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Introduction

The diversity of national labor regulations is undeniable as national policymakers constantly face the perpetual challenge to strike a proper balance between promoting labor market efficiency and ensuring employment protection. Accordingly, national labor regulations are tailored in accordance with the needs of local market participants and overarching national social policy goals. And yet, certain basic notions of labor market flexibility must be kept in mind and respected.

The Employment Flexibility Index 2019 of the member states of the European Union (EU) and the Organization for Economic Co-operation and Development (OECD) provides a comparative quantitative analysis of labor regulation

flexibility. The Index is intended to promote broader debates on labor market regulation and the importance of flexible employment. The Index was first introduced in 2018 and has already proven to be a useful tool not only for comparison and benchmarking, but also as a means of monitoring and evaluating applicable national practices and ongoing labor law reforms at the regional level.

The Employment Flexibility Index is based on the data gathered by the World Bank in conducting its annual Doing Business report. The Employment Flexibility Index covers the rules of hiring, working hours, redundancy rules and redundancy costs. The report also offers EU member state profiles and highlights their key scores and regulatory practices.

Employment Flexibility Index: the scope and importance

National regulatory practices in the field of labor law may differ depending on various factors, e.g. the size of a country and the market, national social policies, etc. Despite this, basic notions of flexibility must be respected, as flexibility may provide benefits at the individual and national levels alike. Flexible labor markets promote employment, overall productivity and labor mobility across sectors by reducing the costs and risk of changing jobs. Moreover, flexible market conditions make it possible to promptly respond to market fluctuations, increase the responsiveness of wages to changing economic conditions and provide the right incentive mechanisms for both employers and employees¹. Over-regulation creates obstacles to labour reallocation to more productive activities, which is an important driver of trade factor productivity growth². Research suggests that strict employment protection policies lead to a decrease in employment, consumption, and productivity³, whereas greater labor market flexibility increases a country's overall competitiveness⁴.

To capture the degree of flexibility of labor market regulations, the Employment Flexibility Index uses indicators covering three stages of employment: hiring, working hours, and firing redundancy rules). Each stage is measured by a set of indicators, which reflect flexibility of regulation.

Hiring indicators reflect:

- Regulation of fixed-term contracts;

- The ratio of minimum wage to value added per worker;
- The maximum length of the probationary period for permanent employees.

Research shows that employment under fixed-term contracts have contributed significantly to job creation in many countries⁵. It is also argued that the availability of fixed-term contracts increases the overall elasticity by allowing market participants to promptly and efficiently respond to market fluctuations and reduces unemployment⁶. For workers fixed-term contracts may act as a means of entering the labor market, securing an immediate source of income while gaining work experience⁷. Fixed-term contracts are also expected to increase labor market participation by providing employment opportunities for people with little or no work experience, low skill levels, and atypical working hours⁸. Generally speaking, fixed-term work agreements meet the requirements of the modern labor market as they, on the one hand, increase the employers' possibilities of choosing the necessary labor force, and on the other increase the workers' ability to choose employment that best meet their skills and interests⁹. The ability to use temporary work contracts increases labor market flexibility as it allows the employers to adjust their operations more effectively by replacing temporarily absent employees or filling seasonal work positions by temporary employees, meeting business-cycle fluctuations and short spikes in

¹ HOPENHAYN, H., ROGERSON, R. Job Turnover and Policy Evaluation: A General Equilibrium Analysis. *Journal of Political Economy*, Vol. 101, No. 5 (Oct., 1993), pp. 915-938; MARTIN, J.P., SCARPETTA, S. Setting It Right: Employment Protection, Labour Reallocation and Productivity in De Economist (2012) 160: 89. Available online: <<https://doi.org/10.1007/s10645-011-9177-2>>.

² Doing Business 2017. The World Bank: available online: <<http://www.worldbank.org/en/country/poland/publication/lessons-from-poland-insights-for-poland>>. MELITZ, M. J. OTTAVIANO, G.I.P. Market Size, Trade, and Productivity, *Review of Economic Studies*, 2008, 75: 295-316. MELITZ, M. J. The impact of trade on intra-industry reallocations and aggregate industry productivity, 2003, 71(6): 1695-172.

³ World Economic Forum. The Global Competitiveness Report 2015-2016. Available online: <http://www3.weforum.org/docs/gcr/2015-2016/Global_Competitiveness_Report_2015-2016.pdf>.

⁴ World Economic Forum. The Global Competitiveness Report 2015-2016. Available online: <http://www3.weforum.org/docs/gcr/2015-2016/Global_Competitiveness_Report_2015-2016.pdf>.

⁵ ILO. Flexibilizing Employment: an Overview. International Labor Office, Geneva, 2003.

⁶ BENTOLILA, S., G. SAINT-PAUL. A Model of Labour Demand with Linear Adjustment Costs, *Labour Economics*, 1994, p. 303-326.

⁷ GANGL, M. The only way is up? Employment protection and job mobility among recent entrants to European labour markets. *European Sociological Review*, Vol. 19, No. 5, 2003, pp. 429-449.

⁸ BOOTH, A. L., M. FRANCESCONI, J. Frank. Temporary Jobs: Stepping Stones or Dead Ends?. *The Economic Journal*, Vol. 112, No. 480, 2002, pp. 189-213.

⁹ European Commission. Report Employment in Europe 2010, Chapter 3. Available online: <http://ec.europa.eu/employment_social/eie/chap3-3_en.html>.

demand¹⁰. The World Bank also emphasizes that permitting fixed-term contracts for tasks of permanent nature ensures greater flexibility in meeting the demand for season labor, temporarily replacing regular employees, etc¹¹.

As for *minimum wage* it must be kept in mind that even though it may be aimed to protect the workers, minimum wage laws or excessively high minimum wages may cause adverse effects, such as reducing overall employment, discouraging employment of people with less experience¹² and forcing low-skilled workers out of the labor market¹³.

Most countries grant a period of exemption from typical labor regulation provisions (e.g. rules of dismissal) at the beginning of employment. Such exemption periods are referred to as probationary periods that may serve the interest of both the employer and employee. Research shows that the longer the probationary period, the greater the propensity of firms to hire and experiment with new workers and activities, which increases hiring flexibility¹⁴.

Working hours indicators reflect:

- the maximum number of working days per week;
- premiums for night work, overtime work or work on a weekly rest day as well as restrictions on such working time;
- the duration of paid annual leave for workers with different employment duration.

These three indicators define how easy it is to adjust (increase) the number of hours employees work without incurring extra costs to employers. Flexible working time, rest time and paid leave arrangements and regulations provide benefits to both parties of employment relationships. First, flexible working hour regulations allow employers to promptly respond to labor market fluctuations, to efficiently manage short-term business fluctuations, thus improving the overall efficiency of business by increasing working hours of existing employees without hiring additional personnel. Moreover, an opportunity to determine one's working hours, rest time and paid leave conditions provides benefits and incentives for the employees. Flexibility implies that individual employees

can negotiate a working schedule that fits their needs, ensures a preferable work-life balance as well as increases job satisfaction and the overall productivity levels.

Redundancy rules indicators reflect:

- the basis for the termination of an employment contract;
- obligations to notify (or get approval of) a third party in order to terminate a single redundant worker (or a group of workers);
- the obligation to reassign or to retrain a redundant worker;
- priority rules in cases of redundancies and reemployment.

When estimating redundancy costs, the World Bank takes into account the average costs of notice periods and severance pay for workers with a year, five years and ten years of tenure¹⁵.

The data on redundancy rules reflect the difficulty of terminating employment contracts and associated costs due to business-related causes, e.g. significant shifts in demand, failure to meet competition. Redundancy costs reflect the actual costs of firing to employers which may significantly impact employer decisions not only about terminating employment contracts, but employing new workers as well. Research suggests that rigid redundancy regulations have a negative impact on productivity growth, especially in industries where layoff rules are more likely to be restrictive¹⁶. Most importantly, overregulation of redundancy may decrease overall productivity and efficiency given that employers' discretion to efficiently manage human resources may be unduly restricted¹⁷. Moreover, under rigid wages, severance pay generates unemployment¹⁸ by operating de facto as a firing tax¹⁹ which may create additional obstacles for job creation and discourage employers from hiring new personnel in cases of business fluctuations²⁰. Severance pay is found to be less effective as a protective measure against the risk of job loss than e.g. experience-rated unemployment benefits²¹.

¹⁰ OECD, OECD Employment Outlook 2002, OECD Publishing, Paris.

¹¹ Doing Business 2017. The World Bank: available online: <<http://www.worldbank.org/en/country/poland/publication/lessons-from-poland-insights-for-poland>>.

¹² Doing Business 2004, p.32; JARDIM, E., LONG M.C., PLOTNICK, R., VAN INWEGEN, E., VIGDOR, J., WETHING, H. Minimum Wage Increases, Wages, and Low-Wage Employment: Evidence from Seattle, NBER Working Paper No. 23532, 2017. Available online: <<https://www.nber.org/papers/w23532>>. KREINER, C.T., RECK, D., SKOV, P.E., Do Lower Minimum Wages for Young Workers Raise their Employment? Evidence from a Danish Discontinuity, CEPR unpublished paper, 2017. Available online: <http://cepr.org/sites/default/files/3564_KREINER%20-%20Do%20Lower%20Minimum%20Wages%20for%20Young%20Workers%20Raise%20their%20Employment_0.pdf>; NEUMARK, D. Employment effects of minimum wages, IZA World of Labor, 2014. Available online: <<https://wol.iza.org/articles/employment-effects-of-minimum-wages/long>>.

¹³ LORDAN, G. NEUMARK, D. People versus machines: the impact of minimum wages on automatable jobs, 2017. Available online: <<http://www.nber.org/papers/w23667>>.

¹⁴ PRIES, M. ROGERSON, R. Hiring Policies, Labor Market Institutions, and Labor Market Flows, Journal of Political Economy, Vol. 113, 2015, pp. 811-839; MARINESCU, I. Job Security Legislation and Job Duration: Evidence from the United Kingdom, Journal of Labor Economics, Vol. 27, 2009, No. 3.

¹⁵ It is assumed that a month consists of 4 and 1/3 weeks.

¹⁶ KUDDO, A., ROBALINO, D., WEBER, M. Balancing regulations to promote jobs: from employment contracts to unemployment benefits, 2015. Available online <<http://www.worldbank.org/en/news/press-release/2015/12/09/the-right-mix-of-labor-regulations-can-protect-workers-while-maintaining-incentives-to-create-jobs-says-new-wbgilo-report>>.

¹⁷ Doing Business 2017. The World Bank. Available online: <<http://www.worldbank.org/en/country/poland/publication/lessons-from-poland-insights-for-poland>>; MELITZ, M. J. OTTAVIANO, G.I.P. Market Size, Trade, and Productivity, Review of Economic Studies, 2008, 75: 295-316.

¹⁸ GARIBALDI, P., VIOLANTE, G. L. The Employment Effects of Severance Payments with Wage Rigidities. Economic Journal, Vol. 115, No. 506, pp. 799-832, 2005. Available online: <https://papers.ssrn.com/sol3/papers.cfm?abstract_id=856689>.

¹⁹ BOERI, T., GARIBALDI, P., MOEN, E. The Economics of Severance Pay, IZA DP No. 7455

²⁰ ADHVARYU, A. CHARI, V., SHARMA, S. Firing Costs and Flexibility: Evidence from Firms' Employment Responses to Shocks in India, 2009. Available online: <<https://economics.yale.edu/sites/default/files/files/Workshops-Seminars/Development/adhvaryu-091207.pdf>>.

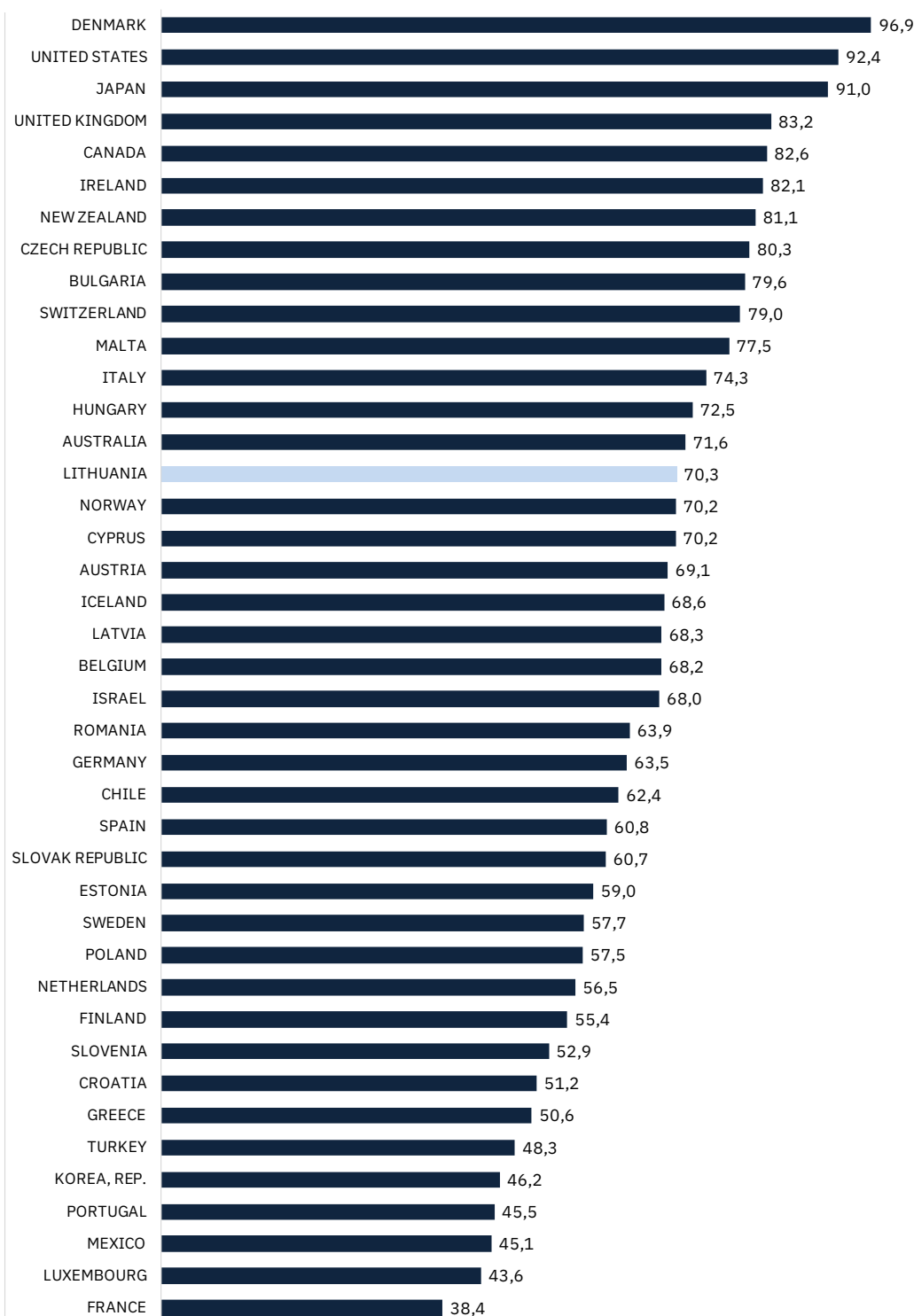
²¹ BLANCHARD, O. J., TIROLE, J. The Joint Design of Unemployment Insurance and Employment Protection: a First Pass. Journal of European Economic Association, 2008. Available online: <<https://doi.org/10.1162/JEEA.2008.6.1.45>>.

Employment flexibility in EU and OECD countries

The Employment Flexibility Index is a quantitative comparison of regulatory policies on employment regulation in EU and OECD countries. The Index is based on the World

Bank data reflecting a particular case assumption and collected by way of questionnaire²². Higher values of the Employment Flexibility Index reflect more flexible labor regulations²³.

Figure 1. Employment Flexibility Index: EU and OECD countries, 2019



²² For further clarifications and details please see section “Methodological notes”.

²³ It must be noted that the data is based on a specific case assumption and does not provide for a comprehensive evaluation of the overall labour regulatory system.

Denmark, the United States, Japan, the United Kingdom, Canada, Ireland, New Zealand, the Czech Republic, Bulgaria, Switzerland and Malta maintain top positions in the overall ranking. However some significant changes were recorded.

Lithuania shows significant improvements in terms of hiring flexibility. Lithuania’s overall EFI score went up by almost 10 points, moving the country from the 27th into 15th place among all EU and OECD countries compared to Employment Flexibility Index 2018²⁴. According to the World Bank data, Lithuania shortened the notice period for redundancy dismissals and significantly reduced the amount of mandatory payable severance pay. Accordingly Lithuania’s overall score for Redundancy costs decreased significantly, thus affecting the overall result and moving the country up by 12 positions. Lithuania now leads in the context of the Baltic States, having outperformed Estonia by approximately 11 points and Latvia, by 2 points.

Iceland dropped from the 12th to 19th position as the

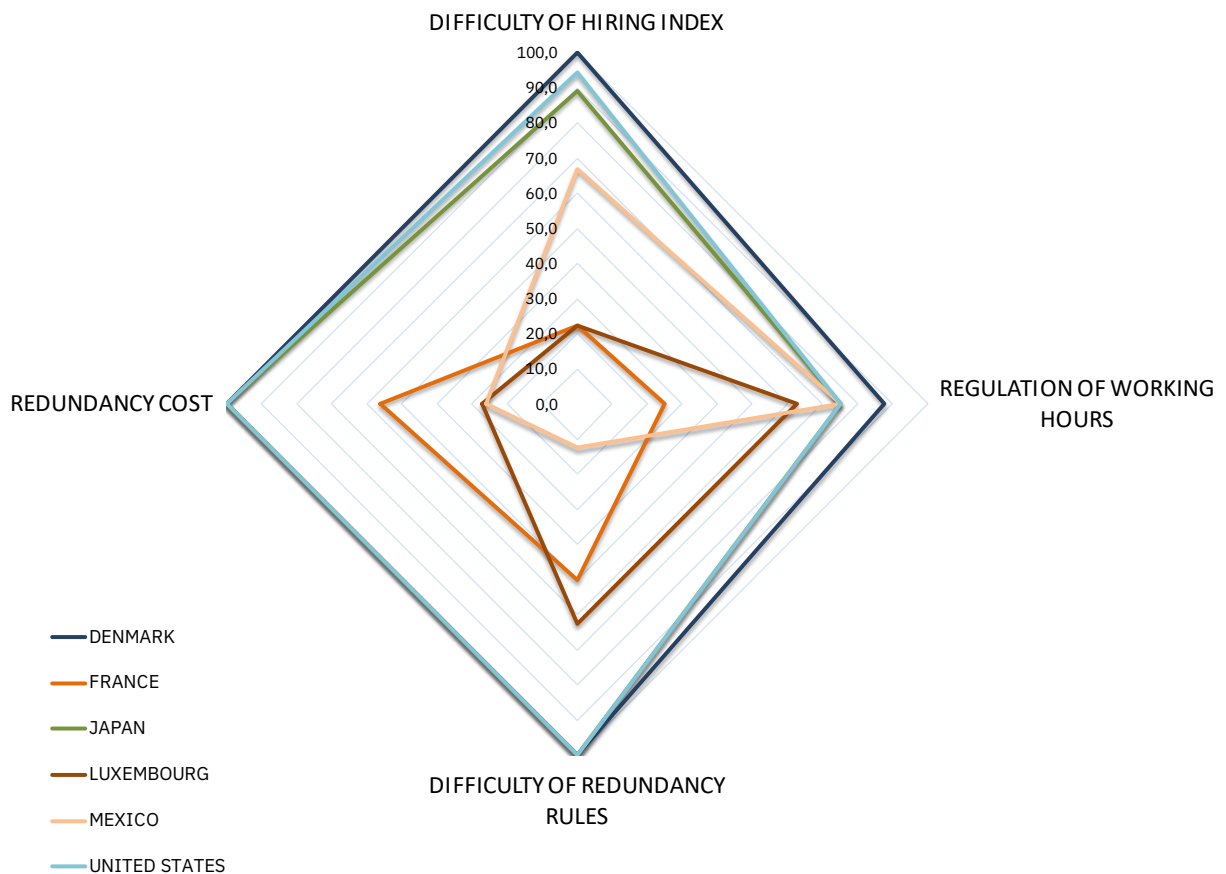
country’s score went down from 74.9 to 68.6. Iceland’s overall score was affected by an increase in the total score for Rigidity of hours indicator (it rose from 12.5 to 37.5). This was mainly due to the increase of premiums for night work, overtime and work on a weekly rest day.

Italy and Hungary moved one position up each (Italy from the 13th to 12th place, and Hungary from the 14th to 13th place), but this occurred only due to Iceland’s decline. Italy’s and Hungary’s scores did not change compared to the previous year.

In the overall rating Norway moved up by six positions, from the 21st to 16th, following the removal of restrictions on night work which significantly reduced Norway’s Rigidity of Employment Index score.

France’s overall score decreased by 1 point, but this did not impact the country’s rating among EU and OECD countries. France still remains in the last position (41st) with a score of 38.4. A lower score was caused by an increase of severance pay for redundancy dismissal.

Figure 2. EU and OECD countries with the most and least flexible labour regulation



²⁴ LFMI. Employment Flexibility Index 2018: EU and OECD countries. 2018. Available online: <https://en.llri.lt/wp-content/uploads/2017/12/Employment-Flexibility-Index-2018_-LFMI.pdf>.

Denmark, the United States and Japan receive the highest scores for labor regulation flexibility, mainly due to the following reasons:

- Fixed-term contracts are allowed for permanent tasks.
- No statutory limits are applied on the maximum duration of fixed-term contracts, including their renewals.
- No mandatory minimum wage is set by law.
- No restrictions apply to night work, overtime and work on a weekly rest day (except Japan where overtime is limited by law).
- No redundancy restrictions and costs are imposed by law.
- Employers are not required to notify or get approval from third parties in order to dismiss nine employees.
- The law does not require employers to retrain or reassign employees in cases of redundancy.

- No priority rules apply in cases of redundancies of layoffs.

- France, Luxembourg and Mexico have the least flexible employment regulations, mainly due to restrictive hiring and redundancy rules:

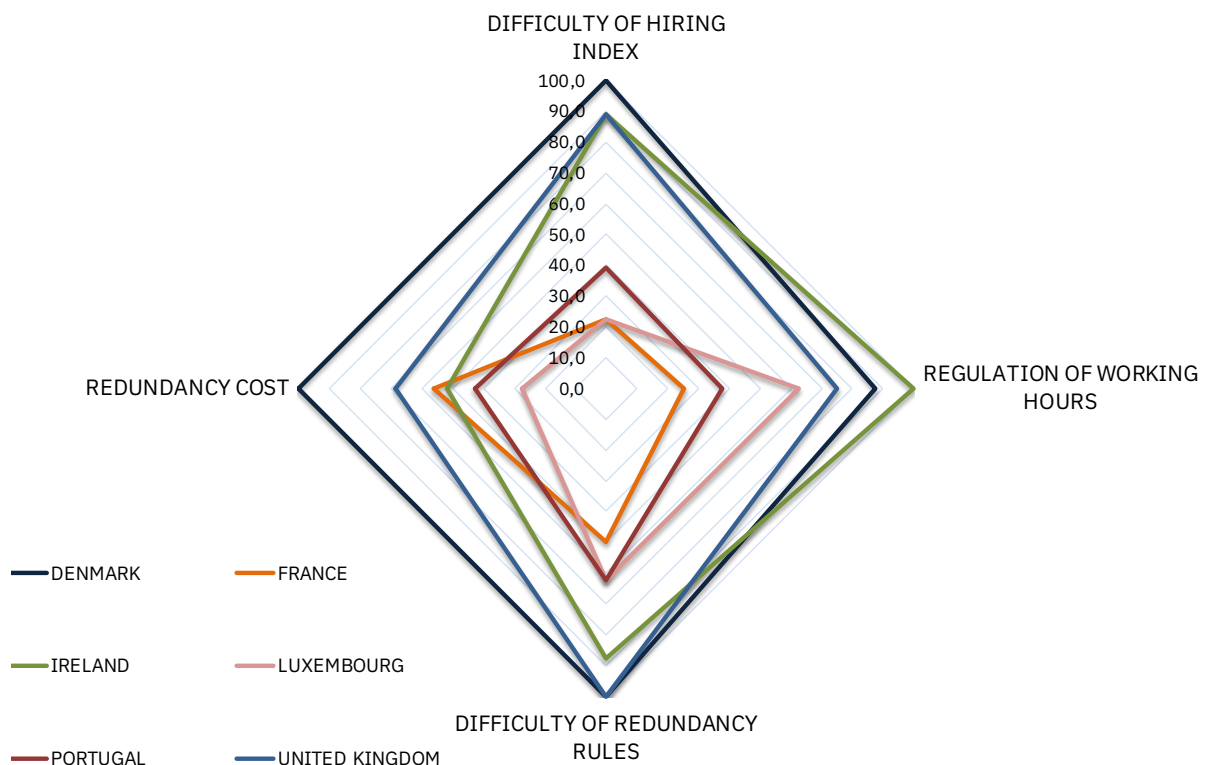
- Fixed-term contracts are only permitted for temporary tasks and prohibited for tasks of permanent nature.
- France and Luxembourg restrict the maximum duration of fixed-term contracts and their renewals (maximum 18 months in France and 24 months in Luxembourg).
- Luxembourg applies one of the highest minimum monthly wages for full-time work out of all EU and OECD countries.
- Mexico applies both strict redundancy rules and high redundancy costs, e.g. severance payments for dismissing a worker are among the highest among OECD countries, and they increase with the duration of a worker's tenure.

Employment flexibility in the European Union

The Employment Flexibility Index shows that Denmark, the United Kingdom and Ireland remain in the lead in terms of hiring flexibility among EU countries. France, Luxembourg and Portugal have the least flexible employment regulation among the EU member-states. Denmark tops the ranking (for EU and OECD) because the law does not regulate the

minimum wage for a full-time worker. (the only other EU member-state with such a regulation is Sweden; however due to more rigid rules on entering employment contracts, regulation of fixed-term contracts, working hours and redundancy issues, Sweden's score is significantly lower than Denmark's).

Figure 3. EU countries with the most and least flexible labour regulation



The leading EU countries in terms of employment flexibility received the highest scores primarily for the following reasons:

- Fixed-term contracts are allowed for tasks of permanent nature.
- The maximum duration of fixed-term contracts, including their renewals, is not limited by law.
- No restrictions apply to night work, overtime and work on a weekly rest day;
- No restrictions apply for redundancy (except in Ireland where employers are required by law to notify a third party in case of dismissal of nine workers).

The lowest rankings for France, Luxembourg and Portugal are determined mainly by the following restrictions:

- Fixed-term contracts are only permitted for temporary tasks and prohibited for tasks of permanent nature.
- The maximum duration of fixed-term contracts and their renewals are defined by law (maximum 18 months in France, 24 months in Luxembourg, and 36 months in Portugal).
- Work on a weekly rest day is restricted.
- Employers are required by law to notify a third party about dismissals.
- Employers are required by law to retrain or reassign a worker prior to redundancy (except in Luxembourg).
- Priority rules on reemployment are applied (with the exception of Portugal).

Figure 4. EU country highlights by position in the overall EU and OECD ranking

Denmark: position – 1, overall score – 96,9		
Sub index	Score (0-100)	Highlights
Hiring	100	No restrictions or limits on the duration of fixed-term contracts; no mandatory minimum wage
Working hours	87,5	No restrictions and no premiums for night work, overtime and work on a weekly holiday. 25 working days of mandatory paid annual leave.
Redundancy rules	100	Redundancy dismissals allowed by law. No restrictions on redundancies.
Redundancy costs	100	No statutory notice period or statutory severance pay in case of redundancies.

The United Kingdom: position – 4, overall score – 83,2		
Sub index	Score (0-100)	Highlights
Hiring	89	No restrictions or limits on the duration of fixed-term contracts except for mandatory minimum wage.
Working hours	75	No restrictions on overtime, night work and work on a weekly holiday. 28 working days of mandatory paid annual leave.
Redundancy rules	100	Redundancy dismissals allowed by law. No restrictions on redundancies.
Redundancy costs	68,7	Average notice period of 5.3 salary weeks (5 salary weeks for employees with 5 years of tenure, and 13 salary weeks for employees with 10 years of tenure). Average severance pay equivalent to 4 salary weeks (8.5 salary weeks for employees with 10 years of tenure, and 3.5 salary weeks for employees with 5 years of tenure).

Ireland: position – 6, overall score – 82,1		
Sub index	Score (0-100)	Highlights
Hiring	89	No restrictions or limits on the duration of fixed-term contracts except for mandatory minimum wage.
Working hours	100	No restrictions on overtime, night work and work on a weekly holiday. 20 working days of mandatory paid annual leave.

Redundancy rules	87,5	Redundancy dismissal allowed by law. Requirement to notify and consult a third party before dismissing a group of nine redundant employees.
Redundancy costs	51,9	Average notice period of 3.7 salary weeks (6 salary weeks for a worker with 10 years of tenure). Severance pay equivalent to 10.7 salary weeks (21 salary weeks of severance pay for a worker with 10 years of tenure).

The Czech Republic: position – 8, overall score – 80,3

Sub index	Score (0-100)	Highlights
Hiring	89	No restrictions on fixed-term contracts for permanent tasks. A maximum duration of fixed-term contracts of 108 months.
Working hours	100	No restrictions on overtime, night work and work on a weekly holiday. 20 working days of mandatory paid annual leave.
Redundancy rules	100	Redundancy dismissal allowed by law. No restrictions on redundancies.
Redundancy costs	32,1	Notice period of 8.7 salary weeks. Average severance pay equivalent to 11.6 salary weeks (8.7 salary weeks for workers with 1 year of tenure, and 13 salary weeks for workers with 5 or 10 years of tenure).

Bulgaria: position – 9, overall score – 79,6

Sub index	Score (0-100)	Highlights
Hiring	72,3	No restrictions on fixed-term contracts for permanent tasks. A maximum duration of fixed-term contracts – 36 months.
Working hours	75	A maximum of 6 working days per week. Restrictions on night and overtime work A 50 percent premium for overtime work and 7,4 percent premium for night work. 20 working days of paid annual leave.
Redundancy rules	100	Redundancy dismissals allowed by law. No restrictions on redundancies.
Redundancy costs	71,1	Notice period and severance pay of 4.3 salary weeks.

Malta: position – 11, overall score – 77,5

Sub index	Score (0-100)	Highlights
Hiring	72,3	No restrictions on fixed-term contracts for permanent tasks. A maximum duration of fixed-term contracts of 48 months.
Working hours	62,5	No restrictions on overtime, night work and work on a weekly holiday. A 50 percent premium for overtime and a 100 percent premium for work on a weekly rest day. 24 working days of paid annual leave.
Redundancy rules	75	No requirement to notify a third party before dismissing one or a group of nine redundant employees. Priority rules in cases of redundancy dismissals and reemployment.
Redundancy costs	100	Average notice period of 7.3 salary weeks (12 salary weeks for a worker with 10 years of tenure). No statutory severance pay.

Italy: position – 12, overall score – 74,3

Sub index	Score (0-100)	Highlights
Hiring	72,3	No restrictions on fixed-term contracts for permanent tasks. A maximum duration of fixed-term contracts of 36 months.
Working hours	87,5	No restrictions on overtime, night work and work on a weekly holiday. A 15 percent premium for overtime and for night work, a 30 percent premium for work on a weekly holiday. 26 working days of paid annual leave.
Redundancy rules	37,5	Requirement to notify and consult a third party before dismissing one or a group of nine redundant employees. An obligation to retrain or reassign an employee before redundancies. Priority rules apply to redundancies and reemployment.
Redundancy costs	100	Average notice period of 4.5 salary weeks (6.4 salary weeks for a worker with 10 years of tenure). No statutory severance pay.

Hungary: position – 13, overall score – 72,5

Sub index	Score (0-100)	Highlights
Hiring	89	No restrictions on fixed-term contracts for permanent tasks. A maximum duration of fixed-term contracts of 60 months.
Working hours	46	A maximum of 5 working days per week. Restrictions on overtime apply. A 50 percent premium for overtime. 21.3 working days of paid annual leave.
Redundancy rules	100	Redundancy dismissal allowed by law. No restrictions on redundancies.
Redundancy costs	55	Average notice period of 6.2 salary weeks (7.9 weeks for a worker with 10 years of tenure). Average severance pay equivalent to 7.2 salary weeks (13 salary weeks for a worker with 10 years of tenure).

Lithuania: position – 15, overall score – 70,3

Sub index	Score (0-100)	Highlights
Hiring	100	No restrictions on fixed-term contracts for permanent tasks. A maximum duration of fixed-term contracts of 60 months.
Working hours	50	No restrictions on overtime, night work and work on a weekly holiday. A 50 percent premium for overtime and night work and a 100 percent premium for work on a weekly rest day. 21 working day of mandatory paid annual leave.
Redundancy rules	75	Redundancy dismissal allowed by law. An obligation to retrain or reassign employees. Priority rules apply in case of redundancies.
Redundancy costs	56,3	Notice period of 4,3 salary weeks. Average severance pay equivalent to 8,7 salary weeks.

Cyprus: position – 17, overall score – 70,2

Sub index	Score (0-100)	Highlights
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Hiring	55,7	No restrictions on fixed-term contracts for permanent tasks. A maximum duration of fixed-term contracts of 30 months.
Working hours	75	No restrictions on overtime work, night work and work on a weekly holiday. A 100 percent premium for overtime and work on a weekly rest day. 20 working days of mandatory paid annual leave.
Redundancy rules	50	A requirement to notify a third party before dismissing one or a group of nine redundant employees. An obligation to retrain or reassign employees before dismissal. Priority rules apply in cases of reemployment (before offering a position to a wider pool of applicants, an employer must offer it to the previously dismissed workers).
Redundancy costs	100	Average notice period of 5.7 salary weeks (8.0 salary weeks of severance pay for a worker with 10 years of tenure). No statutory severance pay.

Austria: position – 18, overall score – 69,1

Sub index	Score (0-100)	Highlights
Hiring	89	No restrictions or limits on the duration of fixed-term contracts except for mandatory minimum wage.
Working hours	37,5	Restrictions apply to night work and work on a weekly holiday. 25 working days of mandatory paid annual leave.
Redundancy rules	50	Redundancy dismissals allowed. Obligation to notify a third party before dismissing one or a group of nine redundant employees. No obligation to retrain or reassign employees, though priority rules apply in cases of redundancy dismissals and reemployment (before offering a position to a wider pool of applicants, an employer must offer it to the previously dismissed workers).
Redundancy costs	100	Notice period of 2 salary weeks. No statutory severance pay.

Latvia: position – 20, overall score – 68,3

Sub index	Score (0-100)	Highlights
Hiring	66,7	Fixed-term contracts are prohibited for permanent tasks. A maximum duration of fixed-term contracts of 60 months.
Working hours	75	No restrictions on overtime, night work and work on a weekly holiday. A 100 premium for overtime and a 50 percent premium for night work.
Redundancy rules	75	No requirement to notify a third party before dismissing one or a group of nine redundant employees. An obligation to retrain or reassign employees. Priority rules apply in cases of redundancies and layoffs.
Redundancy costs	56,3	Notice period of 4.3 salary weeks. Average severance pay equivalent to 8.7 salary weeks (13 salary weeks for a worker with 10 years of tenure).

Belgium: position – 21, overall score – 68,2

Sub index	Score (0-100)	Highlights
Hiring	89	No restrictions or limits on the duration of fixed-term contracts except for mandatory minimum wage.
Working hours	50	Restrictions apply to night work and work on a weekly holiday. 20 working days of mandatory paid annual leave.

Redundancy rules	100	Redundancy dismissal allowed by law. No restrictions on redundancies.
Redundancy costs	34	Average notice period of 19.7 weeks (8 salary weeks for a worker with 1 year of continuous tenure, 18 salary weeks for a worker with 5 years of tenure, and 33 salary weeks for a worker with 10 years of tenure). No statutory severance pay.

Romania: position – 23, overall score – 63,9

Sub index	Score (0-100)	Highlights
Hiring	55,7	Fixed-term contracts are prohibited for permanent tasks. A maximum duration of a fixed-term contract of 36 months. A maximum cumulative duration of fixed-term contracts of 60 months
Working hours	25	A maximum of 5 working days per week. No restrictions on overtime, night work and work on a weekly holiday. A 100 percent premium for work on a weekly holiday, a 25 percent premium for night work and a 75 percent premium for overtime.
Redundancy rules	75	Redundancy dismissal allowed. No requirement to notify a third party before dismissing one or a group of nine redundant employees. Priority rules apply to redundancies and reemployment.
Redundancy costs	100	Notice period of 4 salary weeks. No statutory severance pay.

Germany: position – 24, overall score – 63,5

Sub index	Score (0-100)	Highlights
Hiring	89	No restrictions or limits on the duration of fixed-term contracts except for mandatory minimum wage.
Working hours	87,5	No restrictions on overtime, night work and work on a weekly holiday. 24 working days of mandatory paid annual leave.
Redundancy rules	50	A requirement to notify a third party before dismissing one or a group of nine redundant employees. An obligation to retrain or reassign employees. Priority rules apply in cases of redundancies and layoffs.
Redundancy costs	27,6	Average notice period of 10 salary weeks (17.3 weeks for a worker with 10 years of tenure). Average severance pay equivalent to 11.6 salary weeks (21.7 salary weeks for a worker with 10 years of tenure).

Spain: position – 26, overall score – 60,8

Sub index	Score (0-100)	Highlights
Hiring	39	Fixed-term contracts are prohibited for permanent tasks. A maximum duration of a fixed-term contract of 36 months. A maximum cumulative duration of fixed-term contracts of 48 months.
Working hours	87,5	No restrictions on overtime, night work and work on a weekly holiday. 22 working days of mandatory paid annual leave.
Redundancy rules	75	No restrictions except for a mandatory notification or consultation with a third party before dismissing one or a group of nine redundant employees.

Redundancy costs	41,6	Notice period of 2.1 salary weeks. Average severance pay equivalent to 15.2 salary weeks (28.6 salary weeks for a worker with 10 years of tenure).
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The Slovak Republic: position – 27, overall score – 60,7

Sub index	Score (0-100)	Highlights
Hiring	55,7	No restrictions on fixed-term contracts for permanent tasks. A maximum duration of fixed-term contracts of 24 months.
Working hours	87,5	No restrictions on overtime, night work and work on a weekly holiday. A 20 percent premium for night work and a 25 percent premium for overtime. 25 working days of paid annual leave.
Redundancy rules	62,5	A requirement to notify a third party before dismissing one or a group of nine redundant employees. An obligation to retrain or reassign employees.
Redundancy costs	36,9	Average notice period of 11.6 salary weeks (13 salary weeks for workers with 5 and 10 years of tenure). Average severance pay equivalent to 7.2 salary weeks (8.7 salary weeks for a worker 5 years of tenure and 13 salary weeks for a worker with 10 years of tenure).

Estonia: position – 28, overall score – 59,0

Sub index	Score (0-100)	Highlights
Hiring	66,7	Fixed-term contracts are prohibited for permanent tasks. A maximum duration of a fixed-term contract of 60 months. A maximum cumulative duration of fixed-term contracts of 120 months.
Working hours	37,5	A maximum of 5 working days per week. Restrictions on night work. A 25 percent premium for night work. 24 working days of paid annual leave.
Redundancy rules	75	Redundancy dismissal allowed. An obligation to retrain or reassign employees. Priority rules apply in case of reemployment.
Redundancy costs	56,7	Average notice period of 8.6 salary weeks (12.9 salary weeks for a worker with 10 years of tenure). Severance pay equivalent to 4.3 salary weeks.

Sweden: position – 29, overall score – 57,7

Sub index	Score (0-100)	Highlights
Hiring	66,7	No restrictions on fixed-term contracts for permanent tasks. A maximum duration of fixed-term contracts of 24 months. No mandatory minimum wage.
Working hours	62,5	Restrictions on work on a weekly holiday. 25 working days of mandatory paid annual leave.
Redundancy rules	50	A requirement to notify or consult a third party before dismissing a group of nine redundant employees. An obligation to retrain or reassign employees. Priority rules apply in cases of redundancies and reemployment
Redundancy costs	51,5	Average notice period of 14.4 salary weeks (13 weeks for a worker with 5 years of tenure and 26 weeks for a worker with 10 years of tenure). No statutory severance pay.

Poland: position – 30, overall score – 57,5		
Sub index	Score (0-100)	Highlights
Hiring	55,7	No restrictions on fixed-term contracts for permanent tasks. A maximum duration of fixed-term contracts of 33 months.
Working hours	62,5	No restrictions on overtime, night work and work on a weekly holiday. A 100 percent premium for work on a weekly rest day, a 20 percent premium for night work and a 50 percent premium for overtime. 22 working days of mandatory paid annual leave.
Redundancy rules	75	No requirement to notify or consult a third party before dismissing one or a group of nine redundant employees. Priority rules apply in cases of redundancies and reemployment.
Redundancy costs	36,9	Average notice period of 10.1 salary weeks (13 salary weeks for a worker with 5 years and 10 years of tenure). Average severance pay equivalent to 8.7 salary weeks (13 salary weeks for a worker with 10 years of tenure).

The Netherlands: position – 31, overall score – 56,5		
Sub index	Score (0-100)	Highlights
Hiring	66,7	No restrictions on fixed-term contracts for permanent tasks. A maximum duration of fixed-term contracts of 24 months.
Working hours	100	No restrictions and no premiums apply to night work, overtime and work on a weekly holiday. 20 working days of mandatory paid annual leave.
Redundancy rules	12,5	A requirement to notify and get an approval of a third party before dismissing one or a group of nine redundant employees. An obligation to retrain or reassign employees. Priority rules apply in case of redundancies.
Redundancy costs	46,8	Average notice period of 8.7 salary weeks (13 salary weeks for a worker with 10 years of tenure). Average severance pay equivalent to 7.2 salary weeks (14.3 salary weeks for a worker with 10 years of tenure).

Finland: position – 32, overall score – 55,4		
Sub index	Score (0-100)	Highlights
Hiring	55,7	Fixed-term contracts are prohibited for permanent tasks. A maximum duration of fixed-term contracts of 60 months.
Working hours	50	No restrictions on overtime, night work and work on a weekly holiday. A 100 percent premium for work on a weekly rest day, a 15,7 percent premium for night work and a 50 percent premium for overtime. 30 working days of mandatory paid annual leave.
Redundancy rules	50	A requirement to notify a third party before dismissing one or a group of nine redundant employees. An obligation to retrain or reassign employees. Priority rules apply in case of reemployment.
Redundancy costs	66	Average notice period of 10.1 salary weeks (17.3 salary weeks for a worker with 10 years of tenure). No statutory severance pay.

Slovenia: position – 33, overall score – 52,9

Sub index	Score (0-100)	Highlights
Hiring	22,3	Fixed-term contracts are prohibited for permanent tasks. A maximum duration of fixed-term contracts of 24 months.
Working hours	37,5	No restrictions on overtime, night work and work on a weekly holiday. A 100 percent premium for work on a weekly rest day, a 75 percent premium for night work and a 30 percent premium for overtime. 22 working days of mandatory paid annual leave.
Redundancy rules	87,5	No requirement to notify or get an approval from a third party before dismissing one or a group of nine redundant employees. Priority rules apply in case of redundancies.
Redundancy costs	64,1	Average notice period of 5.3 salary weeks (6.6 salary weeks for a worker with 10 years of tenure). Average severance pay equivalent to 5.3 salary weeks (10.8 weeks for a worker with 10 years of tenure).

Croatia: position – 34, overall score – 51,2

Sub index	Score (0-100)	Highlights
Hiring	55,7	Fixed-term contracts are prohibited for permanent tasks. No maximum duration of fixed-term contracts.
Working hours	50	Restrictions on night work and work on a weekly holiday. 20 days of mandatory paid annual leave.
Redundancy rules	50	Redundancy dismissal allowed. A requirement to notify a third party before dismissing one or a group of nine redundant employees. Priority rules apply in cases of redundancies and reemployment.
Redundancy costs	49,3	Average notice period of 10.7 salary weeks (8.7 salary weeks for a worker with 10 years of tenure). Average severance pay equivalent to 7.2 salary weeks (14.4 salary weeks for a worker with 10 years of tenure).

Greece: position – 35, overall score – 50,6

Sub index	Score (0-100)	Highlights
Hiring	55,7	No restrictions on fixed-term contracts for permanent tasks. A maximum duration of a fixed-term contract of 36 months (no maximum cumulative duration).
Working hours	37,5	Restrictions on work on a weekly holiday. A 75 percent premium for work on a weekly rest day, a 25 percent premium for night work and a 28 percent premium for overtime. 22.3 days of mandatory paid annual leave.
Redundancy rules	62,5	Redundancy dismissal allowed. A requirement to notify and get an approval from a third party before dismissing a group of nine redundant employees. Priority rules apply in case of redundancy.
Redundancy costs	46,6	No statutory notice periods. Average severance pay equivalent to 15.9 salary weeks (13 salary weeks for workers with 5 years of tenure and 26 weeks for workers with 10 years of tenure).

Portugal: position – 38, overall score – 45,5

Sub index	Score (0-100)	Highlights
Hiring	39	Fixed-term contracts are prohibited for permanent tasks. A maximum duration of fixed-term contracts of 36 months.
Working hours	37,5	Restrictions on work on a weekly holiday. A 50 percent premium for work on a weekly rest day, a 31 percent premium for overtime and a 25 percent premium for night work. 22 days of mandatory paid annual leave.
Redundancy rules	62,5	A requirement to notify a third party before dismissing one or a group of nine redundant employees. An obligation to retrain or reassign employees.
Redundancy costs	42,9	Average notice period of 7.9 salary weeks (8.6 salary weeks for workers with 5 years of tenure and 10.7 salary weeks for workers with 10 years of tenure). Average severance pay equivalent to 9.1 salary weeks (8.6 salary weeks for workers with 5 years of tenure and 17.1 weeks for workers with 10 years of tenure).

Luxembourg: position – 40, overall score – 43,6

Sub index	Score (0-100)	Highlights
Hiring	22,3	Fixed-term contracts are prohibited for permanent tasks. A maximum duration of fixed-term contracts of 24 months. One of the highest minimum wages.
Working hours	62,5	Restrictions on work on a weekly holiday. A 70 percent premium for work on a weekly rest day, a 40 percent premium for overtime. 25 days of paid annual leave.
Redundancy rules	62,5	A requirement to notify or consult a third party before dismissing one or a group of nine redundant employees. Priority rules apply for reemployment.
Redundancy costs	27,2	Average notice period of 17.3 salary weeks (17.3 salary weeks for workers with 5 years of tenure and 26 weeks for workers with 10 years of tenure). Average severance pay equivalent to 4.3 salary weeks (8.7 weeks for workers with 10 years of tenure).

France: position – 41, overall score – 38,4

Sub index	Score (0-100)	Highlights
Hiring	22,3	Fixed-term contracts are prohibited for permanent tasks. A maximum duration of fixed-term contracts of 18 months.
Working hours	25	Restrictions on night work and work on a weekly holiday. A 20 percent premium for work on a weekly rest day, a 25 percent premium for overtime and a 7,5 percent premium for night work. 30.3 days of mandatory paid annual leave.
Redundancy rules	50	A requirement to notify or consult a third party before dismissing a group of nine redundant employees. An obligation to retrain or reassign employees before dismissal. Priority rules apply in cases of redundancies and reemployment.
Redundancy costs	56,3	Average notice period of 7.2 salary weeks (8.7 salary weeks for workers with 5 or 10 years of tenure). Average severance pay equivalent to 4.6 salary weeks (8.7 weeks for workers with 10 years of tenure).

Methodological notes

The Employment Flexibility Index is based on the Doing Business data on labor regulations which is gathered through a standardized questionnaire survey. The Index covers the indicators of hiring, working hours, redundancy rules, and redundancy costs. In order to determine the overall Employment Flexibility Index the values of Rigidity of Employment and Redundancy Costs must be calculated (the latter indicators determine the value of Employing Workers Index).

The Index is built around a case assumption for which data are collected by the World Bank. A case assumption ensures comparability across economies over time²⁵. Accordingly, the Employment Flexibility Index does not provide a comprehensive measurement of indicators pertaining to labor markets. These limitations must be taken into consideration when interpreting the data of the Index.

The flexibility of employment regulation is assessed in light of the following assumptions:

The worker is:

- a cashier in a supermarket or grocery store, aged 19, with one year of work experience;
- a full-time employee;
- not a member of a labor union, unless membership is mandatory;

The business:

- is a limited liability company (or the equivalent in the economy);
- operates a supermarket or grocery store in the economy's largest business city;
- has 60 employees;
- is subject to collective bargaining agreements if such agreements cover more than 50 percent of the food retail sector and apply even to firms that are not party to them;
- abides by every law and regulation but does not grant workers more benefits than those mandated by law, regulation or (if applicable) collective bargaining agreements.

The Employment Flexibility Index provides a country ranking where a higher score is given for more flexible labour regulation. In assessing the sets of indicators for the index, a score from 0 to 1 is added and graded on a scale from 0 to 100 for the final score. The index is a simple average of the following sub-indices:

1. *Hiring regulation* covers fixed-term contracts and minimum wage regulations.
2. *Working hours* covers nonstandard work schedules and a number of days of paid vacation.

3. Regulation of *redundancy rules* covers mandatory legal requirements on dismissals for economic reasons.

4. *Redundancy costs* cover notification requirements, severance payments and penalties due when terminating a redundant worker, expressed in weeks of salary, and include unemployment protection after a year of employment.

We argue that despite the fact that regulation and legislation have various objectives (for example, balancing of the protection of the worker or his bargaining power), this does not negate the costs and unforeseen consequences of such regulations. Costs should be estimated when evaluating the efficiency of regulation (i.e. achieved goals versus costs).

In terms of the scope of the index and the level of employee protection, the purpose of the Index is not to measure all the dimensions of labour regulation. Rather, the Index measures the flexibility of employment regulation that preconditions and determines the efficiency of the labour market. The indicators are applied for the assessment of the impact of the legal system on economic outcomes. It is also assumed that employment security must be ensured in line with the flexibility of employment regulation. Otherwise, employment protection may adversely affect the parties to the employment relations, e.g. by reducing job opportunities due to potential effects on the rates of job destruction²⁶. In addition, strict regulation reduces employment opportunities for women and young and unskilled workers as they may end up in the informal economy²⁷. This is measured by the World Bank's Employing Workers Index.

In terms of the premises of the Index, they are not intended to reflect the regulation of different businesses or employment models. Rather, they reflect a more illustrative aspect of the regulatory environment for business. The World Bank focuses on a specific size and form of a company with particular nature of operations. It is not a statistical survey. Data is gathered by means of a questionnaire, taking representative examples across different economies and ensuring comparability of labour regulations.

As regards the measurement of economic outcomes, two types of indices can be applied: indices that reflect assumptions (e.g. tax and regulation levels) and indices that address consequences (e.g. the level of unemployment). This is the input-output split. Both types of indices are significant and valuable. The impact of regulation on the efficiency of the labour market is based on an empirical analysis of the regulatory effects and labour market outcomes. Such labour regulation indices are invaluable tools for the comparison of labor laws and regulatory obstacles across countries.

²⁵ Doing Business does not measure the full range of factors and policies that affect the business environment. It does not capture aspects of macroeconomic stability, market size or the quality of the labour force and others. It is designed to be an easily replicable tool to benchmark specific aspects of business regulation. Data refer to a business in the largest city and not to other parts of the country and focus on a specific business form of a particular size. When sources indicate different estimates, the indicators reported in Doing Business represent the median values of several responses. (Doing Business 2017, p.15-16).

²⁶ The World Bank Employment Policy Primer. December 2002 No.1. Employment Regulation Rules for Hiring and Termination.

²⁷ Doing Business 2008, Comparing Regulation in 178 Economies, p. 19-20.

Annex. Doing Business 2019. Labour market regulation data

	HIRING					
	Fixed-term contracts prohibited for permanent tasks?	Maximum length of a single fixed-term contract (months)	Maximum length of fixed-term contracts (months) ^a	Minimum wage for a full-time worker (US\$/month) ^b	Ratio of minimum wage to value added per worker	Maximum length of probationary period (months) ^c
AUSTRALIA	No	No limit	No limit	1957.6	0.3	6
AUSTRIA	No	No limit	No limit	1620.9	0.3	1
BELGIUM	No	No limit	No limit	2186.7	0.4	0
BULGARIA	No	36	36	281.3	0.3	6
CANADA	No	No limit	No limit	1804.5	0.3	3
CHILE	No	12	12	392.6	0.2	n.a.
CROATIA	Yes	No limit	No limit	496.6	0.3	6
CYPRUS	No	No limit	30	1004.8	0.4	24
CZECH REPUBLIC	No	36	108	599.3	0.3	3
DENMARK	No	No limit	No limit	0.0	0.0	3
ESTONIA	Yes	60	120	530.7	0.2	4
FINLAND	Yes	No limit	60	1932.4	0.3	6
FRANCE	Yes	18	18	1694.6	0.3	2
GERMANY	No	No limit	No limit	1654.6	0.3	6
GREECE	Yes	36	No limit	652.5	0.3	12
HUNGARY	No	60	60	474.3	0.3	3
ICELAND	No	24	24	2254.6	0.3	3
IRELAND	No	No limit	No limit	1817.9	0.3	12
ISRAEL	No	No limit	No limit	1375.2	0.3	n.a.
ITALY	No	36	36	1898.4	0.5	2
JAPAN (TOKYO)	No	36	No limit	1433.3	0.3	n.a.
KOREA, REP.	No	24	24	1101.6	0.3	3
LATVIA	Yes	60	60	461.3	0.2	3
LITHUANIA	No	60	60	424.8	0.2	3
LUXEMBOURG	Yes	24	24	2603.0	0.3	6
MALTA	No	48	48	806.5	0.3	6
MEXICO	Yes	No limit	No limit	138.7	0.1	1
NETHERLANDS	No	24	24	942.0	0.2	2
NEW ZEALAND	No	No limit	No limit	1907.9	0.4	3
NORWAY	No	48	48	2923.3	0.3	6
POLAND	No	33	33	531.5	0.3	3
PORTUGAL	Yes	36	36	731.0	0.3	3
ROMANIA	Yes	36	60	443.9	0.4	3
SLOVAK REPUBLIC	No	24	24	522.4	0.3	3
SLOVENIA	Yes	24	24	908.7	0.3	6
SPAIN	Yes	36	48	974.6	0.3	6
SWEDEN	No	24	24	0.0	0.0	6
SWITZERLAND	No	120	120	0.0	0.0	3
TURKEY	Yes	No limit	No limit	584.7	0.4	2
UNITED KINGDOM	No	No limit	No limit	1365.3	0.3	6
UNITED STATES	No	No limit	No limit	2181.2	0.3	n.a.

	WORKING HOURS												
	Standard workday	Maximum working days per week	Premium for night work (% of hourly pay)	Premium for work on weekly rest day (% of hourly pay)	Premium for overtime work (% of hourly pay)	Restrictions on night work?	Non-pregnant and non-nursing women permitted to work same	Restrictions on weekly holiday work?	Restrictions on overtime work?	Paid annual leave for a worker with 1 year of tenure (in working days)	Paid annual leave for a worker with 5 years of tenure (in working days)	Paid annual leave for a worker with 10 years of tenure (in working days)	Paid annual leave (working days) ^a
AUSTRALIA	7.6	6	25.0	100.0	50.0	No	Yes	No	No	20.0	20.0	20.0	20.0
AUSTRIA	8	5.5	67.0	100.0	50.0	Yes	Yes	No	No	25.0	25.0	25.0	25.0
BELGIUM	7.6	6	0.0	0.0	50.0	Yes	Yes	Yes	No	20.0	20.0	20.0	20.0
BULGARIA	8	6	7.4	0.0	50.0	Yes	Yes	No	Yes	20.0	20.0	20.0	20.0
CANADA	8	6	0.0	0.0	50.0	No	Yes	No	Yes	10.0	15.0	15.0	13.3
CHILE	9	6	0.0	30.0	50.0	No	Yes	No	No	15.0	15.0	15.0	15.0
CROATIA	8	6	0.0	0.0	0.0	Yes	Yes	Yes	No	20.0	20.0	20.0	20.0
CYPRUS	8	5.5	0.0	100.0	100.0	No	Yes	No	No	20.0	20.0	20.0	20.0
CZECH REPUBLIC	8	6	10.0	10.0	25.0	No	Yes	No	No	20.0	20.0	20.0	20.0
DENMARK	7.4	6	0.0	0.0	0.0	No	Yes	No	No	25.0	25.0	25.0	25.0
ESTONIA	8	5	25.0	0.0	50.0	Yes	Yes	No	No	24.0	24.0	24.0	24.0
FINLAND	8	6	15.7	100.0	50.0	No	Yes	No	No	30.0	30.0	30.0	30.0
FRANCE	7	6	7.5	20.0	25.0	Yes	Yes	Yes	No	30.0	30.0	31.0	30.3
GERMANY	8	6	0.0	0.0	0.0	No	Yes	No	No	24.0	24.0	24.0	24.0
GREECE	8	6	25.0	75.0	27.5	No	Yes	Yes	No	20.0	22.0	25.0	22.3
HUNGARY	8	5	15.0	50.0	50.0	No	Yes	No	Yes	20.0	21.0	23.0	21.3
ICELAND	8	6	40.0	40.0	77.0	No	Yes	No	No	24.0	24.0	24.0	24.0
IRELAND	8	6	0.0	0.0	0.0	No	Yes	No	No	20.0	20.0	20.0	20.0
ISRAEL	8.8	5.5	0.0	50.0	25.0	No	Yes	Yes	No	14.0	16.0	24.0	18.0
ITALY	6.6	6	15.0	30.0	15.0	No	Yes	No	No	26.0	26.0	26.0	26.0
JAPAN	8	6	25.0	35.0	25.0	No	Yes	No	Yes	10.0	16.0	20.0	15.3
KOREA, REP.	8	6	50.0	50.0	50.0	No	Yes	No	No	15.0	17.0	19.0	17.0
LATVIA	8	5.5	50.0	0.0	100.0	No	Yes	No	No	20.0	20.0	20.0	20.0
LITHUANIA	8	5.54	50.0	100.0	50.0	No	Yes	No	No	20.0	20.0	23.0	21.0
LUXEMBOURG	8	5.5	0.0	70.0	40.0	No	Yes	Yes	No	25.0	25.0	25.0	25.0
MALTA	8	6	0.0	100.0	50.0	No	Yes	No	No	24.0	24.0	24.0	24.0
MEXICO	8	6	0.0	25.0	100.0	No	Yes	No	Yes	6.0	14.0	16.0	12.0
NETHERLANDS	8	5.5	0.0	0.0	0.0	No	Yes	No	No	20.0	20.0	20.0	20.0
NEW ZEALAND	8	7	0.0	0.0	0.0	No	Yes	No	No	20.0	20.0	20.0	20.0
NORWAY	9	6	0.0	0.0	40.0	No	Yes	Yes	No	21.0	21.0	21.0	21.0
POLAND	8	5.5	20.0	100.0	50.0	No	Yes	No	No	20.0	20.0	26.0	22.0
PORTUGAL	8	6	25.0	50.0	31.3	No	Yes	Yes	No	22.0	22.0	22.0	22.0
ROMANIA	8	5	25.0	100.0	75.0	No	Yes	No	No	20.0	20.0	20.0	20.0
SLOVAK REPUBLIC	8	6	20.0	0.0	25.0	No	Yes	No	No	25.0	25.0	25.0	25.0
SLOVENIA	8	6	75.0	100.0	30.0	No	Yes	No	No	20.0	22.0	24.0	22.0
SPAIN	8	5.5	6.6	0.0	0.0	No	Yes	No	No	22.0	22.0	22.0	22.0
SWEDEN	8	5.5	0.0	0.0	0.0	No	Yes	Yes	No	25.0	25.0	25.0	25.0
SWITZERLAND	9	6	25.0	50.0	25.0	Yes	Yes	Yes	No	20.0	20.0	20.0	20.0
TURKEY	7.5	6	0.0	100.0	50.0	Yes	No	No	No	14.0	20.0	20.0	18.0
UNITED KINGDOM	8	6	0.0	0.0	0.0	No	Yes	No	No	28.0	28.0	28.0	28.0
UNITED STATES	8	6	0.0	0.0	50.0	No	Yes	No	No	0.0	0.0	0.0	0.0

	REDUNDANCY RULES							
	Dismissal due to redundancy allowed by law?	Third-party notification if one worker is dismissed?	Third-party approval if one worker is dismissed?	Third-party notification if nine workers are dismissed?	Third-party approval if nine workers are dismissed?	Retraining or reassignment? ^e	Priority rules for redundancies?	Priority rules for reemployment?
AUSTRALIA	Yes	No	No	No	No	Yes	No	No
AUSTRIA	Yes	Yes	No	Yes	No	No	Yes	Yes
BELGIUM	Yes	No	No	No	No	No	No	No
BULGARIA	Yes	No	No	No	No	No	No	No
CANADA	Yes	No	No	No	No	No	No	No
CHILE	Yes	Yes	No	Yes	No	No	No	No
CROATIA	Yes	Yes	No	Yes	No	No	Yes	Yes
CYPRUS	Yes	Yes	No	Yes	No	Yes	No	Yes
CZECH REPUBLIC	Yes	No	No	No	No	No	No	No
DENMARK	Yes	No	No	No	No	No	No	No
ESTONIA	Yes	No	No	No	No	Yes	Yes	No
FINLAND	Yes	Yes	No	Yes	No	Yes	No	Yes
FRANCE	Yes	No	No	Yes	No	Yes	Yes	Yes
GERMANY	Yes	Yes	No	Yes	No	Yes	Yes	No
GREECE	Yes	No	No	Yes	Yes	No	Yes	No
HUNGARY	Yes	No	No	No	No	No	No	No
ICELAND	Yes	No	No	No	No	No	No	No
IRELAND	Yes	No	No	Yes	No	No	No	No
ISRAEL	Yes	No	No	No	No	No	No	No
ITALY	Yes	Yes	No	Yes	No	Yes	Yes	Yes
JAPAN	Yes	No	No	No	No	No	No	No
KOREA, REP.	Yes	Yes	No	Yes	No	No	No	Yes
LATVIA	Yes	No	No	No	No	Yes	Yes	No
LITHUANIA	Yes	No	No	No	No	Yes	Yes	No
LUXEMBOURG	Yes	Yes	No	Yes	No	No	No	Yes
MALTA	Yes	No	No	No	No	No	Yes	Yes
MEXICO	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes
NETHERLANDS	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No
NEW ZEALAND	Yes	No	No	No	No	Yes	No	No
NORWAY	Yes	No	No	No	No	Yes	Yes	Yes
POLAND	Yes	No	No	No	No	No	Yes	Yes
PORTUGAL	Yes	Yes	No	Yes	No	Yes	No	No
ROMANIA	Yes	No	No	No	No	No	Yes	Yes
SLOVAK REPUBLIC	Yes	Yes	No	Yes	No	Yes	No	No
SLOVENIA	Yes	No	No	No	No	No	Yes	No
SPAIN	Yes	Yes	No	Yes	No	No	No	No
SWEDEN	Yes	No	No	Yes	No	Yes	Yes	Yes
SWITZERLAND	Yes	No	No	No	No	No	No	No
TURKEY	Yes	No	No	No	No	No	No	Yes
UNITED KINGDOM	Yes	No	No	No	No	No	No	No
UNITED STATES	Yes	No	No	No	No	No	No	No

	REDUNDANCY COSTS							
	Notice period for redundancy dismissal (for a worker with 1 year of tenure, in salary weeks)	Notice period for redundancy dismissal (for a worker with 5 years of tenure, in salary weeks)	Notice period for redundancy dismissal (for a worker with 10 years of tenure, in salary weeks)	Notice period for redundancy dismissal (weeks of salary) ^d	Severance pay for redundancy dismissal (for a worker with 1 year of tenure, in salary weeks)	Severance pay for redundancy dismissal (for a worker with 5 years of tenure, in salary weeks)	Severance pay for redundancy dismissal (for a worker with 10 years of tenure, in salary weeks)	Severance pay for re nerenga blažytė dundancy dismissal (weeks of salary) ^d
AUSTRALIA	2.0	4.0	4.0	3.3	4.0	10.0	12.0	8.7
AUSTRIA	2.0	2.0	2.0	2.0	0.0	0.0	0.0	0.0
BELGIUM	8.0	18.0	33.0	19.7	0.0	0.0	0.0	0.0
BULGARIA	4.3	4.3	4.3	4.3	4.3	4.3	4.3	4.3
CANADA	2.0	5.0	8.0	5.0	0.0	5.0	10.0	5.0
CHILE	4.3	4.3	4.3	4.3	4.3	21.7	43.3	23.1
CROATIA	4.3	8.7	10.7	7.9	0.0	7.2	14.4	7.2
CYPRUS	2.0	7.0	8.0	5.7	0.0	0.0	0.0	0.0
CZECH REPUBLIC	8.7	8.7	8.7	8.7	8.7	13.0	13.0	11.6
DENMARK	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
ESTONIA	4.3	8.6	12.9	8.6	4.3	4.3	4.3	4.3
FINLAND	4.3	8.7	17.3	10.1	0.0	0.0	0.0	0.0
FRANCE	4.3	8.7	8.7	7.2	1.1	5.4	10.8	5.8
GERMANY	4.0	8.7	17.3	10.0	2.2	10.8	21.7	11.6
GREECE	0.0	0.0	0.0	0.0	8.7	13.0	26.0	15.9
HUNGARY	4.3	6.4	7.9	6.2	0.0	8.7	13.0	7.2
ICELAND	13.0	13.0	13.0	13.0	0.0	0.0	0.0	0.0
IRELAND	1.0	4.0	6.0	3.7	0.0	11.0	21.0	10.7
ISRAEL	4.3	4.3	4.3	4.3	4.3	21.7	43.3	23.1
ITALY	2.9	4.3	6.4	4.5	0.0	0.0	0.0	0.0
JAPAN	4.3	4.3	4.3	4.3	0.0	0.0	0.0	0.0
KOREA, REP.	4.3	4.3	4.3	4.3	4.3	21.7	43.3	23.1
LATVIA	4.3	4.3	4.3	4.3	4.3	8.7	13.0	8.7
LITHUANIA	4.3	4.3	4.3	4.3	8.7	8.7	8.7	8.7
LUXEMBOURG	8.7	17.3	26.0	17.3	0.0	4.3	8.7	4.3
MALTA	2.0	8.0	12.0	7.3	0.0	0.0	0.0	0.0
MEXICO	0.0	0.0	0.0	0.0	14.6	21.4	30.0	22.0
NETHERLANDS	4.3	8.7	13.0	8.7	0.0	7.2	14.3	7.2
NEW ZEALAND	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
NORWAY	4.3	8.7	13.0	8.7	0.0	0.0	0.0	0.0
POLAND	4.3	13.0	13.0	10.1	4.3	8.7	13.0	8.7
PORTUGAL	4.3	8.6	10.7	7.9	1.7	8.6	17.1	9.1
ROMANIA	4.0	4.0	4.0	4.0	0.0	0.0	0.0	0.0
SLOVAK REPUBLIC	8.7	13.0	13.0	11.6	0.0	8.7	13.0	7.2
SLOVENIA	4.3	5.1	6.6	5.3	0.9	4.3	10.8	5.3
SPAIN	2.1	2.1	2.1	2.1	2.9	14.3	28.6	15.2
SWEDEN	4.3	13.0	26.0	14.4	0.0	0.0	0.0	0.0
SWITZERLAND	8.7	8.7	13.0	10.1	0.0	0.0	0.0	0.0
TURKEY	4.0	8.0	8.0	6.7	4.3	21.7	43.3	23.1
UNITED KINGDOM	1.0	5.0	10.0	5.3	0.0	3.5	8.5	4.0
UNITED STATES	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

	JOB QUALITY							
	Equal remuneration for work of equal value? ^{a*}	Gender nondiscrimination in hiring? ^{a*}	Paid or unpaid maternity leave mandated by law? ^{a*}	Minimum length of maternity leave (calendar days) ^{b**}	Receive 100% of wages on maternity leave? ^{a*}	Five fully paid days of sick leave a year?	Unemployment protection after one year of employment?	Minimum contribution period for unemployment protection (months) ^c
AUSTRALIA	Yes	Yes	Yes	126	Yes	Yes	Yes	0
AUSTRIA	Yes	Yes	Yes	112	Yes	Yes	Yes	12
BELGIUM	Yes	Yes	Yes	105	No	Yes	No	14.4
BULGARIA	Yes	Yes	Yes	410	No	Yes	Yes	12
CANADA	Yes	No	Yes	105	No	No	Yes	3.2
CHILE	No	No	Yes	126	Yes	No	Yes	12
CROATIA	Yes	Yes	Yes	208	Yes	Yes	Yes	9
CYPRUS	Yes	Yes	Yes	126	No	No	Yes	6
CZECH REPUBLIC	Yes	Yes	Yes	196	No	No	Yes	12
DENMARK	Yes	Yes	Yes	126	No	Yes	Yes	12
ESTONIA	Yes	Yes	Yes	140	Yes	No	Yes	12
FINLAND	Yes	Yes	Yes	147	Yes	Yes	Yes	6
FRANCE	Yes	Yes	Yes	112	Yes	No	Yes	4
GERMANY	No	Yes	Yes	98	Yes	Yes	Yes	12
GREECE	Yes	Yes	Yes	119	Yes	No	Yes	4
HUNGARY	No	Yes	Yes	168	No	Yes	Yes	12
ICELAND	Yes	Yes	Yes	90	No	Yes	Yes	3
IRELAND	Yes	Yes	Yes	182	No	No	No	24
ISRAEL	Yes	Yes	Yes	105	Yes	No	Yes	12
ITALY	Yes	No	Yes	150	No	No	Yes	3
JAPAN	No	Yes	Yes	98	No	No	Yes	12
KOREA, REP.	No	Yes	Yes	90	Yes	No	Yes	6
LATVIA	Yes	Yes	Yes	112	No	No	Yes	12
LITHUANIA	Yes	Yes	Yes	126	Yes	Yes	No	18
LUXEMBOURG	Yes	Yes	Yes	140	Yes	Yes	Yes	6
MALTA	Yes	Yes	Yes	126	Yes	Yes	Yes	6
MEXICO	No	Yes	Yes	84	Yes	No	No	n.a.
NETHERLANDS	Yes	Yes	Yes	112	Yes	No	Yes	6
NEW ZEALAND	No	Yes	No	n.a.	n.a.	Yes	No	n.a.
NORWAY	Yes	Yes	Yes	343	Yes	Yes	Yes	0
POLAND	No	Yes	Yes	140	Yes	No	Yes	12
PORTUGAL	Yes	Yes	Yes	120	Yes	No	Yes	12
ROMANIA	Yes	Yes	Yes	126	No	Yes	Yes	12
SLOVAK REPUBLIC	Yes	Yes	Yes	238	No	No	No	24
SLOVENIA	Yes	Yes	Yes	105	Yes	Yes	Yes	9
SPAIN	Yes	No	Yes	112	Yes	No	Yes	12
SWEDEN	Yes	Yes	Yes	480	No	No	Yes	6
SWITZERLAND	Yes	Yes	Yes	98	No	Yes	Yes	12
TURKEY	Yes	Yes	Yes	112	No	Yes	Yes	6
UNITED KINGDOM	Yes	Yes	Yes	14	No	No	Yes	0
UNITED STATES	No	Yes	Yes	56	No	Yes	Yes	6

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