macroeconomics. The course is intended for students with little or no previous knowledge in the field. No deep mathematical knowledge required.

Description :

Health economics applies the tools of economics to issues of the organisation, delivery, and financ-ing of health care. The objectives of this course are to: (1) develop an understanding of the rele-vance of economic concepts to the health care sector, (2) to describe the system of health care financing and delivery arrangements in the health care sector, and (3) to impart an understanding of the role of economic factors in the development of public policy concerning health and health care. Examples are taken from different countries and we show the differences between models for health financing and organisation.

Course outline :

Introduction

The nature of health economics. Health and wealth , Overview of the structure of the sub disci-plines of health economics. The role of health economics in health care decision making.

Part 1. Demand for medical services.

- Demand for medical care and utility.
- Uncertainty and market failures, behavioral economics.
- Determinants and measurements of health inequalities.

Part 2. The private-public mix for health insurance

- Health expenditure and financing methods
- The insurance theory

Part 3. Medical care production

- Health care delivery system
- Physician behaviour and payment methods
- Hospital theory and financing models
- The pharmaceutical industry in the world

Part 4. Public policy and assessment tools.

- Health technology/intervention assessment (micro level).
- Comparing health care systems in the world (macro level performance)
- Health development and equity, one health

Main references :

- Recent papers/reports will be unloaded on the EPI website.
- Arrow, K. J. (2001). Uncertainty and the Welfare Economics of Medical Care (American Economic Review, 1963). Journal of Health Politics, Policy and Law, 26(5), 851-883.
- Enthoven, A. C. (1984). The Rand experiment and economical health care.
- Indicators, O.E.C.D. (2023). Health at a Glance 2023 and for Europe 2022.
- Thaler, R. H., & Sunstein, C. R. (2009). Nudge: Improving decisions about health, wealth, and hap-piness. Penguin.
- Sen, A. (2008). Why and how is health a human right?. The Lancet, 372(9655), 2010.
- Shleifer, A. (1985). A theory of yardstick competition. The RAND Journal of Economics, 319-327.
- Van Doorslaer, E., Masseria, C., Koolman, X., & OECD Health Equity Research Group. (2006). Inequalities in access to medical care by income in developed countries. Canadian medical associa-tion journal, 174(2), 177-183.

Course title : POLITICAL ECONOMY

Program / Year: PSME – Level M1

Teaching staff : Nicholas Sowels

Web page or EPI : EPI

Semester : 2

Type (lecture, tutorial, etc.) : Lectures

Number of hours : 36 hours

Assessment methods : 20% Presentation + 80% Final Exam

Description :

This course analyzes the transformation of the global political and economic order in an era of geopolitical tensions, renewed protectionism, and institutional change. It examines the evolution of the liberal international order since 1945, its relationship to globalization and neoliberalism, and the emerging models reshaping contemporary capitalism.

Adopting an institutional and historical perspective, the course explores the interaction between political power, economic structures, and international institutions at both national and global levels. Key themes include the changing role of the state, trade and industrial policy, democratic resilience, geopolitical conflict, and competing varieties of capitalism.

Through critical discussion and comparative analysis, students engage with current global developments while grounding their understanding in theoretical foundations. Group presentations on students' home countries further foster applied and comparative political economy analysis.

Course outline :

1. Economics in Times of Crisis
    - Introduction to Economics and Capitalism: How economies respond to crises.
    - Complexity Theory: Insights for understanding economic crises.
    - Historical Context: Post-World War II Keynesian settlement, shocks of the 1970s, and paradigm shifts.
    - French Régulationist Theory: Application to COVID-19, Ukraine, and Gaza crises.
2. The Rise of the (Neo)Liberal International Order
    - 2.1 The Neoliberal Paradigm
        - Tax revolts, monetary policy dominance, and the Jackson Hole consensus.
        - Market deregulation, privatization, and labor market transformations.
        - Public spending trends and the emergence of New Public Management.
    - 2.2 The Washington Consensus & Varieties of Capitalism
        - From dependency theory to the Washington Consensus.
        - "End of History" thesis and the emergence of varieties of capitalism.
        - Comparative analysis of traditional and new global varieties of capitalism.
3. The Fall of the (Neo)Liberal International Order
    - 3.1 Money, Financial Globalization, and Crises
        - The nature of money and the role of banks in capitalism.
        - Rise of global finance and the 2007–2008 financial crisis.
        - COVID-19 response, secular stagnation, and the return of inflation challenges.
    - 3.2 Changing International Political Economy (IPE)

- Overview of IPE schools: mercantilist/realist, liberal/rules-based, and Marxist/radical.
- Dany Rodrik's Globalization Paradox.
- Decline of liberal rules-based systems: Trumpism, Brexit, and US-China rivalry.
- Impacts of COVID-19, the war in Ukraine, and global political shifts.

3.3 Contributions of Women Economists

- Introduction to feminist economics and the Social Provisioning Approach.
- Key contributions: Elinor Ostrom, Esther Duflo.

Contemporary perspectives: Kate Raworth (Doughnut Economics), Kate Soper (Alternative Hedonism), Noreen Hertz (The Lonely Century).

Main references :

All material will be posted to the course page (EPI)

Course title : DEVELOPMENT POLICIES

Program / Year: PSME – Level M1

Teaching staff : Lorenzo Cassi (Pantheon Sorbonne), Federico Bonaglia (OECD Development Center), Alexandros Ragoussis (IFC, World Bank), Celestin Monga (Harvard and World Bank), Mona Barak (ODI Global), Christophe Masson (European Commission), Racha Ramadan (Cairo University)

Web page or EPI : https://cours.univ-paris1.fr/fixe/02-M1-development-policies

Semester : 2

Type (lecture, tutorial, etc.) : Lectures

Number of hours : 36 hours

Assessment methods : Final exam

Description :

This course offers an overview of contemporary development policies from academic, institutional, and practitioner perspectives. It explores major debates in development thinking, including structural transformation, governance and institutions, poverty and inequality, demographic dynamics, and the role of foreign aid.

Particular emphasis is placed on policy design and implementation in key areas such as infrastructure, sustainable development, social protection, taxation, and food security. Students will examine the role of development finance institutions, blended finance, and global tax reform in shaping development outcomes.

Bringing together leading academics and senior practitioners from international organizations and development banks, the course combines analytical frameworks with real-world case studies, equipping students with the tools to understand and engage with complex development policy challenges.infrastructure

Course outline :

Lorenzo Cassi
Session 1: Introduction – Overview of Development Policies

Federico Bonaglia, Deputy Director of the OECD Development Centre
Session 2: Africa's Development and The Role of Infrastructure,

Alexandros Ragoussis, IFC, World Bank
Session 3: Firm contributions to Sustainable Development – from theory to practice.
Session 4: Blended Finance
Session 5: Governance – Development Banks, Development Finance Institutions, and Central Banks in sustainable development.

Celestin Monga, Harvard University Harvard Kenndy School, World Bank, former chief economist at African Development Bank

- Economic Development and Structural Transformation overview
- Three Dominant Waves of Development Thinking : Analytics, Policy Institutions and Governance
- Poverty, Inequality and Growth : Analytics and Strategies
- Employment, Demographic Dividends and Demographic Threats
- Addiction to Foreign Aid : Symptoms, Consequences and Cure

Mona Barak, ODI Global
Session 10: Two Pillars of Global tax reform

Christophe Masson, European Commission

Session 11: Implementing policies and reforms (Christophe Masson, European Commission)
Session 12: The Policy Lab
Session 13: Key Sectors of Aid and Development : Human Development and Social Protection

Racha Ramadan, Cairo University
Session 14: Food Security

Main references :

All material will be posted to the course page (EPI) provided by each professor

Course title : PRINCIPLES OF FINANCE

Program / Year: PSME – Level M1

Teaching staff : Santiago Garcia, Valerio Novembre, Alexander Harris

Web page or EPI : EPI

Semester : 2

Type (lecture, tutorial, etc.) : Lectures

Number of hours : 36 hours

Assessment methods : Class participation 15%, Final Exam 85%

Description :

Principles of Finance covers basic finance principles & theories such as core finance products, TVM, interest rate, risk and return, CAPM, debt and equity capital, WACC, valuation, perfect and imperfect capital markets, market friction...and specific topics such as Behavioural finance, IPO decision/M&A/LBO, capital markets, Financial Innovation, FinTech, Sustainable Finance, European Capital Markets Union…

Course outline :

- Session Topic Lecturer Date
- I Fin. instruments & capital budgeting Santiago Garcia
- II IPO decision / M&A / LBO Valerio Novembre
- III Portfolio theory & CAPM Santiago Garcia
- IV Market efficiency & frictions Alexander Harris
- V Behavioral finance Alexander Harris
- VI Capital structure Santiago Garcia
- VII Financial innovation Alexander Harris
- VIII Valuation & payout policy Santiago Garcia
- IX Overview of capital markets listing Valerio Novembre
- X Agency problems & corporate governance Valerio
- XI Sustainable finance Alexander Harris
- XII The European Capital Markets Union Valerio Novembre

Main references :

For principles and basics of corporate finance:

- - J. Berk and P. DeMarzo, Corporate Finance, Third edition, Pearson.
- - Bodie, Z., Kane, A, Marcus, A.J., “Investments”, 8th edition, McGraw Hill, New York, 2009.
- - Richard A. Brealey, Stewart C. Myers, Franklin Allen, “Principles of Corporate Finance”, 9th
- International Edition, McGraw Hill, New York.
- - CFA level 1 Schweser Notes, 2017 - 2019.

- For some topics, there is no textbook, but slides should be sufficient
- Some additional and specific references will be provided in the slides
- Class material shared through EPI
- Email contacts: santiago-jose.garcia-alvarado@univ-paris1.fr, alexander.harris@esma.europa.eu & valerio.novembre@eui.eu

Course title : POPULATION ECONOMICS

Program / Year: PSME – Level M1

Teaching staff : Laetitia Duval

Web page or EPI : EPI

Semester : 2

Type (lecture, tutorial, etc.) : Lectures

Number of hours : 36 hours

Assessment methods : Final Exam

Description :

Population Economics covers the application of economic analysis to demography and the analysis of interrelated conditions and factors that influence the well-being of populations are closely related. The course will apply analytical tools in economics and global health to investigate various consequences of population change and conversely the demographic consequences of economic development and health improvement. The course will emphasize both micro and macro approaches. We will examine the determinants of population change and demographic behavior including household decisions, mortality (particularly infant mortality), well-being and key forms of human capital investment including health, schooling and migration. Important policy issues we'll discuss include for instance, the effect of population aging, the distribution of health and economic outcomes, appropriate level of incentives and health delivery infrastructure.

Course outline :

- Introduction on the history of population.
- Consider the determinants of fertility, mortality, migration, schooling,
- Consider the endogenous relationships between these variables and economic development.
- Overview of macro theories on demographic change, population health and economic growth (the Malthus debate, the demographic transition, recent developments in growth literature)
- Micro analyses on households' decisions.
- Empirical issues in the estimation of this relationship are considered (estimation strategies, measurement issues, and data sources).

Course title : EPISTEMOLOGY AND HISTORY OF ECONOMIC THOUGHT

Program / Year: PSME – Level M1

Teaching staff : Jean-Sebastian Lenfant

Web page or EPI : EPI

Semester : 2

Type (lecture, tutorial, etc.) : Lectures

Number of hours : 36 hours

Assessment methods : Final Exam

Description :

This course explores the historical development and methodological foundations of economic theory from its classical origins to contemporary debates. Students examine the evolution of economic reasoning, from the analytical and doctrinal debates of the classical age to the rise of marginalism and the methodological controversies of the 20th and 21st centuries. Key themes include the interplay between theory and empirics, the philosophical underpinnings of economics, and the role of economics as a science in society. By engaging with both historical texts and modern methodological discussions, students gain a deeper understanding of how economic thought has shaped and been shaped by real-world economic and social challenges.

This is a highly theoretical course requiring substantial reading and writing on the intellectual foundations of economic thought. Students will develop a deep understanding of the reasoning behind the creation of economic theories and will be well-equipped to think critically, debate rigorously, and conduct research on these issues in the future.

Course outline :

1. Methodological Legacies and Discussions:

- Realism versus nominalism: Ockham's razor
- The "mathematization of the world"
- Induction versus deduction; the is-ought problem (Hume's "guillotine")
- Positive versus normative statements; John Stuart Mill and the ceteris paribus hypothesis

2. The Classical Age: The Invention of Liberalism:

- The Physiocratic school: economic theory as an autonomous field
- Adam Smith and the foundations of liberalism
- David Ricardo's dynamics and the analytical case for free trade

3. Marginalism

- Foundations: William Stanley Jevons and Carl Menger
- Léon Walras: rationalism and methodological consequences
- Alfred Marshall: realism and analytical implications
- The Methodenstreit and its significance

4. 20th Century Methodological Debates in Economic Theory:

- The Vienna Circle and a new conception of science
- Karl Popper's Logic of Scientific Discovery
- Imre Lakatos: hard cores and protective belts in scientific research programs

5. 20th Century Methodological Debates in Economic Theory II – Analytical Backgrounds:

- The Keynesian revolution and the years of high theory
- First empirical turn: econometrics and the Koopmans–Vining debate

- Second empirical turn: experimental economics

6. 20th Century Methodological Debates in Economic Theory III – Contemporary Perspectives:

- Thomas Kuhn and The Structure of Scientific Revolutions
- New methodological questions in the post-modern age
- Economic imperialism and interdisciplinarity
- The performativity of economic theories

Course title : EUROPEAN INTEGRATION

Program / Year: PSME – Level M1

Teaching staff : Sandra Poncet

Web page or EPI : https://cours.univ-paris1.fr/fixe/European_Integration

Semester : 2

Type (lecture, tutorial, etc.) : Lectures

Number of hours : 36 hours

Assessment methods : 4 Online MCQ (20%) + Final Exam (80%)

Description :

This course examines the economic foundations of European integration using micro- and macroeconomic tools.

It begins with an overview of the EU's history and institutional development, including its decision-making processes, so that students understand how the Union evolved and the difficulties it overcame to reach its current state.

It reviews the EU's institutional development and decision-making, analyzes how integration affects trade, competition, and economic performance (including key policies such as competition and agriculture), and covers core macroeconomic issues such as the EMU, optimum currency areas, fiscal rules, and the Eurozone crisis. The course combines theoretical frameworks with empirical insights to assess the economic consequences of integration. It aims to provide students with a structured understanding of how economic analysis informs EU policy design and reform.

While the focus remains on economic theory and analysis, significant emphasis is placed on explaining historical and contemporary issues within the European Union. These include diverging policy stances across member states. The course also examines how the Union has managed to navigate repeated challenges and setbacks, as well as the key role that unification has played in this process.

Course outline :

Part 1-History, institutions and decision making

- Historical background
- Facts, Law and institutions
- Decision-making

Part 2-EU Economic Integration

- Analysis of trade integration
- Market size and scale effects

Part 3-EU Monetary Integration

- History and Principles of Exchange regime choice
- EU monetary and fiscal policies

Main References :

- Richard Baldwin and Charles Wyplosz, 2020, The Economics of European Integration (6 ed.),
- New York, NY, United States: McGraw-Hill Education.
- Coeuré B. and A. Bénassy-Quéré, 2014, Économie de l'euro, La Découverte.
- De Grauwe Paul, 2014, The economics of monetary union, Oxford University Press.
- https://www.bruegel.org/publications/

Course title : EMPIRICAL METHODS IN DEVELOPMENT ECONOMICS 1 (EMDE)

Program / Year: PSME – Level M1

Teaching staff : Laurine Martinoty, Clément Bosquet

Web page or EPI : EPI https://cours.univ-paris1.fr/fixe/02-M1-empirical-methods-in-development-economics-1

Semester : 2

Type (lecture, tutorial, etc.) : Lectures

Number of hours : 18 hours

Assessment methods : Oral Exam

Prerequisites : Basic econometrics : OLS, inference, panel

Description :

Building on the applied econometrics course of the first term, this course will use applications on R to strengthen and deepen the knowledge of students in applied econometrics.

Course outline :

- Introduction to decomposition methods: the Oaxaca-Blinder decomposition
- RCT
- Motivation of research question: documenting and presenting stylised facts (descriptive statistics, graphs)
- Survey data, statistical representativity, using weights, WLS
- Parameters, coefficients, standard errors, the central limit theorem and the law of large numbers

Main References :

- Joshua D. Angrist and Jörn-Steffen Pischke, Mostly Harmless Econometrics: An Empiricist's Companion
- Joshua D. Angrist and Jörn-Steffen Pischke, Mastering Metrics: The Path from Cause to Effect
- Scott Cunningham, Causal Inference: The Mixtape, https://mixtape.scunning.com/
- Jeffrey M. Wooldridge, Econometric Analysis of Cross Section and Panel Data
- Colin Cameron and Pravin K. Privedi, Microeconometrics: Methods and Applications

Course title : LABOR ECONOMICS

Program / Year: PSME – Level M1

Teaching staff : Laurine Martinoty

Web page or EPI : EPI

Semester : 2

Type (lecture, tutorial, etc.) : Lectures

Number of hours : 36 hours

Assessment methods : Final exam

Prerequisites :

Basic Microeconomics and Intermediate Econometrics

Description :

This course is an introduction to the field of labor economics. It focuses on applied theory and empirical analysis. Its aim is to acquaint students with traditional topics in labor, as well as to encourage the development of their research interests. Topics to be covered are the following: labor supply and demand, equilibrium, job search, education, dis-crimination, and other topics of interest to labor economists.

Course outline :

INTRODUCTION: Definitions, Facts, Trends

PART 1 – SUPPLY:

- Standard Neoclassical Model of Labor Supply
- Welfare Programs
- Family Labor Supply
- Job Search

PART 2 – DEMAND:

- Labor Demand
- An Application to Technological Change

PART 3 – TOPICS in Labor Economics:

- Migration
- Discrimination
- Other

Main References :

[B] Borjas, George J. Labor Economics. 6th ed. Boston, MA: McGraw-Hill/Irwin, 2013.

[ES] Ehrenberg, Ronald G., and Robert S. Smith. Modern Labor Economics. Theory and Public Policy. 11th ed. Prentice Hall, 2012.

[CZ] Advanced : Cahuc, Pierre, and André Zylberberg. Labor economics. 1st ed. MIT press, 2004.

[BFW] Specialized in gender and family issues : Blau, Francine D., Marianne A. Ferber, and Anne E. Win-kler. The Economics of Women, Men, and Work. 6th ed. Upper Saddle River, NJ: Prentice-Hall, 2009.

Course title : TOPICS IN ENVIRONMENTAL ECONOMICS

Program / Year: PSME – Level M1

Teaching staff : Mireille Chiroleu-Assouline (and specialized lecturers)

Web page or EPI : EPI https://cours.univ-paris1.fr/fixe/02-M1-topics-in-environment

Semester : 2

Type (lecture, tutorial, etc.) : Lectures

Number of hours : 36 hours

Assessment methods : Written Exam

Prerequisites : Cours de Licence S1-S5 : Microéconomie-Macroéconomie-Economie Internationale

Description :

The objective of this course is to introduce important environmental topics, highlighting their links with the international economics and how economic analysis approaches them in order to propose appropriate policies.

Current issues and the theoretical basis for their analysis are presented for each topic.

Course outline :

- Atmospheric pollutions: co-benefits and trade-offs in environmental regulation
- International environmental agreements
- Water pollution : ambient tax
- Land use, agriculture and urbanization : PES
- Forests, development and climate change
- Green technologies: R&D, innovation, growth, stranded assets
- Green products: certification and labels
- Corporate social responsibility
- Socially responsible investment and green finance
- Lobbying on environmental issues

Main References :

Berck Peter & Gloria Helfland (2010), The Economics of the Environment, Pearson.

Hanley Nick, Shogren Jason & Ben White (2019), Introduction to Environmental Economics, Oxford University Press.

Tietenberg Tom & Lynne Lewis (2015), Environmental and Natural Resource Economics, 10th Edition, Pearson.

Course title : INTERNATIONAL FINANCE

Program / Year: PSME – Level M1

Teaching staff : Jérôme Hericourt and Omar Joya

Web page or EPI : EPI

Semester : 2

Type (lecture, tutorial, etc.) : Lectures

Number of hours : 36 hours

Assessment methods : Written exam

Prerequisites : basic microeconomics, macroeconomics and econometrics

Description :

The course aims at providing students with practical perspectives and tools for the current context of International Finance. The schedule is based on a three-part organization. The course starts first with a broad overview of the current global financial environment. Afterwards, a large space is devoted to a firmer understanding of foreign exchange markets that underpin the rapid evolution of the global marketplace. Finally, the third step focuses on financing issues and tools for the global firm.

Course outline :

1. Course introduction – syllabus & schedule; Global Financial Environment – Opportunities & Challenges
2. The International Monetary System
3. The Balance of Payments
4. The Foreign Exchange Market
5. International Parity Conditions
6. Foreign Exchange Rate Determination and Intervention
7. Transaction Exposure
8. Global Cost and Availability of Capital
9. Funding the Multinational Firms
10. Multinational Tax Management
11. International Trade Finance
12. Review session

Main References :

"Multinational Business Finance", 15th Edition by David K. Eiteman, Arthur I. Stonehill and Mi-chael H. Moffett, Pearson Education, Inc., 2019

Course title : INTERNATIONAL TRADE

Teaching staff : Maria Bas et Arnold Njike

Web page or EPI : EPI

Semester : 2

Type (lecture, tutorial, etc.) : Lectures + turorials

Number of hours : 36 hours

Assessment methods : Final Exam

Description :

The course aims at providing students with a rigorous understanding of the main theories and empirical facts in modern International Trade. The schedule follows a progressive structure. It starts with the standard foundations of trade (Ricardian comparative advantage and factor-based models with technology differences), then moves to imperfect competition, gravity, and market access, linking trade patterns to geography and regional integration. Finally, the course focuses on firm-level perspectives, introducing heterogeneous-firm models and their extensions, and examining how trade liberalization, global sourcing/FDI, product quality, and labor markets shape firm performance and economic outcomes.

Course outline :

1. The standard model
2. HOV with differences in technology
3. Monopolistic competition with homogenous firms
4. New economic geography
5. Firm level facts and Heterogenous firms model
6. Extensions of the baseline heterogenous firms model: demand structure and technology
7. FDI, Firm Heterogeneity and Global Sourcing
8. The heterogeneous effects of trade liberalization on firm performance
9. The role of product quality on heterogeneous firms models
10. Trade and Labor Markets

Main References :

Combes P.P., Mayer T., Thisse J.F. (2008) Economic Geography - The Integration of Regions and Nations, Princeton University Press

De Melo J., Grether J.-M. (1997). Commerce international - Théories et applications, De Boeck.

Helpman, E. & P. Krugman (1985). Market Structure and Foreign Trade. Cambridge, MA: MIT Press.

Prerequisite: an undergrad textbook (e.g. Mayer & Mucchielli) or Krugman \& Ob-stfeld, International economics

Course title : INDUSTRIAL ECONOMICS

Program / Year: PSME – Level M1

Teaching staff : Lorenzo Cassi

Web page or EPI : EPI

Semester : 2

Type (lecture, tutorial, etc.) : Lectures

Number of hours : 36 hours

Assessment methods : Written Exam

Description :

The course covers the main topics in competition policy and sectoral regulation. It first introduces the objectives and legal foundations of competition policy, reviews oligopoly theory, and examines collusion and mergers and their welfare effects. It then turns to regulation, focusing on market imperfections (natural monopolies, externalities, public goods) and key approaches to regulatory contracts, including incentive theory and transaction cost economics.

Course outline :

PART 1 (lectures from 1 to 6 held by Lorenzo Cassi).

- Competition policy: objectives and history
- Market power and welfare
- Market definition and assessment of market power
- Collusion
- Horizontal mergers
- Vertical mergers

PART 2 (lectures from 7 to 12 held by Carine Staropoli).

- Introduction, Context: liberalization of network industries
- Why regulate? The foundation of regulation
- How to regulate?
- Traditional regulation
- Incentive regulation
- Transaction cost regulation

Main References :

Massimo Motta, Competition Policy. Theory and Practise, Cambridge University Press

Decker Christopher. Modern Economic Regulation. An introduction to Theory and Practice. Cambridge University Press

Course title : ENVIRONMENTAL POLICIES

Teaching staff : Mouez FODHA

Web page or EPI : EPI

Semester : 2

Type (lecture, tutorial, etc.) : Lectures

Number of hours : 36 hours

Assessment methods : Written Exam

Prerequisites : Basics in microeconomics

Description :

The objective is to present the foundations and main results of economic analysis of environ-mental policies. It will focus on the issues of sustainable development, the environment and natural resources. The course will start with the fundamentals of public economics, mainly based on public goods and externalities. In a second step, the course will present facts and data, with a descriptive approach of the evolution of climate change, water quality, forests, fisheries resources and pollution. The rest of the course will study:

- the environmental policy instruments: theoretical framework and applied issues,
- the measurement of environmental and resource values (theory, methods and applications),
- the links between international trade and the environment,
- the interactions between the environment and (a) inequality, (b) fiscal policies.

Course outline :

- Public goods and externalities
- Climate change, water quality, forests, fisheries resources and pollution: long-run trends
- Environmental policy instruments: theory and applications
- Non market valuation: methods and illustrations
- International trade and the environment
- Environmental issues in a macro context

Main References :

Natural Resource and Environmental Economics, R. Perman, Y. Ma, J. McGilvray and M. Com-mon. Pearson.

Environmental and Natural Resource Economics, T. Tietenberg and L. Lewis. Pearson.

Trade and the Environment, B. Copeland and S. Taylor. Princeton University Press.

Course title : APPLIED FINANCE

Program / Year: PSME – Level M1

Teaching staff : Jean Boissinot (Banque de France & NGFS)

Web page or EPI : EPI

Semester : 2

Type (lecture, tutorial, etc.) : Lectures

Number of hours : 36 hours

Assessment methods : Final exam (MCQ and problems) and one mid term assignment. The final exam accounts for 70% of the final grade.

Prerequisites : Introduction to micro and macroeconomics

Description :

This course aims at providing the basics in finance for economists and the basics in economics for financial practitioners. The course presents a comprehensive overview of the economics of finance (financial behav-iours, financial intermediation, financial stability and regulation) while offering practical knowledge and addressing current developments (green finance and digitalisation).

Course outline :

Introduction

- Financing the economy
- Financial instruments: time, risk and liquidity

Part 1: Financial behaviours

- Household finance
- Corporate finance
- Public (sector) finance

Part 2: Financial intermediation, financial institutions & financial markets

- Financial intermediation
- Banks
- Asset management (funds) and institutional investors (insurance and pension funds)
- Markets and financial infrastructures

Part 3: Financial stability & financial regulation

- Financial crisis
- Financial regulation and macroprudential policy

Topical issues

- Sustainable finance
- Financial innovation and digitalisation

Main References :

F. Mishkin (2021) The Economics Of Money Banking And Financial Markets (13th ed.)

version fr: (2013) Monnaie, banque et marchés financiers (10e éd.)

F. Fabozzi, F. Modigliani & F. Jones (2010) Foundations of Fin. Markets and Institutions (4th ed.)

Course title : FINANCIAL MARKETS AND PORTFOLIO CHOICE

Program / Year: PSME – Level M1

Teaching staff : Benjamin Hamidi

Web page or EPI : EPI

Semester : 2

Type (lecture, tutorial, etc.) : Lectures

Number of hours : 36 hours

Assessment methods : Written Exam

Prerequisites :

Description :

This course introduces crucial concepts of investment decision-making, portfolio theory and valuation models of financial assets, especially bonds and common stocks. Students will develop skills and learn tools for analysing and understanding financial markets. The course delivers a critical understanding of choice under uncertainty, portfolio construction, and equilibrium asset pricing (such as the CAPM and APT). The course also emphasizes the asset-pricing relations from first principles, and the consequences if some of the underlying assumptions are relaxed. Valuation models give students an insight and ability to identify overpriced and underpriced securities. Students will gain understanding of empirical testing procedures, and become aware of stylized facts from the empirical finance literature.

Course outline :

Part 1. General Introduction

Part 2. The Theory of Choice under Uncertainty

Part 3. Mean-Variance Portfolio Theory

Part 4. Risk Measures and Other Criteria

Part 5. Asset Pricing Models

Part 6. Portfolio Performance Measures

Part 7. Market Efficiency

Part 8. Bond Valuation, Bond Market, and Theory of Interest Rate

Main References :

Bodie Z., A. Kane and A. Marcus, (2023), Investments, McGraw-Hill, 13th Edition, 1080 pages.

Copeland T. E., J.F. Weston and K. Shastri (2014), Financial Theory and Corporate Policy, Pearson, 4th Edition, 924 pages.

Elton E., M. Gruber, S. Brown and W. Goetzmann, (2017), Modern Portfolio Theory and In-vestments Analysis, John Wiley and Sons, 9th Edition, 752 pages.

Course title : MASTER THESIS

Program / Year: PSME – Level M1

Teaching staff : Multiple professors

Web page or EPI : EPI

Semester : 2

Type (lecture, tutorial, etc.) : 2 Seminars + individual meetings with supervisor

Number of hours : 36 hours

Assessment methods : MSc. Master Thesis

Description :

In order to graduate from the PSME program, students are required to complete an individual Master's thesis (Master 1 dissertation). This independent research project allows students to explore a topic of their choice within economics under the supervision of a professor.

Students select a thesis topic and a research supervisor, either by proposing their own subject (subject to approval) or by choosing from topics suggested by faculty. The supervisor provides guidance in refining the research question, defining the methodology, and identifying relevant literature. While regular consultation is encouraged, the thesis is an independent piece of work for which the student bears full responsibility.

The dissertation should follow the structure of a professional academic article in economics, typically including: a title page, abstract, introduction, literature review, methodology, discussion of results, conclusion, bibliography, and relevant tables or figures.

The thesis is evaluated by the supervisor on the basis of the quality of the research question, analytical rigor, methodology, structure, clarity of argumentation, and overall presentation.

To support students in this process, two dedicated thesis seminars are organized: one in the first semester (focused on selecting a topic, choosing a supervisor, and identifying data sources), and one in the second semester (focused on research design, writing guidance, and progress support). The completed thesis must be submitted at the end of the second semester, prior to the second session of exams.

ORIENTATION

Course title : MATHEMATICS REFRESHER

Teaching staff : Antonio Marchitto

Web page or EPI : EPI

Semester : ORIENTATION

Type (lecture, tutorial, etc.) : Tutorial

Number of hours : 36 hours

Assessment methods : Continuous assessment

Description :

You should expect to refresh your knowledge of Economics and Mathematics in order to be prepared for the courses you will be expected to follow. It is important to keep in mind that graduate training in economics is highly mathematical. From our experience students coming from all over the globe have had very different backgrounds in Economics and Mathematics training. This course has the objective to refresh the core topics needed for the semester, providing a 4 hours lecture every day, for 2 weeks, and specific homework to consolidate knowledge.

Main references:

Chiang, A.C. and Wainwright, K. (2005). Fundamental methods of mathematical economics. McGraw-Hill. (CW)

Dowling, E.T. (2011). Schaum's Outline of Introduction to Mathematical Economics, 3rd Edition. McGraw-Hill. (D)

Floyd, J. E. (2010). Statistics for economists: a beginning. University of Toronto. (F)

Course Outline:

1. General reminders
2. Functions (CW: Chapter 2, 2.4-2.6)
3. Derivatives (D: Chapters 3 and 5)
4. Optimization (CW: Chapter 9, 9.1-9.4)
5. Matrices and linear algebra (D: Chapters 10-12)
6. Probability and Statistics (F: Chapters 2-4)

SORBONNE SCHOOL OF ECONOMICS

PSME.EES@UNIV-PARIS1.FR

PROGRAM WEBSITE :

PSME.PANTHEONSORBONNE.FR

PANTHÉON SORBONNE
UNIVERSITÉ PARIS 1