JOB SEARCH WITH UBIQUITY AND THE WAGE DISTRIBUTION

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March 2006
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March 10, 2006

1We thank Pierre Cahuc, Olivier Charlot, Fabien Postel-Vinay and the seminar participants in GRE-QAM for their constructive comments and suggestions. The usual disclaimer applies.

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**Abstract:** We propose a search equilibrium model in which homogenous firms post wages along with a vacancy to attract job-seekers, while homogenous unemployed workers invest in costly search. The key innovation relates to the organisation of the search market and the search behaviour of the job-seekers. The search market is segmented by wage level, and unlike the rest of the literature individuals are ubiquitous in the sense they can choose the amount of search effort spent on each (sub-)market. We show that there exists a non-degenerate equilibrium wage distribution. Remarkably, the density of this wage distribution is hump-shaped, and it can be right-skewed. Our results are illustrated by an example originating a Beta wage distribution.

**Keywords:** Search effort; Segmented markets; Monopsony; Wage dispersion

**J.E.L. classification:** D83; J31; J41; J64