

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: $U[m + w_{ft}^r h_{ft}, l_0 - h_{ft}] = U(m, l_0)$.
- 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 $wL - \int_{\xi}^L x^{\epsilon} dx = wL - \frac{L^{\epsilon+1}}{\epsilon+1}$
- 26. The last lines including equation (1.7) should read: $t^* = 0$ if $\frac{1-\beta}{\beta} = \frac{\eta}{1-\eta} \frac{1+\epsilon}{\epsilon}$
- 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

$$w^b = \mu^{\frac{\epsilon}{\epsilon+\eta}} A^{\frac{\epsilon}{\epsilon+\eta}} = \mu^{\frac{\epsilon}{\epsilon+\eta}} w^*$$

- 78 The first equation is

$$w^b(\beta = 1) = w^u = \left(\frac{1}{1-\eta}\right)^{\frac{\varepsilon}{\varepsilon+\eta}} A^{\frac{\varepsilon}{\varepsilon+\eta}} = \left(\frac{1}{1-\eta}\right)^{\frac{\varepsilon}{\varepsilon+\eta}} w^*$$

- 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: $\frac{dw/w}{dt_f} = \frac{a_e/\varepsilon-1/\eta}{1/\eta-1/\varepsilon(1-a_w t_e)}$
- 91. Box 4.1: 2. $\eta = 0$; perfectly elastic demand, (...)
- 100. second line: $\frac{\partial V}{\partial h}$, 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 $\eta_L = \eta a_h$ there is no optimal solution (...)
- 125. Line 3 from below: employment rates for *elderly* men (...)
- 138. Equation 6.2: $NPV_{2,t}(r) = \delta^{r-t}U_r(B_r(r)) + \delta^{r-t+1}U_r(B_{r+1}(r)) + \dots + \delta^{T-t}U_r(B_T(r)) = \sum_{\gamma=r}^T \delta^{\gamma-t}U_r(B_\gamma(r))$.
- 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: $etw = ubww$
- 264. 2nd para, 3rd line “starting after they *had* been registered”
- 294. Blanchard, *O.*, and *P. Diamond*, 1989

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