Errata in “The Economics of Imperfect Labor Markets” by Tito Boeri and Jan van Ours, Princeton University Press, 2008.

- xviii add symbol R for firm’s revenues.
- 4. Equation should be: $m + wh \geq c$
- 6. Box 1.1 second equation should be: $U(m + w^f l, l_0 - h_f) = U(m, l_0)$
- 7. Figure 1.3 vertical axis: “l” should be “m”.
- 8. Box 1.2 last paragraph on page 8: wrong description of figure 1.4
- 9. Vertical axis Figure 1.4 should be logarithm of wage (not reservation wage)
- 11. Fig 1.5. lighter shading would be nice
- 24. Labor demand is vertical if $\eta = \infty$
- 25. The total surplus of the worker is given by $wL - \int_{w}^{L^*} x' dx = wL - \frac{t^{t+1}}{c+1}$
- 26. The last lines including equation (1.7) should read: $t^* = 0$ if $\frac{1-\beta}{\beta} = \frac{\eta}{1-\eta} \cdot \frac{1+\epsilon}{\epsilon}$
- 32. Table 2.1 Note 2. Add in bracket (see http://www.oecd.org/std/ppp for details on PPP adjustment). thus note 2 should read "Real hourly minimum wage in Purchasing Power Parity (see http://www.oecd.org/std/ppp for details on PPP adjustment) multiplied by the monthly number of hours.
- 32. Table 2.1. See the attached version that no longer disentangles National from Federal level.
- 35. Figure 2.3: $L^m$ should be $L_m$ as in the text and reference list
- 38. Figure 2.4. the initial wage level in the informal sector should be lower than in the formal sector
- 57 Box 3.1. Last identity should be $\pi(w) \equiv R[L^d(w)] - wL^d(w)$
- 58 Box 3.1. Replace $y$ with $R$ in the first equation.
- 61 Figure 3.3. add C at the intersection between the dotted line at $\beta = 1$ and the Labor Demand schedule (denoted by $L^d$).
- 77 Equation 3.2. is

$$w^b = \mu^{\frac{1}{1+\alpha}} A^{\frac{1}{1+\alpha}} = \mu^{\frac{1}{1+\alpha}} w^*$$
• 78 The first equation is
\[ w^b(\beta = 1) = w^m = \frac{1}{1 - \eta} A^{\frac{\eta}{\eta + \gamma}} = (\frac{1}{1 - \eta})^{\frac{\eta}{\eta + \gamma}} w^* \]

• 78 Fourth paragraph should read: "When instead all bargaining power is on the side of employers (\( \beta = 0 \)) and labor demand is infinitely elastic (\( \eta = 0 \)), we have that
\[ w^b = w^m = \frac{A}{1 + \varepsilon} \]

• 85 Line 3 from below “high of 89 in the Slovak Republic (...)

• 89. Figures 4.2 and 4.3 are not clear since two upward pointing arrows – from \( L_1^d \) to \( L_2^d \) – are missing

• 90. third line “individual search and collective bargaining models (…)"

• 91. Equation 4.3 should read:
\[ \frac{\partial \psi}{\partial \varepsilon} = \frac{a_\varepsilon / \varepsilon - 1 / \eta}{1 / \eta - 1 / (1 - a_\varepsilon \varepsilon)} \]

• 91. Box 4.1: 2. \( \eta = 0 \); perfectly elastic demand, (…)

• 100. second line: \( \frac{\partial \psi}{\partial m} \), which gives (…)

• 110. line 13: (…) from 31.8 in the Netherlands (…)

• 113. Line 14 from below: (…) negotiated between workers and employers.

• 115. Line 6 (…) where only about 15 percent of the females (…)

• 119. footnote 4: If \( \eta_L = \eta_{ah} \) there is no optimal solution (…)

• 125. Line 3 from below: employment rates for elderly men (…)

• 138. Equation 6.2: \( NPV_{2,t}(r) = \delta^{r-t} U_r(B_r(r)) + \delta^{r-t+1} U_r(B_{r+1}(r)) + \ldots + \delta^{T-t} U_r(B_T(r)) \)
\[ = \sum_{\gamma=r}^{T} \delta^{\gamma-t} U_r(B_\gamma(r)). \]

• 182. Remove the term \( T^e \) from the denominator of equation (9.1)

• 188. Table 9.3. Add below the title: Percentages of families in living in metropolitan areas

• 192. Line 8: (…) including Hans-Werner Sinn (2004) have (…)

• 196. Remove the term \( T^e \) from the numerator of the NPVM equation and from the denominator of the following equation

• 196. last line “6 times as large”
• 197. Line 1: rate is 5 percent, then for migration to be convenient (...)
• 197. Line 2/3: (...) are just 30 per cent larger (...)
• 239. Remove Australia and New Zealand from Fig. 11.3.
• 253. equation (11.22) should be: $\varepsilon \tau \omega = \varphi \beta \omega \varphi$
• 264. 2nd para, 3rd line “starting after they had been registered”

We thank Jeff Borland, Trudie Schils, Linas Tarasonis, and students in our courses for spotting the errors in our book which we deeply regret.

Tito Boeri, Jan van Ours – Milano/Tilburg, July 26, 2009