
The Impact of the National Minimum Wage on Industry-Level Wage Bargaining in France

Erwan Gautier¹, Sébastien Roux*², and Denis Fougere³

¹Laboratoire d'économie et de management de Nantes Atlantique (LEMNA) – Université de Nantes :
EA4272 – France

²Banque de France CREST – Banque de France CREST – France

³Centre de Recherche en Économie et Statistique (CREST) – INSEE, École Nationale de la Statistique
et de l'Administration Économique – France

Abstract

This paper examines empirically how industry-level wage floors are set in French industry-level wage agreements and how the national minimum wage (NMW) can interact with industry-level wage bargaining. We use for that a unique data set containing about 48,000 occupation-specific wage floors, in more than 340 French industries over the period 2006-2014. We find that the NMW has a significant impact the seasonality and the timing of the wage bargaining process. Real NMW increases affect the size of wage floor adjustments; the average elasticity is estimated close to 0.25. The elasticity of wage floors with respect to the NMW is heterogeneous along the wage floor distribution but the NMW affects significantly all levels of wage floors.

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*Speaker