
Access to Labor Courts & Unemployment: Evidence from French Labor Courts

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Abstract

In 2008, the French government enacted a reform to reduce the number of labor courts by 20%. This led to significant changes in the access to labor courts for some workers that have now to go further to challenge their employers' decisions. We use this reform to identify how the distance to labor courts impacts job entries and exits on the labor market. Our empirical approach relies on regression adjusted difference-in-difference matching estimations. We use several matching algorithms (Nearest-neighbor, Kernel, CBPS). Our results show that the removal of labor courts increased job outflows. The overall effect on unemployment is however not clear since the reform also increased the number of new enterprises. We also investigate the conditional impact of the reform according to the increased distance to labor courts.

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