

Muravyev, Alexander

Working Paper

Evolution of employment protection legislation in the USSR, CIS and Baltic states, 1985 - 2009

IZA Discussion Papers, No. 5365

Provided in Cooperation with:

IZA – Institute of Labor Economics

Suggested Citation: Muravyev, Alexander (2010) : Evolution of employment protection legislation in the USSR, CIS and Baltic states, 1985 - 2009, IZA Discussion Papers, No. 5365, Institute for the Study of Labor (IZA), Bonn

This Version is available at:

<https://hdl.handle.net/10419/52062>

Standard-Nutzungsbedingungen:

Die Dokumente auf EconStor dürfen zu eigenen wissenschaftlichen Zwecken und zum Privatgebrauch gespeichert und kopiert werden.

Sie dürfen die Dokumente nicht für öffentliche oder kommerzielle Zwecke vervielfältigen, öffentlich ausstellen, öffentlich zugänglich machen, vertreiben oder anderweitig nutzen.

Sofern die Verfasser die Dokumente unter Open-Content-Lizenzen (insbesondere CC-Lizenzen) zur Verfügung gestellt haben sollten, gelten abweichend von diesen Nutzungsbedingungen die in der dort genannten Lizenz gewährten Nutzungsrechte.

Terms of use:

Documents in EconStor may be saved and copied for your personal and scholarly purposes.

You are not to copy documents for public or commercial purposes, to exhibit the documents publicly, to make them publicly available on the internet, or to distribute or otherwise use the documents in public.

If the documents have been made available under an Open Content Licence (especially Creative Commons Licences), you may exercise further usage rights as specified in the indicated licence.

IZA DP No. 5365

**Evolution of Employment Protection Legislation
in the USSR, CIS and Baltic States, 1985-2009**

Alexander Muravyev

December 2010

Evolution of Employment Protection Legislation in the USSR, CIS and Baltic States, 1985-2009

Alexander Muravyev

*IZA, DIW Berlin
and St. Petersburg University*

Discussion Paper No. 5365
December 2010

IZA

P.O. Box 7240
53072 Bonn
Germany

Phone: +49-228-3894-0
Fax: +49-228-3894-180
E-mail: iza@iza.org

Any opinions expressed here are those of the author(s) and not those of IZA. Research published in this series may include views on policy, but the institute itself takes no institutional policy positions.

The Institute for the Study of Labor (IZA) in Bonn is a local and virtual international research center and a place of communication between science, politics and business. IZA is an independent nonprofit organization supported by Deutsche Post Foundation. The center is associated with the University of Bonn and offers a stimulating research environment through its international network, workshops and conferences, data service, project support, research visits and doctoral program. IZA engages in (i) original and internationally competitive research in all fields of labor economics, (ii) development of policy concepts, and (iii) dissemination of research results and concepts to the interested public.

IZA Discussion Papers often represent preliminary work and are circulated to encourage discussion. Citation of such a paper should account for its provisional character. A revised version may be available directly from the author.

ABSTRACT

Evolution of Employment Protection Legislation in the USSR, CIS and Baltic States, 1985-2009*

This paper presents and discusses new data on employment protection legislation (EPL) in the successor states of the former USSR – the CIS and Baltic states – over 25 years from 1985 to 2009. We use the OECD methodology (OECD EPL, version II) for assessing the strictness of national labor laws with respect to employers' firing costs. In addition to the overall OECD EPL index, we present detailed statistics for 18(22) sub-indicators used for its computation. The new data allow us to make several important observations. In particular, the data do not support the widely held view that labor regulations in the former USSR with respect to firing costs were extremely rigid and were subsequently liberalized by the 15 successor states over the course of transition to a market economy. Rather, the dynamics of the EPL index in the region resembles an inverted U-shaped pattern with the peak of labor market rigidity occurring in the mid-1990s in the CIS countries and a decade later in the Baltic States. In terms of major sub-indicators, we observe a rather unusual pattern: gradual liberalization of permanent contracts on the background of increasing regulation of temporary contracts and collective dismissals. This is in sharp contrast with the OECD economies, where liberalization of temporary contracts has been the major trend in the recent decades. By now, the ex-USSR states as a group do not differ that much from the EU-15 and OECD countries in terms of the overall EPL index, although they differ considerably in terms of contributions to the overall EPL of its three major components, namely, regulation of permanent contracts, temporary contracts, and collective dismissals. We also show that our EPL data are correlated with a number of variables characterizing economic development, progress in market-oriented reforms, and political regimes prevailing in the countries studied, which suggests potential of using the new dataset in further politico-economic research.

JEL Classification: J68, K31, P20

Keywords: labor market institutions, employment protection, transition countries

Corresponding author:

Alexander Muravyev
IZA
P.O. Box 7240
53072 Bonn
Germany
E-mail: muravyev@iza.org

* The author is grateful to the Volkswagen Foundation for financial support within the project "The Political Economy of Labor Market Reform in Transition Countries." This work has greatly benefited from extensive discussions with Hartmut Lehmann. Contributions from Asel Almanbetova, Irina Berezinets, Diana Digol, Raul Eamets, Damir Esenaliev, Norberto Pignatti, Sergey Pshenitsyn, Yulia Rodionova, Oleksandr Talavera, Aija Tuna, and Anzelika Zaiceva are gratefully acknowledged. Sebastian Lebig and Florian Plum provided excellent research assistance at various stages of work on this project. The usual caveat applies.

1. Introduction

In the last decades, there has been a lively debate among both researchers and policy-makers concerning the role of labor market institutions and policies in shaping labor market outcomes. In this debate, employment protection legislation (EPL) appears as one of the most controversial and complex institutions. It is usually introduced with economic and social purposes of increasing the volume of employment and ensuring decent work, but its actual effects on employment, productivity, and welfare remain theoretically ambiguous. The theoretical literature suggests, for example, that employment protection can promote productivity-enhancing investment in firm-specific human capital. At the same time, employment protection may also slow down the reallocation of labor from old and unproductive sectors to new and dynamic ones, thus impeding macro-level productivity improvements (e.g., Hopenhayn and Rogerson 1993; Lagos 2006; Belot, Boone, and van Ours 2007).

Ambiguities in the theoretical literature concerning economic effects of employment protection emphasize the importance of empirical work in this field. Not surprisingly, ever since the value of empirical work was realized in the early 1990s, data issues have remained at the forefront. For example, the lack of satisfactory indicators of employment protection was mentioned as a key issue in Bertola, Boeri, and Cazes (2000). The key role of high-quality data in spurring empirical research in the field is also highlighted in Eichhorst, Feil, and Braun (2008). Since the mid-1990s, much of the progress on the empirical side has been achieved owing to OECD, which developed and widely disseminated its own measure of the strictness of EPL for the member countries. Indeed, the publication of the first OECD dataset in 1994 and regular updates thereafter gave a strong impetus to the empirical literature. Even now most of the empirical work on employment protection are based on the OECD EPL index. However, as noted by Freeman (2004, p.17), data from the small number of OECD countries with “highly correlated outcomes and infrequent changes in institutions” used in these papers make cross-country analysis neither particularly conclusive nor convincing.

More recently, there have been several initiatives to collect data on regulation of labor from other regions, based on the OECD methodology or alternative ones (Botero et al., 2004; Heckman and Pages 2004; the World Bank's *Doing Business* project, Campos and Nugent 2010). Potential payoffs of such data collection efforts have long been understood. As emphasized in Lehmann and Muravyev (2010), additional data can help reveal whether the previously obtained conclusions for the OECD economies can be generalized to other regions of the world or, instead, are specific to this particular group of countries. Also, there is a much

larger variation in institutions and labor market policies as well as in labor market outcomes across extended lists of countries, both in the cross-section and time dimension, facilitating econometric identification. Indeed, as stated in Djankov and Ramalho (2009, p.11), developing and transition countries “present an exciting venue for studying the impact of regulatory reforms, including of labor reforms. A number of countries, especially in Eastern Europe, have recently undergone significant reforms to make labor regulation more flexible.”

In addition to the main OECD dataset, which covers 28 economies over 1985-2008¹, there are currently several others which differ in terms of underlying methodologies, country coverage, and the length of time-series. The most known is the World Bank's *Doing Business* dataset, which now covers 183 countries over 2004-2010 and includes several measures on the strictness of labor regulations (the “employing workers” index). Another well-known dataset, used in Heckman and Pages (2004), covers Latin American countries. Recently, Campos and Nugent (2010) emphasized the importance of collecting retrospective data for studying economic effects of labor market institutions and noted that reasonably long time series data are only available in two regions, OECD and Latin America. They have developed a new dataset LAMRIG that covers over 130 countries starting with 1960. Among the existing datasets, LAMRIG has, perhaps, the widest coverage in both the time and cross-sectional dimension, but remains relatively unknown.

In this paper, we present and discuss new data on employment protection legislation in the successor states of the former USSR – the CIS² and Baltic states³ – over 25 years from 1985 to 2009 collected at the Institute for the Study of Labor within its research program “Labor Markets in Transition and Emerging Economies”. We adopt the OECD approach to quantifying regulations of the labor market and calculate detailed time series for each of the 18(22) items used in version II of the OECD EPL index. The choice of the OECD index and the underlying methodology as a benchmark is not an accident. To date, the OECD data on employment protection remain not only the most widely used, but also perhaps the least criticized on methodological grounds.⁴

¹ Recently, 12 other countries were added, mostly new members of OECD (e.g., Chile and Estonia), as well as the BRIC countries (Brazil, Russia, India, and China). The data for these countries are currently available for 2008 only.

² CIS stands for the Commonwealth of Independent States and until recently included 12 out of 15 constituent republics of the former USSR, namely Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, Kyrgyzstan, Moldova, the Russian Federation, Ukraine Tajikistan, Turkmenistan, and Uzbekistan. Georgia officially left the organization in August 2009.

³ Estonia, Latvia, and Lithuania.

⁴ For a discussion of some methodological issues underlying the OECD EPL index, see, e.g., Addison and Teixeira (2003) as well as Venn (2009). The *Doing Business* methodology, which is based on Botero et al. (2004), is critically examined, e.g., in Berg and Cazes (2007).

When assembling the data, we consulted a large array of national and international legal sources. An important point of departure was the NATLEX database, which contains information about national labor, social security and related human rights legislation and is maintained by the ILO's International Labor Standards Department (<http://natlex.ilo.org/>). This is an invaluable source for tracing developments in national labor laws in the recent years. However, its retrospective coverage is far from being complete, at least for the 15 ex-USSR states and especially in the 1990s. We therefore conducted extensive search in national sources, both government and commercial, and often in national languages. Examples of the sources consulted include Armenian Legal Information System "ARLIS" for Armenia (<http://www.arlis.am/>), database "Toktom" for the Kyrgyz Republic (<http://www.toktom.kg/>), database of the Parliament of Lithuania (<http://www3.lrs.lt/>), State register of legal documents of Moldova (<http://lex.justice.md/>), database "Consultant Plus" for Russia (<http://www.consultant.ru/online/>), and database "Liga Zakon" for Ukraine (<http://search.ligazakon.ua/>), all above links valid as of November 1, 2010. We therefore believe that our data are highly accurate and precise.

The main contribution of this paper is in terms of new data. Indeed, among the former communist block countries, OECD only provides detailed data for the Czech Republic, Hungary, Poland, and Slovakia over 1990(8)-2008 as well as for Estonia, Russia and Slovenia for a single year (2008). Several papers such as Eamets and Masso (2005), Tonin (2009), and Nesporova and Nero (2009) provide data for selected countries and years, with different degree of detail about the computation of EPL indices. In contrast, our paper provides detailed time series for the OECD EPL indicator, including its 18(22) sub-indicators for 15 countries and 25 years. Importantly, our estimates are obtained in a consistent fashion across countries and over time.

Besides extending the base for research on labor regulations, our data also remove or, at least, question some stereotypes about the development of labor law and current strictness of labor regulations in the region. Specifically, we show that a widely held belief that employment protection legislation in these countries was extremely rigid during the Soviet time and was gradually liberalized during their transition to a market system is not quite true. In fact, employment protection legislation that was inherited by the constituent republics of the former USSR showed a considerable degree of flexibility *in terms of firing costs* (although it was rather *rigid in many other dimensions*). To a large extent, this stemmed from permanent labor shortages and the absence of open unemployment in the Soviet Union. Certain areas, such as collective dismissals and temporary agency work, were not regulated in Soviet law at

all. Instead, considerable attention was paid to the issues of overtime work, night shifts, protection of female and young workers, etc. Regulations of temporary contracts and collective dismissals were very flexible, often because of the absence of any legal provisions. The early transition period saw a quick filling in of many of these lacunas, often leading to substantial toughening of regulations. Starting in the late 1990s, however, the trend in most countries shifted towards liberalization of EPL. Major reforms of labor law were implemented in many countries around the turn of the century, and new labor codes have been adopted by 2010 in all the countries except for Ukraine. As a result, current regulations of labor (*with respect to firing costs!*) in national laws are relatively flexible, and definitely not “one of the most rigid in the world” as argued by some scholars (Gimpelson, Kapeliushnikov, and Lukyanova 2009, p.6). This is an example of overstatement and we show some further examples of this sort in Appendix 1. In general, the ex-USSR states do not differ that much from the EU-15 (“old member states of the EU”)⁵ and OECD countries in terms of the overall EPL. However, they differ considerably in terms of contributions to the overall EPL index of its three major components, namely, regulation of permanent contracts, temporary contracts, and collective dismissals. While the former remains rather rigid, the latter two are rather flexible. There are also notable differences between, on the one hand, the three Baltic States (Estonia, Latvia, and Lithuania), which are now members of the EU, and, on the other hand, the CIS group, which includes the remaining 12 states of the former Soviet Union.

The paper is organized as follows. Section 2 provides a brief summary of the methodology developed by OECD to measure the strictness of employment protection legislation in mature market economies and also discusses its applicability in the context of non-OECD countries and post-socialist economies in particular. Section 3 provides an overview of labor laws in the Soviet Union during its terminal period through the lens of the OECD EPL indicator. This is important as Soviet legacies have remained visible in national laws of many of the 15 ex-USSR states. For example, Turkmenistan replaced the Soviet labor code with a new one in 2009 only and Ukraine is still using the 1971 labor code, albeit with an immense number of changes and amendments. Section 4 presents and discusses the newly collected data, across countries and over time, and also in relation to the data from the OECD and EU countries. Finally, section 5 attempts to tentatively link these data to several indicators of (a) economic development, (b) progress in market-oriented reforms, and (c) political regimes prevailing in these countries. Section 6 concludes.

⁵ Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Portugal, Spain, Sweden, and the United Kingdom.

2. OECD EPL indicator and its appropriateness in transition countries

The OECD EPL index is a composite indicator of strictness of labor regulations that primarily takes into account employers' firing costs. The index is calculated by assigning a score varying from 0 to 6 to specific provisions in national labor law and averaging them using a system of weights (see, e.g., OECD 2004). Three basic versions of the OECD EPL index have been developed since 1994. The first version is based on two major groups of indicators, which characterize regulation of permanent contracts (RC) and temporary contracts (TC). The former is based on 8(12) sub-indicators, the latter summarizes six sub-indicators. The second version of OECD EPL (see Table 1) adds four indicators for regulation of collective dismissals (CD). The third version, which appeared in 2008, adds an extra measure of the strictness of regular contracts (maximum period of time within which a worker can make a claim of unfair dismissal) as well as two more indicators for temporary agency work (authorization or reporting requirements for setting up temporary work agencies (TWAs) as well as requirements with respect to equal treatment of regular and agency workers). To date, version II of the index remains the most popular and most widely used. Details about the methodology can be obtained, for example, in OECD (1999), OECD (2004), Venn (2009) as well as on the OECD web-site on regulation of labor (www.oecd.org/employment/protection, as valid on November 1, 2010).

Since the appearance of the OECD EPL index, there has been a lively discussion of the numerous methodological assumptions underlying its computation. At least three of them, in our view, have a paramount importance for the interpretation and effective use of the OECD EPL measure in the context of transition countries. These are: (1) interpretation and quantification of regulations concerning TWAs, (2) weights attached to the three basic sub-components of the overall EPL, namely RC, TC, and CD, as well as (3) enforcement of labor law. The first of these three issues is important as explicit regulations of TWA contracts do not exist in most countries of the region even 20 years after the fall of Communism thus forming a grey zone in the legislation. The second issue is important in view of the apparently limited use of temporary contracts in most of the 15 countries, which, as we will show later in this paper, is not necessarily due to particularly strict regulations in national law. It is not clear in this context whether temporary contracts should be assigned the same weight as permanent contracts (5/12) in the overall EPL index. The third issue is a general problem, which has been recently brought to the forefront of studies of labor regulations, not only in less

developed countries, where it probably matters most, but also in the mature market economies of OECD. We briefly consider these issues below.

2.1. Regulation of TWA contracts

The aggregated EPL measure (version II) contains 3 items related to regulation of temporary work agencies. In the OECD methodology, these are items 13-15, where item 13 characterizes the types of work for which TWA employment is legal, item 14 refers to restrictions on the renewal of TWA contract, and item 15 indicates maximum cumulated duration of TWA contracts (see Table 1). Items 13 and 15 vary between 0 and 6 while item 14 takes 2 values: either 2 or 4. When combined together, the resulting aggregate index TC2 varies from 0.5 to 5.5. The contribution of TC2 to the sub-score for temporary contracts thus varies from 0.25 to 2.75, and the contribution to the overall EPL index varies from 0.1 to 1.15. Thus, regulation of temporary work agencies alone potentially adds more than one unit to the overall EPL score (which is itself bounded between 0 and 6).

The issue with TWAs arises because at the onset of transition, there were no TWAs and no specific regulations of this type of business. The big question therefore is whether the absence of TWAs (1) reflected their illegal status in Soviet and post-Soviet law or (2) was a result of pure economic factors, such the lack of demand for TWA services. The main argument in favor of (1) is that the Soviet legal system was based on the general principle “everything which is not allowed is prohibited”.⁶ The main argument in favor of (2) is that regulations typically appear after the emergence of relevant economic phenomena, not before. Depending on their priors, researchers have interpreted the absence of regulations of TWAs either as the most flexible regime for their operation (no restrictions imposed by law) or as the most restrictive regime (TWAs are illegal). As shown above, the EPL indices calculated using these two approaches differ by more than one unit.

Indeed, early analyses of employment protection legislation in transition countries tended to interpret the lack of TWA regulations in the most restrictive sense, namely, as an implicit ban on TWAs, and thus assigned the maximum possible score of 5.5 to sub-component TC2 (see Table 1). Example of such an approach can be found in Micevska (2004) for South-Eastern European countries, IMF (2006) for Armenia and Dolenc and Vodopivec (2007) for Slovenia (see Appendix 2 for additional details and some quotations). This approach, however, ignored the fact that most countries of the region saw rapid emergence of TWAs already in the 1990s (see e.g., Smirnykh 2005). This was the case even in slow

⁶ However, it may be disputable whether this principle strictly applied in the late 1980s-early 1990s.

reformers, such as Ukraine. The observation that TWAs (or TWA-like firms) were de facto functioning in these countries already in the 1990s has led to reconsideration of the scores attached to TWA regulations. As a result, recent estimates tend to interpret the absence of any legal norms as the most flexible regime. This is also the approach adopted by OECD itself. For example, according to OECD, TWAs in Poland enjoyed the most flexible regulatory regime before the adoption of TWA-specific legal provisions in 2003. Also, in a recent analysis of EPL in Russia (country which has not adopted any regulations of TWAs) OECD explicitly states that although there are no specific legislation for temporary agency work in the country, such employment relationships are covered by civil and commercial law. Russia therefore receives the lowest possible score (0.5) for sub-component TC2.

These controversies in interpreting the absence of TWA regulations have resulted in non-comparability of estimates of the strictness EPL in the transition region as a whole and ex-USSR countries in particular. As we have shown, different interpretations may induce variation in the overall EPL score by more than one unit, which is huge given that the overall score in the OECD countries is just above 2.0. Thus, particular care is needed when existing estimates produced by different researchers, for different countries or different periods are compared with each other.⁷

2.2. Weights for temporary contracts

The overall OECD EPL index attaches to temporary contracts exactly the same weight – 5/12 – as to permanent contracts. Even in the context of OECD economies, serious discussions of the weighting system occur with notable regularity (e.g., Venn 2009). As regards the countries of Eastern Europe and Central Asia, the OECD weights may need even more vigorous defense.

The problem is that there is considerable casual evidence of rather limited use of temporary contracts in these economies. Other things being equal, this would suggest redistribution of weights attached to RC and TC in favor of RC. However, the incidence of TC may be endogenous, in other words, little use of temporary contracts may be a direct consequence of particularly strict regulations. But as we show later in this paper, this is not really the case in many of the countries studied.

⁷ A more general conclusion is that mechanical compilation of indices from various sources is fraught with erroneous findings of liberalizations or increases in regulation in some transition countries. For example, the degree of liberalization of Russia's labor law due to the enactment of the 2001 Labor Code is grossly overestimated in Nesporova and Nero (2009, p.21) who report the OECD EPL index of 3.2 "in the late 1990s" and 1.9 in 2007.

To be precise, data on the use of temporary contracts in the region are scarce (except for the Baltic states). According to Nesporova and Nero (2009), reliable data are only available in Russia and Ukraine. They note that in the middle of the last decade, the share of fixed-term contracts in Russia was about 7 percent and just above 2 percent in Ukraine. These numbers are in sharp contrast with numbers from many OECD economies, transition countries of Central Europe and the Baltic states, where the share of temporary contracts is considerably larger (see e.g., Eamets and Masso 2004).

We try to briefly assess the importance of this problem using data from BEEPS – Business Environment and Enterprise Performance Survey, an establishment level survey conducted by EBRD and World Bank. The survey covers 34 countries, including 26 post-socialist economies of Eastern Europe and Central Asia as well as selected OECD countries. It uses a consistent survey instrument across countries, which is its major strength. The survey samples were constructed by stratified random sampling from a national registry of firms or their equivalents.⁸

The survey contains two relevant questions:

- How many permanent, full-time employees does your firm have now?
(question 66) and
- How many part-time or temporary employees does your firm have now?
(question 67).

Although the survey questions are not perfect for our purposes (question 67 places part-time and temporary employees into a single category), we can nevertheless learn from a cross-country comparison. Table 2 shows the average shares of non-permanent and/or part-time workers in the Baltic states, CIS, and selected OECD economies covered in BEEPS 2005. Both weighted (by firm size) and unweighted data are displayed. Overall, the data confirm the supposition that temporary contracts are used less frequently in the CIS countries compared with the selected OECD economies. The share of non-permanent and/or part-time workers is about one-third lower in the former group of countries as compared with the latter group, and the difference is statistically significant in a two-sided t-test. In the Baltic states, in contrast, the share of non-permanent and/or part-time workers is fairly close to the level observed in the selected OECD countries, at least when one considers unweighted data.

Given these two complications, namely, the controversy regarding TWAs and relatively little use of temporary contracts, some re-weighting of the three sub-components of

⁸ The details of the sample characteristics can be found in the report on sampling and implementation provided by the EBRD <http://www.ebrd.com/pages/research/economics/data/beeps.shtml>, as valid on November 1, 2010.

EPL (that would attach lower weights to regulation of temporary contracts) or separate analysis of the three main sub-components of EPL may make sense in the context of the ex-USSR states, and the CIS countries in particular.

2.3. Law enforcement

The problem of law enforcement in the analysis of labor regulations has long been understood (see Bertola et al. 2000; Betcherman, Luinstra, and Ogawa 2001). If *de jure* stringent regulations are not *de facto* enforced, one may need to substantially revise (downwards) the degree of rigidity of labor law. However, as noted by Skedinger (2010 p.16), even by now “the actual implementation of the legislation in the courts and its effects have hardly been studied – this is ‘the black box’ of employment protection.” There is a consensus among scholars that enforcement problems are much more important in the developing world as compared with OECD economies. But the lack of adequate data on enforcement prevents progress in this line of research.

As to the ex-USSR countries, there is substantial casual evidence of law enforcement problems. For example, World Bank (2005 p.13) notes that “In Belarus, Russia, Ukraine, and other CIS countries, there is widespread evidence of weak enforcement of EPL. It is seen most starkly in the massive scale of wage arrears in the subgroups during the 1990s and is supported by employer surveys. For example, in Moldova, despite strict EPL, employers identify labor regulations as their least important problem, which is consistent with the country’s high job destruction rate.” Similarly, Denisova and Svedberg (2007) when talking about rigid regulations of labor in Russia, immediately note that many of the norms are not enforced allowing labor market participants to bypass the restrictions. As a result, “Surveys looking specifically at labor market regulations (difficulty in hiring and firing, rigidity of working hours and employment, and firing costs) through assessments of laws and regulations by domestic companies suggest that the Russian labor market is effectively more flexible compared to most other markets in the Baltic Sea region.” Finally, Eamets and Masso (2004) suggest that weak enforcement of labor law is typical of all countries in transition including the Baltic states, despite their accession to the EU.

We again resort to BEEPS in an attempt to assess the enforcement gap between the ex-USSR states and the selected OECD economies. The analysis is very tentative as BEEPS is not intended to address this specific issue. In particular, the questions about enforcement refer not to labor disputes, but business disputes at large. However, as the BEEPS survey instrument is consistent across countries, we can make some comparisons. Question 27 of the

2005 wave of BEEPS ask the opinion of respondents (usually chief executives or other senior managers of firms) about their perception of the court system. Specifically, respondents are asked to rank, using the scale from 1=never to 6=always, whether the court system is (1) fair and impartial (2) honest and uncorrupted (3) quick (4) affordable, and (5) able to enforce its decisions.

The data are shown in Table 3. We see that except for items (3) and (5), enforcement is weaker in the CIS countries as compared with the selected OECD economies. The difference is best seen in the average score, which is considerably lower in CIS as compared not only with OECD, but also with the Baltic states (the differences are statistically significant at the conventional levels in a two-sided t-test). In contrast, the differences in the average score between the Baltic states and OECD are not significant at the 5% level. Thus, the data support the existence of a sizeable law enforcement gap between the ex-USSR states (or, at least, the CIS group of countries) on the one hand and the OECD economies on the other hand, which should be acknowledged or better accounted for in analyses of labor market regulations.

3. Labor regulations in the USSR during its terminal period

Several remarks are due before we present and discuss the data in detail. First, it is important to note that USSR law belonged to the so-called “socialist” law family which had many similarities with the civil law tradition (and was even regarded by some scholars as a part of the latter – see e.g., Quigley 1989). Similarly to the civil law tradition, most regulations of employment relationship in the USSR were assembled in a labor code.

Second, the USSR was (nominally) a federation of 15 constituent republics which had own constitutions and were formally able to create own law (although de facto they strictly followed the guidelines and orders from the Communist party and central government in Moscow). Since 1970, the framework for labor legislation was set in “Foundations of Legislation of the USSR and Union Republics on Labor”⁹, which introduced basic principles of labor regulations and requested the republics to develop own labor codes. Thus, there was no single labor code of the Soviet Union. Rather, there were 15 labor codes in the 15 union republics. In reality, however, the republican labor codes were very similar to and even indistinguishable from each other in most important aspects. They were basically patterned after the Labor Code of the Russian Soviet Federative Socialist Republic (RSFSR, Russia),

⁹ Detailed references to legal acts are provided in Appendix 3.

which was adopted on December 9, 1971. In the course of the following one and a half years, similar labor codes were introduced in the other 14 republics (starting with Azerbaijan, Ukraine and Uzbekistan, which adopted their codes already in December 1971, and finishing with Moldova and Georgia, which did so in May and June 1973, respectively). The 15 codes remained very similar across the republics until the very last years of the USSR existence, and started to diverge in 1990-1991 only.

Third, the content of Soviet labor law reflected peculiarities of the planned economy characterized by huge job vacancies and no open unemployment. Indeed, there was no official unemployment in the USSR and estimates of the actual unemployment by Western scholars show very low numbers, of the order of 1 to 2 percent only, at least in the European part of the country (Gregory and Collier 1988; Granick 1987). As a result of excess demand for labor, Soviet law devoted little attention to regulation of worker dismissals. In fact, many of its norms served instead the purpose of tying workers to firms in order to stabilize worker turnover. As noted by Smirnykh (2001, p.2), “The Labor Code of 1971 was to discourage workforce turnover, i.e. tie people down to enterprises.” Perhaps, the most curious manifestation of such policies was the norm that workers could not exit fixed-term contracts with their firm at their free will: termination of such contracts by a worker was possible only in the cases of her illness or disability, which prevented execution of work in accordance with the contract, violation by the employer of labor regulations, and other good causes (Article 32)¹⁰. Indeed, some scholars of that time considered fixed-term contracts as an important means of reducing worker turnover (Prudinskiy 1979).¹¹

Fourth, the law had a strictly imperative character and contained overly detailed regulations of working conditions, working time, as well as employment of minors. For example, the code contained extensive regulations concerning conditions of work for women and youth. In particular, it explicitly prohibited overtime work of pregnant women, nursing mothers, and women with children one year old or younger. Restrictions also applied to work at night, overtime or on days off, as well as to business trips (see, e.g., Bliss 1997).

How does the Soviet labor code look through the lens of the OECD index of employment protection? The short answer is that it was *not particularly rigid in terms of*

¹⁰ Unless otherwise stated, we will provide references to the 1971 Labor Code of the RSFSR. The labor codes of the other 14 republics were very similar, although the order and position of separate articles were somewhat different.

¹¹ This was particularly true of university graduates, which upon graduation were allocated by ad-hoc commissions to enterprises and institutes, often in different regions, where they were supposed to work for three years. This also applied to mass campaigns aimed at recruitment of young workers to remote regions, often in Northern Siberia or Far East.

employers' firing costs, although it contained many rigid norms regulating other aspects of employment relationship and thus was *badly suited to a market environment*. In terms of firing costs, the code was a rather unusual mixture of extremely rigid norms and very flexible ones (see Table 4). On the one hand, no worker could be fired without consent of the local (enterprise-level) trade union (Article 35). Probationary periods were extremely short, restricted to one week (!) for blue-collar workers, two weeks for white-collar workers, and one month for high-ranking employees (Article 22). In the case of unfair dismissal, reinstatement in the previous position was required, unless this was not feasible for technological reasons (Article 213). On the other hand, there was no mentioning of any notice period in the code whatsoever (which is hardly a surprise as firings in the economy with permanent labor shortages were rare). Severance pay amounted to only two weekly wages even in the case of non-disciplinary redundancy firing (Article 36). Compensation following unfair dismissal was limited to three monthly wages only (Article 214). There were no restrictions on the use of fixed-term contracts, except for that they could not last longer than three years (Article 17). There were no regulations of TWAs as the phenomenon did not exist at all in the planned economy.¹² And, as already mentioned, there were no specific rules for collective dismissals. From the perspective of the OECD methodology, the USSR labor law of the mid-1980s scored 2.52 (out of 6) in terms of protection of permanent workers, 0.38 in terms of protection of non-permanent workers, and zero for collective dismissals. The overall score was 1.21, which is very flexible by international standards.

These regulations underwent important revisions in 1988 and 1991, right after the announcement of Gorbachev's perestroika and transition towards a market economy. In 1988, the most substantial change concerned displaced workers, whose rights became considerably expanded in a new section III.A of the code (for Russia, see Decree of the Presidium of the Supreme Soviet of the RSFSR of February 5, 1988). Most importantly, this new section introduced a two-months notice period as well as raised the maximum severance pay for workers fired for redundancy reasons to three monthly wages. These changes were introduced in all 15 republics, with minor variations, if any. As a result, EPL increased from 1.21 to 1.57, with regulation of permanent contracts becoming substantially tighter.

As the economic conditions in the USSR continued to deteriorate, and a surge in unemployment became a real possibility, the USSR parliament (Supreme Soviet) passed in 1991 the "Law on Employment" (Law N 1905-1 of January 15, 1991) as well as the "Law on

¹² As discussed, we code TWA regulations as the most flexible. We thus assume that TWAs did not exist mainly because of the lack of demand for such services in a state-owned economy with permanent labor shortages.

Individual Labor Disputes” (Law N 2016-1 of March 11, 1991). The former act defined the concepts of unemployed persons, unemployment benefits, and provided a basis for the operation of state employment agencies. In addition, this law introduced for the first time the notion of “collective dismissal” (without, however, providing any explicit definition of it as this was given to republican law) and allowed local authorities to postpone, for up to six months, enterprises’ decisions on mass dismissals of workers “with partial or full compensation of the resulting losses to the employer”. The latter act expanded the maximum amount of compensation that workers could request following unfair dismissal from three to twelve monthly wages.¹³ As a result of these changes, the EPL index increased (or would have increased in some republics) to 1.85 (see Table 4), with fairly strict regulations of permanent contracts (3.47), reasonably flexible regulations of collective dismissals (1.50) and few restrictions on temporary contracts (0.38). Overall, judged by the OECD EPL measure, employment protection legislation in the USSR appears to have been relatively flexible, especially before 1988.

4. Labor law in the USSR successor states

The USSR ceased to exist *de jure* in December 1991, although several successor states had become *de facto* independent earlier. Nevertheless, in the early 1990s most of the new independent states continued to use substantial parts of labor law developed in the USSR, often with numerous and/or substantial amendments (e.g., Estonia, Latvia, and Lithuania), and sometimes with only minor changes (e.g., Armenia and Tajikistan). A great deal of new laws passed in the 1990s had a clear transitory character and were subsequently replaced (e.g., Kyrgyzstan adopted a new labor code in 1997 just to replace it with yet another one in 2004). But the tradition of using some parts of labor law developed in the Soviet time continued even beyond the 1990s and even in countries that made the fastest break with the Soviet tradition.¹⁴

4.1. General trends

¹³ These changes, however, did not become effective everywhere as many of the republics had already declared either independence (Lithuania did in March 1990, which means that these legal acts never applied on its territory) or sovereignty (all countries did in 1990, except for Azerbaijan, which did in October 1991). Sovereignty implied superiority of republican law over all-union law so that all-union legal acts could become effective only after their approval by republican authorities. Anyway, already in 1990-1991 many of the republics adopted their own laws on employment and on individual labor disputes, which were similar to the respective framework laws of the USSR.

¹⁴ For example, until recently Estonia still relied on parts of the Soviet labor code to regulate working time and working conditions. Only in 2008, with the adoption of a new labor code, the old code of the Estonian SSR was declared void in its entirety.

The newly collected data on the evolution of labor law in the 15 countries allow us to make several important observations. In discussing the trends, we will mostly refer to Charts 1-4 noting that the detailed data for each country are available in Appendix 4.¹⁵ Looking at Chart 1, one can easily see a considerable increase in the cross-sectional variation of EPL between 1990 and 2009. There is also a clear trend towards stricter regulations during the early 1990s in most of the countries. In the late 1990s, there were a number of liberalizations, most notably in Kazakhstan and Belarus (in the latter case thanks to President Lukashenko's Decree N 29 of July 26, 1999 that deregulated fixed-term contracts). Further notable liberalizations took place in the first decade of the new century, but only in some countries (Armenia, Georgia, and Russia). In most other states, changes in labor laws were rather marginal. Overall, the most notable liberalizations in the region were introduced in Kazakhstan in 1999 and Georgia in 2006. There was also a notable increase in regulation in the Baltic states around the time of their accession to the EU.

Let's now turn to permanent contracts, which were the most regulated in the Soviet time. It is easy to note (see Chart 2) that in many countries the level of protection has not changed much (and in some cases has even increased) compared with the USSR level (e.g., Azerbaijan, Belarus, Kyrgyzstan, Moldova, and Ukraine). Important liberalizations were implemented by Armenia in 2004, Georgia in 2006, Kazakhstan in 1999, Lithuania in 2008, and Uzbekistan in 1998. The well-known reform of Russia's labor law in 2001 has reduced the rigidity of regulation of permanent contracts rather modestly, from 3.47 to only 3.14. In contrast, the 2006 reform in Georgia had the most far-reaching consequences: the index for permanent contracts fell from 3.31 to mere 0.73.

Turning to protection of temporary workers, a clear trend towards more rigid regulations is apparent in the 1990s in the region as a whole and in almost every country separately. Later, many countries turned to liberalizing their laws with fairly soft regulations of temporary contracts existing now in Georgia (where they seem to have been quite flexible since 1990), Belarus (since 1999), Kyrgyzstan (since 2004), and Russia (since 2006).

The degree of protection of workers against collective dismissals is generally rather modest, except for the Baltic states. However, there is considerable variation in this indicator

¹⁵ The data in the .xls and .dta formats are available from the author on request. Note that changes in EPL in the data presented reflect the time when respective laws were passed, rather than when they took effect (so, if a new law affecting EPL was passed in November 2000, but took effect in January 2001, the change is reflected in the 2000 EPL). With the exception of very few cases, when laws were passed at the very end of a calendar year and took effect in the following year (e.g., Estonia in 2008 and Kazakhstan in 1998), these two approaches are identical. The data for the overall EPL as well as its three main components, RC, TC, and CD obtained using the alternative approach, based on the time when laws take effect, are also available from the author.

not only between countries, but also over time within the same countries. To some extent, such variation results from inconsistent revisions of national laws. For example, if a country that has similar notification requirements for ordinary firings (specified in its labor code) and collective dismissals (specified in its law on employment) revises the labor code and liberalizes the notice period for ordinary firings, but not for collective dismissals, the OECD methodology would automatically imply (a) liberalization of permanent contracts and (b) toughening of regulations concerning collective dismissals (although (b) was not necessarily meant by the legislator). Thus, some variations in CD may be just mechanical results stemming from the specifics of the OECD methodology, where regulations of permanent contracts serve as a benchmark for assessing the rigidity of rules applied to collective dismissals.

4.2. Comparison with OECD

How do these developments compare with developments in the OECD countries over the same period? To answer this question, we use data from the most recent OECD dataset (see www.oecd.org/employment/protection) and graphically compare the 15 ex-USSR states (which are now grouped in two categories – the Baltic states and CIS) with regulations in the EU-15, EU-4 (Czech Republic, Hungary, Poland, and Slovak Republic, i.e. first Central European countries that joined OECD), and OECD economies at large (excluding the countries that joined the organization in the last few years, e.g., Chile and Israel). The results are shown in Charts 5-8.

Overall, the 15 countries started with a lower EPL than EU-15 or OECD, but caught up pretty quickly. At the turn of the century, the overall level of labor market rigidity in both the Baltic states and CIS countries was similar to that in the OECD economies, somewhat higher than in EU-4 and somewhat lower than in EU-15 (see Chart 5). By 2009, we see some liberalization in the CIS region with the overall EPL index falling below the EU-15 and OECD levels, but still remaining above the EU-4 level, and an increase in regulations in the Baltic states, much of which occurred around the time they joined the EU. A similar trend occurred in EU-4, with labor market regulations becoming somewhat more rigid around the time of the accession of these countries to the EU.

As regards permanent contracts (see Chart 6), the regulations in the Baltic states and CIS countries were initially pretty strict, reflecting, in part, the increase in employment protection that had occurred in the USSR under Gorbachev. The level of protection stayed high during the 1990s in both regions, somewhat higher in the CIS group. Important

liberalizations are noticeable in the Baltic states in 2001-2002 and in the CIS countries a few years later. Overall, the degree of protection of permanent workers remains rather high in the CIS region, higher than in any other of the selected groups of countries. The Baltic states fall in between the EU-15 and OECD economies.

As concerns temporary contracts, we see a rather striking pattern. In contrast to the general trend towards liberalization of temporary contracts in the OECD and EU-15 economies (often referred to as liberalization on the margin), there was a clear trend towards stricter regulations in the 15 countries, less strong in the CIS countries and more pronounced in the Baltic states.¹⁶ By 2008-2009, the Baltic states had the highest level of rigidity of temporary contracts among all five groups of countries, and CIS scored in between EU-4 (which had the most liberal regulations) on the one hand and EU-15 and OECD on the other hand (the latter two groups had similar scores for protection of temporary workers).

As regards collective dismissals, the trend in the 15 ex-USSR countries was similar to that observed for temporary contracts. We see a considerable toughening of regulations in the Baltic states and some toughening in the CIS countries. Interestingly, not much has happened with respect to collective dismissals in the OECD and EU-15 countries over 1998-2008, years for which OECD data are available.

Overall, our data suggest convergence of labor regulations in the Baltic states and CIS countries with regulations in the OECD and EU-15 countries. This finding is in line with earlier work (see, e.g., Mitra, Muravyev, and Schaffer 2008) documenting convergence of transition countries with developed market economies in several other dimensions.

5. Quick assessment of the new data

In order to check, in a very tentative manner, the validity and potential usefulness of the newly constructed indicators of EPL in the 15 ex-USSR countries, we have linked them to three additional datasets containing indicators of (a) economic development, (b) progress in market-oriented reforms, and (c) political regimes prevailing in these countries. A brief analysis below is not intended to establish any causal links between these variables and the calculated EPL indicators. Rather, our purpose is to show how the overall EPL index and its

¹⁶ There is evidence that some of these changes in the early 1990s were influenced by conventions and recommendations as well as technical assistance from ILO (e.g., Schüle 1999 and Bronstein 2005). The ILO Convention No. 158 and Recommendation No. 166 certainly played a role in restricting the use of fixed-term contracts in Russia in 1992. The developments in the Baltic states in the 2000s were partially influenced by the process of accession to the EU.

main components are correlated with key economic and political variables, which may provide directions for further research.

5.1. Correlations with economic indicators

To check the relationship between the newly constructed variables and key economic variables we use the TRANSMONEE database, which contains main economic statistics on the former communist countries, including the 15 ex-USSR states, produced by national statistical offices as well as international organizations.¹⁷ We use the following variables:

- *GDP per capita (constant 2000 US\$)*
- *GDP per capita, PPP (current international \$)*
- *Employment ratio (number of employed as per cent of population aged 15-59)*
- *Annual registered unemployment rate (average per cent of labor force)*
- *Registered unemployed aged 15-24 (per cent of total annual unemployed)*
- *Distribution of earnings: Gini coefficient*

To this list of variables, we add GDP growth rate. The descriptive statistics for these variables are shown in Appendix 5. Table 5 displays the results of the correlation analysis between the overall EPL and its three main components on the one hand and the selected economic variables on the other hand. In addition to correlation coefficients, Table 5 shows corresponding significance levels. There are several statistically significant correlations, some of which are economically meaningful. For example, the overall EPL is negatively correlated with the employment to population ratio (and, as shown in Lehmann and Muravyev (2010), this result survives econometric scrutiny). Interestingly, it appears to be driven by regulation of temporary contracts. Also, richer countries tend to have less strict regulation of permanent contracts than poorer countries, but more rigid regulations of temporary contracts and collective dismissals. Some correlations are more difficult to reconcile with theory. The negative association of protection of regular workers on the one hand and youth unemployment on the other hand is the most notable example in this regard.

6.2. Correlations with reforms indices

¹⁷ More about the TRANSMONEE database is available here: <http://www.unicef-irc.org/databases/transmonee/>, the link valid as of November 1, 2010.

To check the relationship between the EPL variables and indicators of progress in market-oriented reforms, we resort to the “Progress in Transition” indices produced by EBRD.¹⁸ The EBRD database contains eight basic indicators, each varying between 1 and 4.33 with 1 corresponding to no progress in market-oriented reforms and 4.33 indicating completeness of transition to market system. The eight indicators cover the following aspects of reforms:

- *Large-scale privatization*
- *Small-scale privatization*
- *Governance and enterprise restructuring*
- *Price liberalization*
- *Trade and foreign exchange system*
- *Competition policy*
- *Banking reform and interest rate liberalization*
- *Securities markets and non-bank financial institutions*

The descriptive statistics for these variables are shown in Appendix 5. The correlations between the overall EPL and its three main components on the one hand and the reform indices on the other hand are shown in Table 6. It turns out that the overall EPL is positively correlated with progress in transition in all eight dimensions, from large-scale privatization to the development of securities markets. However, protection of regular workers shows negative correlations with all eight indices of reforms while protection of temporary workers and regulation of collective dismissals are positively correlated with the reform indices. This may be interpreted in the sense that a successful move to a market economy required very specific changes in Soviet law, affecting RC, TC, and CD in different ways.

6.3. Correlations with political indicators¹⁹

We pick up a number of variables most frequently used in politico-economic analysis. In particular, from the POLITY IV database²⁰ we take the *polity* index which assigns each country a score from -10 to 10. Higher scores indicate more democratic rule and lower scores indicate more authoritarian rule. It is a composite index which takes into account executive recruitment, constraints on the executive’s power and political participation. We also use the

¹⁸ EBRD transition indicators are available at <http://www.ebrd.com/pages/research/analysis/forecasts.shtml>, the methodology is discussed at http://www.ebrd.com/pages/research/analysis/surveys/ti_methodology.shtml.

¹⁹ A detailed analysis is forthcoming in Hartmut Lehmann, Alexander Muravyev, and Florian Plum “Political Determinants of Labor Market Reforms in Post-Socialist Countries”.

²⁰ The details about the Polity database can be found at <http://www.systemicpeace.org/polity/polity4.htm>, see also Marshall and Cole (2009).

World Bank's *Database of Political Institutions* (DPI)²¹ which contains a wide array of political variables, such as the system of government and party ideology with respect to economic policy. We take six variables from this database: *system*, which differentiates between presidential and parliamentary systems (presidential=0, assembly-elected president=1, parliamentary=2); *yrcurnt*, which indicates how many years the current executive has to go until the next scheduled elections; *execrlc* as a measure of government ideology with respect to economic policy (right=1; center=2, left=3); *allhouse* is a dummy variable indicating whether the party of executive control all relevant houses; *housesys* indicates whether the majority of seats in parliament is allocated according to proportional representation, which leads to many parties in parliament (0) or plurality (1); and *maj* represents the fraction of seats in parliament held by the ruling party (or coalition). Again, the descriptive statistics for these variables are shown in Appendix 5.

The results of the correlation analysis are shown in Table 7. Variable *polity*, which is a measure of democratic rule, turns out to be uncorrelated with the overall EPL index, as well as with the index for temporary contracts (TC). However, it is negatively correlated with RC and positively correlated with CD, the results significant at the 1% level. Thus, it appears that more democratic governments are associated with more liberal rules for permanent contracts, but stricter regulations of collective dismissals. The same pattern is observed for variable *system*: countries with parliamentary systems tend to have more liberal rules for permanent contracts, but stricter regulations of collective dismissals. Our measure of government ideology with respect to economic policy, *execrlc*, appears to be correlated with all three sub-indicators, and also with the overall EPL, but only at the 5% level. In particular, left-wing governments are more associated with higher EPL, RC, and TC, but lower CD. We do not observe any correlation in levels between the EPL measures and variables *allhouse* and *maj*. Overall, we believe, these results suggest a number of meaningful relationships between EPL and political variables.

6. Conclusions

In this paper we have presented and discussed new data characterizing the development of employment protection legislation (EPL) in the successor states of the former USSR – the CIS and Baltic states – from 1985 to 2009. The contribution of this paper is mainly in terms of new data, namely, in adding complete time-series for 15 countries and over 25 years. In

²¹ The data are taken from and DPI database <http://go.worldbank.org/2EAGGLRZ40>, see also Beck et al. (2001).

addition, our initial analysis of the new data reveals several interesting patterns in the evolution of EPL in the ex-USSR states that help remove or, at least, question some stereotypes about developments of labor law in the region. In particular, the data do not support the widely held view that labor regulations in the former USSR *with respect to firing costs* were extremely rigid and were subsequently liberalized by the 15 successor states over the course of transition to a market economy. Rather, the dynamics of the EPL index in the region resembles an inverted U-shaped pattern with the peak of labor market rigidity occurring in the mid-1990s in the CIS countries and a decade later in the Baltic states. In terms of major sub-indicators, we observe a rather unusual pattern during the last two decades: gradual liberalization of permanent contracts on the background of increasing regulation of temporary contracts and collective dismissals. Also, a quick assessment of the new data with the help of a number of variables characterizing economic development, progress in market-oriented reforms, and political regimes prevailing in the 15 countries shows a number of meaningful correlations, for example, negative correlation between the overall EPL and the employment to population ratio. This suggests potential of using the new data in further research.

Table 1. OECD index of employment protection (version II).

Level 1	(weights)	Level 2	(weights)	Level 3	(weights)	Level 4
Notification procedures	(1/2)	RC1: Procedural Inconveniences	(1/3)	RC: Regular contracts	(5/12)	EPL summary indicator
Delay to start a notice	(1/2)					
Length of the notice period at	9 months	RC2: Notice and severance pay for no-fault individual dismissals	(1/3)			
	4 years					
	20 years					
Severance pay at	9 months					
	4 years					
	20 years					
Definition of unfair dismissal	(1/4)	RC3: Difficulty of dismissal	(1/3)			
Length of trial period	(1/4)					
Compensation after unfair dismissal	(1/4)					
Possibility of reinstatement	(1/4)					
Valid cases for use of fixed-term contracts (FTC)	(1/2)	TC1: Fixed-term contracts	(1/2)	TC: Temporary contracts	(5/12)	
Max number of successive FTC	(1/4)					
Max cumulated duration of FTC	(1/4)					
Types of work for which temporary agency work (TWA) is legal	(1/2)	TC2: Temporary Work Agency	(1/2)			
Restrictions on number of renewal	(1/4)					
Max cumulated duration of TWA contracts	(1/4)					
Definition of collective dismissal	(1/4)	CD Collective Dismissals	(2/12)			
Additional notification requirements	(1/4)					
Additional delays before notice can start	(1/4)					
Other special costs to employers	(1/4)					

Table 2. Shares of non-permanent and/or part-time workers as reported in BEEPS 2005.

USSR successor states

	unweighted	weighted	no. obs.
CIS			
Armenia	0.116	0.176	350
Azerbaijan	0.044	0.016	351
Belarus	0.075	0.043	325
Georgia	0.111	0.185	200
Kazakhstan	0.054	0.037	585
Kyrgyzstan	0.111	0.103	202
Moldova	0.083	0.108	350
Russia	0.083	0.064	601
Tajikistan	0.054	0.041	200
Turkmenistan	no data	no data	no data
Ukraine	0.103	0.060	594
Uzbekistan	0.077	0.072	300
average	0.081	0.074	369
Baltic states			
Estonia	0.090	0.068	219
Latvia	0.133	0.091	205
Lithuania	0.123	0.051	205
average	0.115	0.070	210

Selected OECD countries

	unweighted	weighted	no. obs.
Czech Republic	0.116	0.086	343
Germany	0.252	0.171	1197
Greece	0.057	0.058	546
Hungary	0.049	0.031	610
Ireland	0.189	0.156	501
Korea	0.093	0.110	598
Poland	0.084	0.070	975
Portugal	0.050	0.125	505
Slovakia	0.126	0.126	220
Spain	0.102	0.150	606
Turkey	0.220	0.229	557
average	0.118	0.121	605

Mean comparison tests, differences and p-values

CIS vs OECD	-0.037 (0.000)	-0.047
Baltic states vs OECD	-0.003 (0.656)	-0.051
CIS vs Baltic states	-0.034 (0.000)	0.004

Source: author's calculations based on BEEPS 2005.

Table 3. Enforcement of law as reported in BEEPS 2005.**USSR successor states**

	Item1	Item2	Item3	Item4	Item5	average
CIS						
Armenia	3.0	3.0	3.1	3.0	3.4	3.09
Azerbaijan	3.1	3.2	3.3	3.5	3.6	3.35
Belarus	3.2	3.3	3.0	4.0	4.5	3.62
Georgia	2.9	2.8	2.5	3.0	3.8	3.05
Kazakhstan	3.0	2.8	2.6	3.3	3.4	3.02
Kyrgyzstan	2.4	2.3	2.4	3.1	3.4	2.67
Moldova	2.3	2.3	2.3	2.7	2.6	2.38
Russia	2.7	2.6	2.1	3.0	3.3	2.71
Tajikistan	3.1	3.0	2.8	3.4	3.7	3.19
Turkmenistan	no data	no data	no data	no data	no data	no data
Ukraine	2.5	2.4	2.1	3.1	3.2	2.63
Uzbekistan	2.6	2.6	2.7	2.8	3.3	2.71
average	2.8	2.7	2.6	3.2	3.4	2.92
Baltic states						
Estonia	4.1	4.1	2.3	4.1	4.1	3.77
Latvia	2.9	2.9	2.1	3.6	3.1	2.93
Lithuania	3.1	2.9	2.3	2.9	3.3	2.89
average	3.3	3.3	2.3	3.6	3.5	3.17

Selected OECD countries

	Item1	Item2	Item3	Item4	Item5	average
Czech Republic	2.9	2.8	1.9	2.6	2.8	2.59
Germany	4.5	4.6	3.2	3.3	4.1	3.93
Greece	4.2	4.3	2.7	3.2	4.7	3.81
Hungary	3.1	3.3	2.4	2.8	3.2	2.96
Ireland	3.7	4.1	2.1	2.1	3.5	3.10
Korea	3.3	3.2	3.0	2.8	3.3	3.15
Poland	3.0	2.9	2.0	3.5	3.0	2.85
Portugal	2.8	3.0	1.8	2.3	2.8	2.54
Slovakia	3.3	3.1	2.1	3.0	3.6	3.01
Spain	3.7	3.8	2.2	2.9	3.8	3.27
Turkey	3.7	3.7	3.1	3.4	4.3	3.67
average	3.6	3.6	2.5	3.0	3.6	3.27

Mean comparison tests, p-values

CIS vs OECD	-0.777 (0.000)	-0.937 (0.000)	0.069 (0.017)	0.170 (0.000)	-0.170 (0.000)	-0.353 (0.000)
Baltic states vs OECD	-0.258 (0.000)	-0.393 (0.000)	-0.257 (0.000)	0.555 (0.000)	-0.116 (0.104)	-0.099 (0.099)
CIS vs Baltic states	-0.519 (0.000)	-0.544 (0.000)	0.326 (0.000)	-0.385 (0.000)	-0.054 (0.479)	-0.254 (0.000)

Source: author's calculations based on BEEPS 2005.

Note: Item1: fair and impartial; Item 2: honest and uncorrupted; Item 3: quick; Item 4: affordable, and Item 5: able to enforce its decisions. The answers are natural numbers from 1 to 6, with 1=never to 6=always.

Table 4. Labor regulations in the USSR as seen through the lens of OECD EPL.

Item	Description	1985	1986	1987	1988	1989	1990	1991
1	Notification procedures	6	6	6	6	6	6	6
2	Delay before notice can start	0	0	0	0	0	0	0
3a	Length of the notice period, 9 months tenure	0	0	0	6	6	6	6
3b	Length of the notice period, 4 years tenure	0	0	0	4	4	4	4
3c	Length of the notice period, 20 years tenure	0	0	0	1	1	1	1
4a	Severance pay at 9 months tenure	1	1	1	6	6	6	6
4b	Severance pay at 4 years tenure	1	1	1	4	4	4	4
4c	Severance pay at 20 years tenure	1	1	1	1	1	1	1
5	Definition of unfair dismissal	4	4	4	4	4	4	4
6	Length of trial period	6	6	6	4	4	4	4
7	Compensation after unfair dismissal	0	0	0	0	0	0	1
8	Possibility of reinstatement	6	6	6	6	6	6	6
9	Valid cases for FTC	0	0	0	0	0	0	0
10	Maximum number of successive FTC	0	0	0	0	0	0	0
11	Maximum cumulated duration of successive FTC	1	1	1	1	1	1	1
12	Types of work for which TWA is legal	0	0	0	0	0	0	0
13	Restrictions on number of renewals	2	2	2	2	2	2	2
14	Maximum cumulated duration of TWA contracts	0	0	0	0	0	0	0
15	Definition of collective dismissals	0	0	0	0	0	0	0
16	Additional notification requirements	0	0	0	0	0	0	0
17	Additional delays before notice can start	0	0	0	0	0	0	6
18	Other special costs	0	0	0	0	0	0	0
RC1	<i>Procedural inconveniences</i>	3.00	3.00	3.00	3.00	3.00	3.00	3.00
RC2	<i>Notice and severance pay</i>	0.57	0.57	0.57	3.67	3.67	3.67	3.67
RC3	<i>Difficulty of dismissal</i>	4.00	4.00	4.00	3.50	3.50	3.50	3.75
TC1	<i>FTC</i>	0.25	0.25	0.25	0.25	0.25	0.25	0.25
TC2	<i>TWA</i>	0.50	0.50	0.50	0.50	0.50	0.50	0.50
CD	<i>Collective dismissals</i>	0.00	0.00	0.00	0.00	0.00	0.00	1.50
RC	<i>Regular contracts (weight = 5/12)</i>	2.52	2.52	2.52	3.39	3.39	3.39	3.47
TC	<i>Temporary contracts (weight = 5/12)</i>	0.38	0.38	0.38	0.38	0.38	0.38	0.38
CD	<i>Collective dismissals (weight = 2/12)</i>	0.00	0.00	0.00	0.00	0.00	0.00	1.50
EPL		1.21	1.21	1.21	1.57	1.57	1.57	1.85

Chart 1. Overall EPL, USSR and its successor states, 1987-2009.

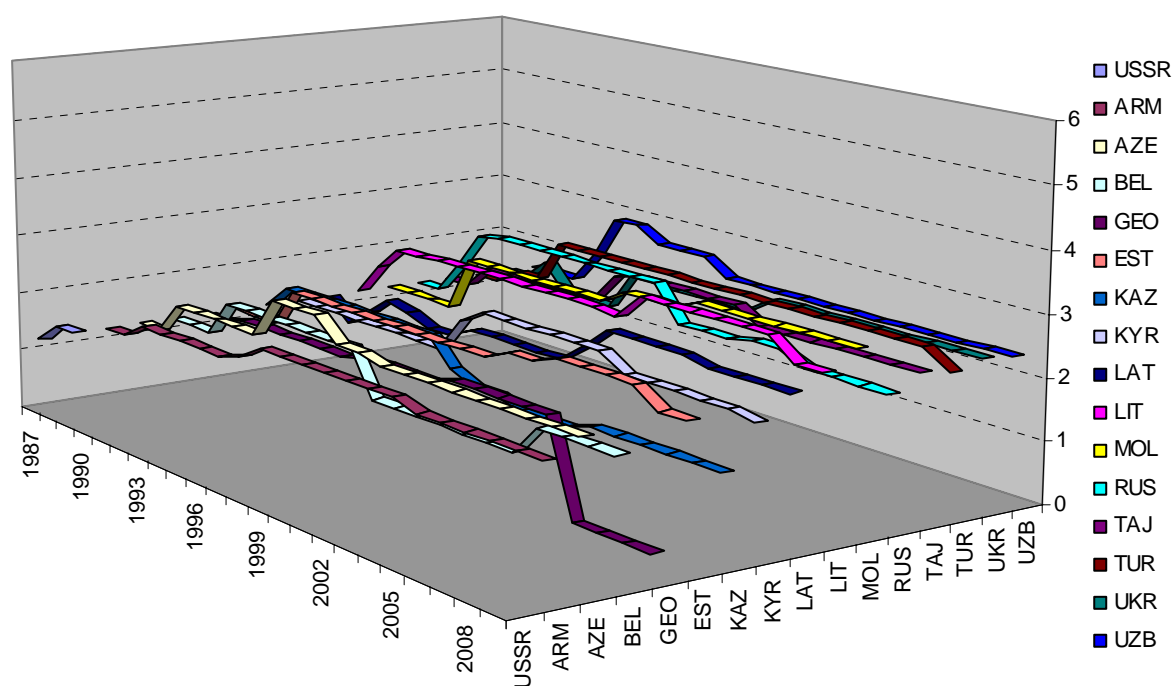


Chart 2. Protection of regular workers, USSR and its successor states, 1987-2009.

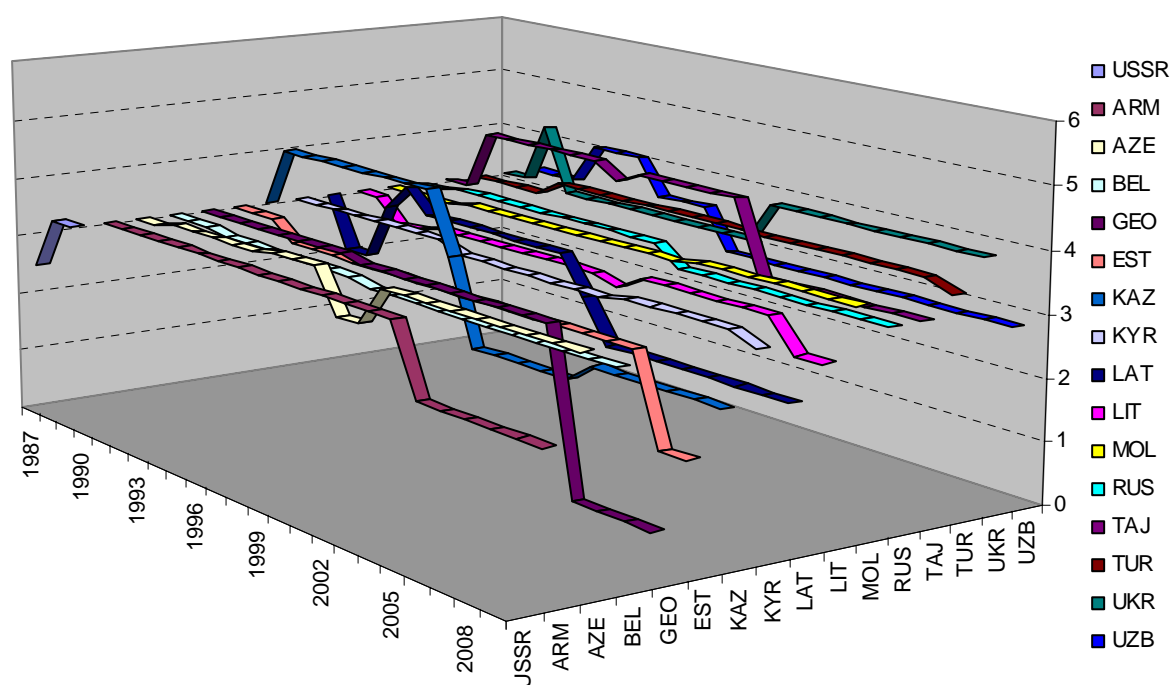


Chart 3. Protection of temporary workers, USSR and its successor states, 1987-2009.

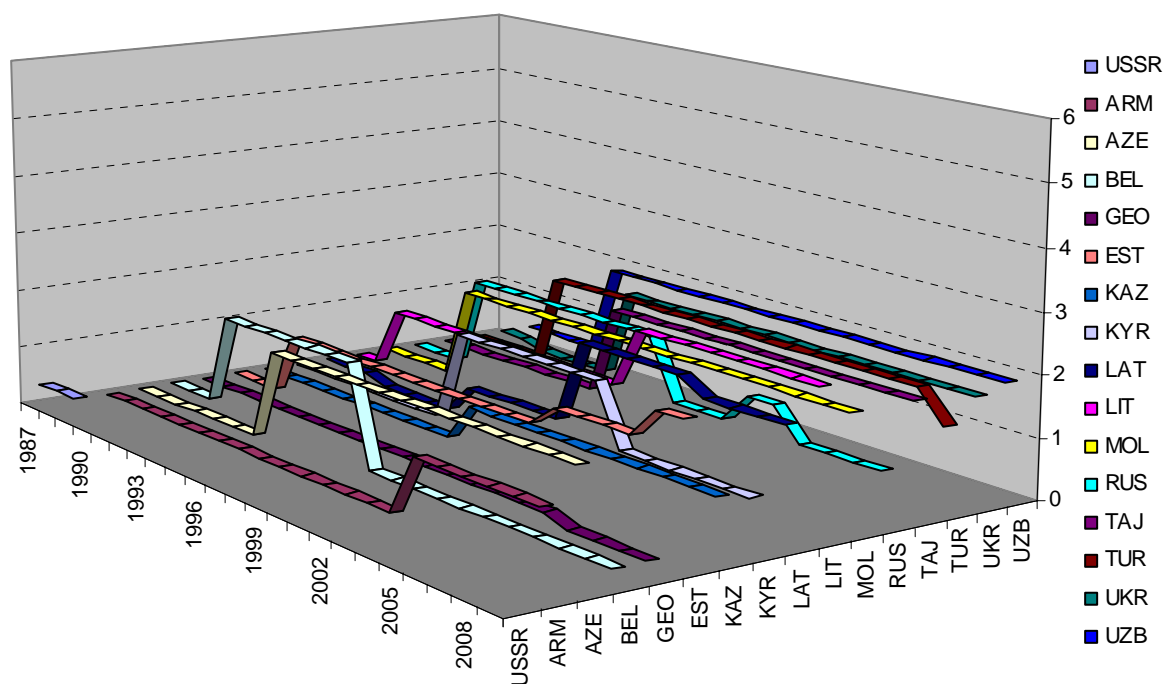


Chart 4. Protection against collective dismissals, USSR and its successor states, 1987-2009.

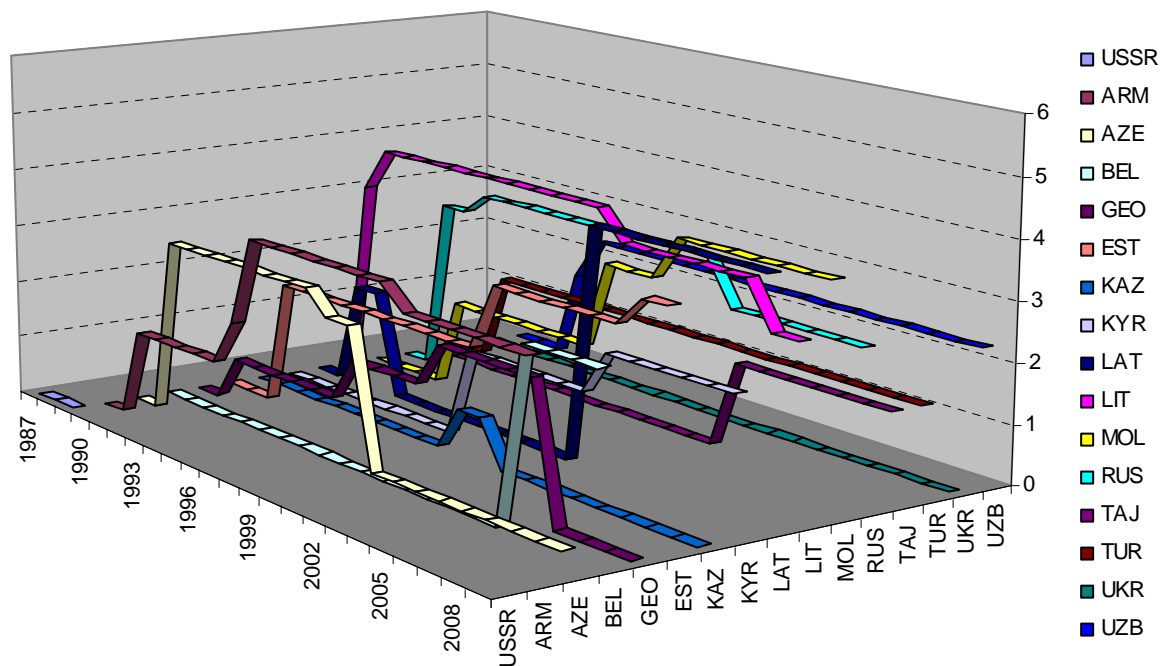


Chart 5. Overall EPL in the CIS, Baltic states, EU-4, EU-15, and OECD.

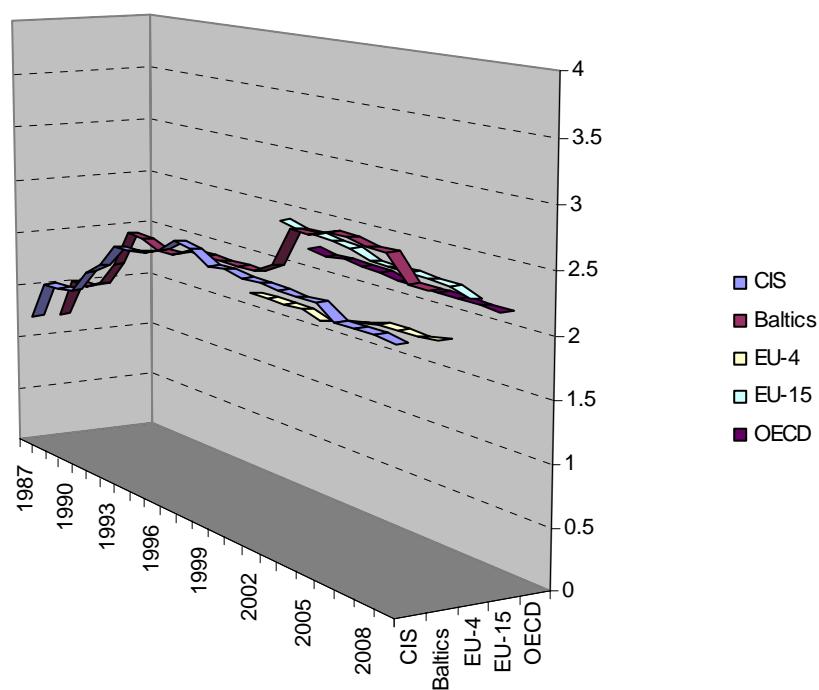


Chart 6. Protection of regular workers in the CIS, Baltic states, EU-4, EU-15, and OECD.

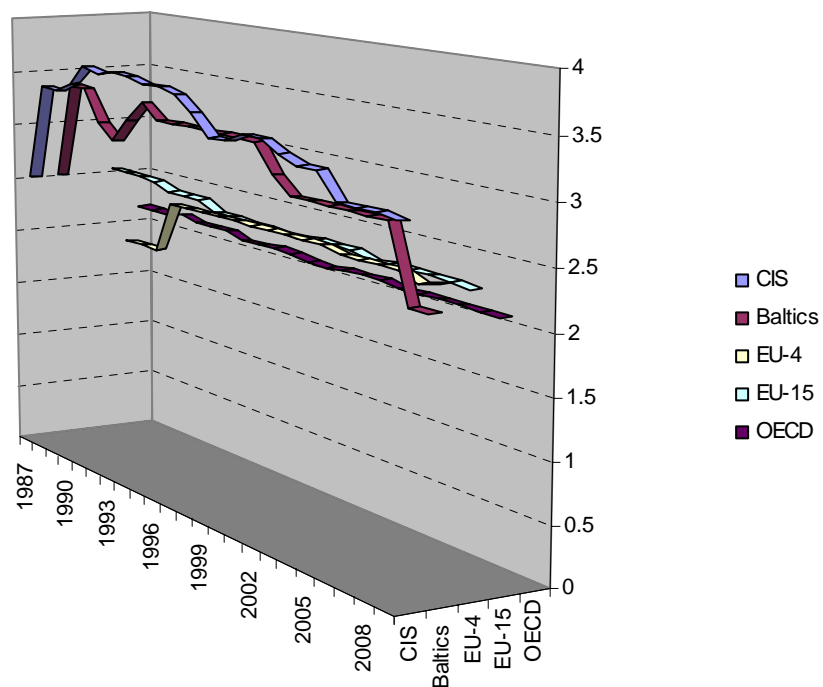


Chart 7. Protection of temporary workers in the CIS, Baltic states, EU-4, EU-15, and OECD.

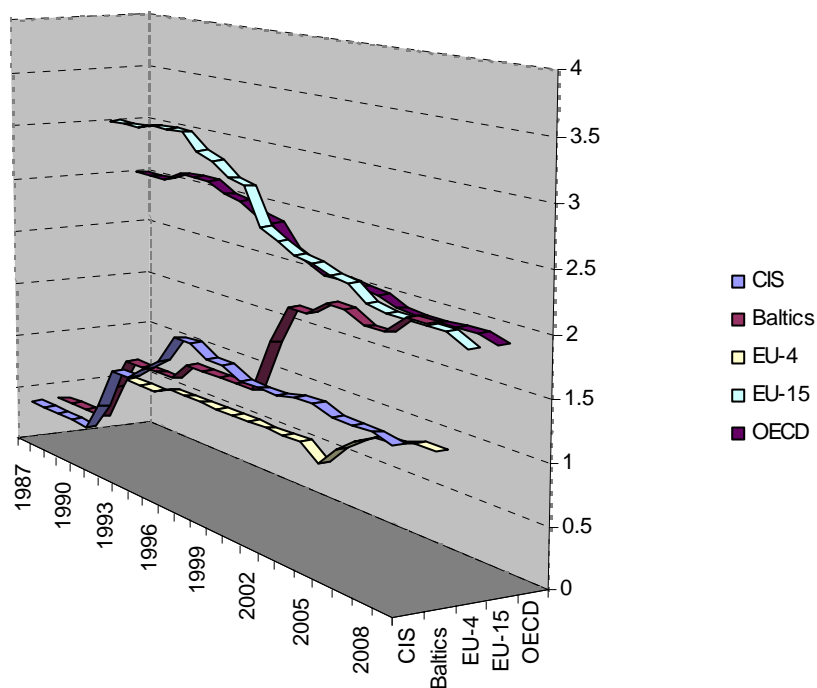


Chart 8. Regulation of collective dismissals in the CIS, Baltic states, EU-4, EU-15, and OECD.

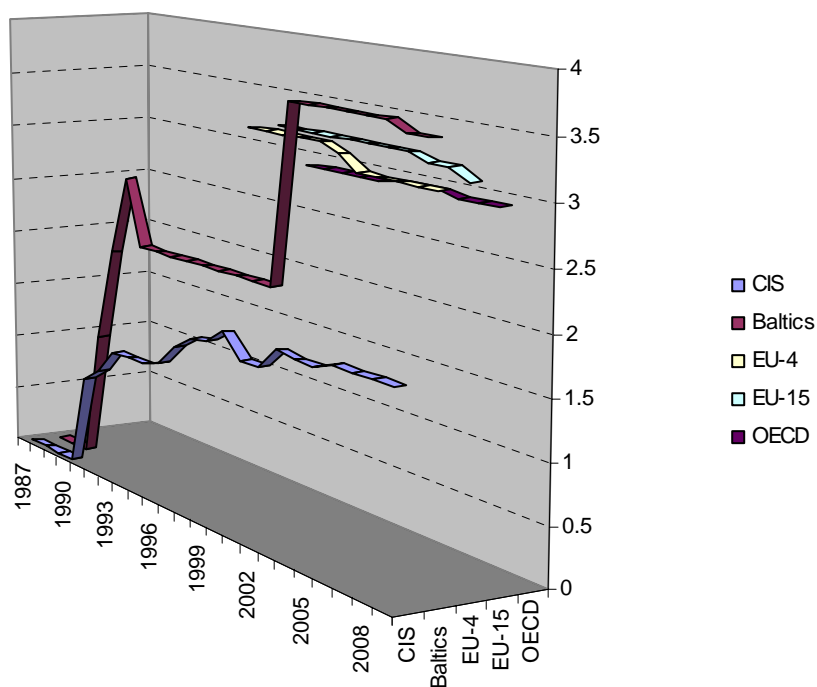


Table 5. Pairwise correlations with economic data (TRANSMONEE database)

	EPL	RC	TC	CD	GDP per capita	GDP per capita ppp	GDP growth rate	Employment ratio	Unempl. rate	Youth Unempl.
RC	0.355 0.000	1.000								
TC	0.781 0.000	-0.063 0.274	1.000							
CD	0.603 0.000	-0.251 0.000	0.335 0.000	1.000						
GDP_per_capita	0.124 0.037	-0.357 0.000	0.158 0.008	0.386 0.000	1.000					
GDP_per_capita_ppp	0.099 0.098	-0.356 0.000	0.157 0.009	0.341 0.000	0.934 0.000	1.000				
GDP_growth_rate	0.194 0.001	-0.233 0.000	0.348 0.000	0.164 0.006	0.134 0.024	0.227 0.000	1.000			
Employment_ratio	-0.168 0.006	0.056 0.363	-0.201 0.001	-0.123 0.043	0.305 0.000	0.259 0.000	-0.340 0.000	1.000		
Unemployment_rate	0.101 0.153	0.317 0.000	0.080 0.259	-0.216 0.002	-0.448 0.000	-0.450 0.000	-0.235 0.001	0.046 0.514	1.000	
Youth_unempl	0.074 0.259	-0.186 0.004	-0.032 0.625	0.331 0.000	0.375 0.000	0.253 0.000	0.272 0.000	-0.317 0.000	-0.566 0.000	1.000
GINI_earnings	0.278 0.001	0.082 0.346	0.271 0.002	0.131 0.134	-0.320 0.000	-0.184 0.034	0.107 0.220	-0.134 0.132	0.012 0.906	-0.202 0.023

Note: p-values are shown below each correlation coefficient.

Table 6. Pairwise correlations with reform indices (EBRD database).

	EPL	RC	TC	CD	LP	SP	FR	PL	TL	CP	BR
RC	0.355 0.000	1.000									
TC	0.781 0.000	-0.063 0.274	1.000								
CD	0.603 0.000	-0.251 0.000	0.335 0.000	1.000							
Large_privatizat (LP)	0.227 0.000	-0.423 0.000	0.339 0.000	0.449 0.000	1.000						
Small_privatizat (SP)	0.251 0.000	-0.354 0.000	0.397 0.000	0.354 0.000	0.900 0.000	1.000					
Firm_restructuring (FR)	0.251 0.000	-0.420 0.000	0.372 0.000	0.449 0.000	0.867 0.000	0.828 0.000	1.000				
Price_liberalization (PL)	0.243 0.000	-0.260 0.000	0.325 0.000	0.333 0.000	0.767 0.000	0.846 0.000	0.727 0.000	1.000			
Trade_liberalization (TL)	0.186 0.001	-0.323 0.000	0.268 0.000	0.354 0.000	0.858 0.000	0.895 0.000	0.806 0.000	0.838 0.000	1.000		
Competition_policy (CP)	0.296 0.000	-0.306 0.000	0.424 0.000	0.356 0.000	0.738 0.000	0.746 0.000	0.793 0.000	0.641 0.000	0.689 0.000	1.000	
Banking_reform (BR)	0.185 0.001	-0.455 0.000	0.323 0.000	0.418 0.000	0.831 0.000	0.833 0.000	0.922 0.000	0.728 0.000	0.853 0.000	0.796 0.000	1.000
Securities_markets (SM)	0.228 0.000	-0.415 0.000	0.380 0.000	0.389 0.000	0.719 0.000	0.698 0.000	0.783 0.000	0.546 0.000	0.640 0.000	0.834 0.000	0.808 0.000

Note: p-values are shown below each correlation coefficient.

Table 7. Pairwise correlations with political variables (Polity and DPI databases).

	EPL	RC	TC	CD	polity	system	yrcurnt	execrlc	allhouse	housesys
RC	0.355	1.000								
	0.000									
TC	0.781	-0.063	1.000							
	0.000	0.274								
CD	0.603	-0.251	0.335	1.000						
	0.000	0.000	0.000							
polity	0.092	-0.174	0.017	0.336	1.000					
(democracy index)	0.124	0.003	0.776	0.000						
system	0.066	-0.183	0.102	0.192	0.422	1.000				
(parliamentary system?)	0.280	0.002	0.093	0.002	0.000					
yrcurnt	-0.084	-0.004	-0.043	-0.109	-0.191	-0.113	1.000			
(years left in the office)	0.182	0.955	0.501	0.085	0.002	0.068				
execrlc	0.138	0.204	0.184	-0.168	-0.218	0.055	0.057	1.000		
(right vs left governments)	0.024	0.001	0.003	0.006	0.000	0.369	0.364			
allhouse	-0.023	0.108	-0.108	-0.015	-0.130	-0.129	-0.034	0.457	1.000	
(executive control all houses)	0.748	0.124	0.122	0.831	0.062	0.060	0.638	0.000		
housesys	0.151	0.240	0.202	-0.196	-0.639	-0.530	0.157	0.222	0.123	1.000
(plurality)	0.025	0.000	0.003	0.003	0.000	0.000	0.022	0.001	0.101	
maj	0.061	0.078	0.079	-0.058	-0.405	-0.089	0.133	0.457	0.358	0.221
(majority in parliament)	0.352	0.238	0.229	0.380	0.000	0.173	0.046	0.000	0.000	0.001

Note: p-values are shown below each correlation coefficient.

References

Addison, John T. and Paulino Teixeira (2003) The Economics of Employment Protection, *Journal of Labor Research*, 24(1): 85-129.

Arrowsmith, James (2009) European Foundation for the Improvement of Living and Working Conditions (2009) Temporary agency work and collective bargaining in the EU. Dublin.

Beck, Thorsten, George Clarke, Alberto Groff, Philip Keefer, and Patrick Walsh (2001) New tools in comparative political economy: The Database of Political Institutions. *World Bank Economic Review*, (15)1: 165-176.

Belot Michele, Jan Boone, and Jan van Ours (2007) Welfare Improving Employment Protection. *Economica*, 74(295): 381–396.

Berg, Janine and Sandrine Cazes (2007) The Doing Business Indicators: Measurement issues and political implications, Economic and Labour Market Papers 2007-06, International Labour Office.

Bertola, Giuseppe, Tito Boeri, and Sandrine Cazes (2000) Employment Protection in Industrialized Countries: The Case for New Indicators. *International Labour Review*, 139(1):57-72.

Betcherman, G., Luinstra, A. and Ogawa, M. (2001) 'Labour Market Regulation: International Experience in Promoting Employment and Social protection', World Bank Social Protection Unit, *Social Protection Discussion Paper* 0128.

Bliss, Amy J. (1997) Proletariat to Perestroika: A Comparison of Labor Law in the Soviet Union and the Russian Federation. *Comparative Labor Law and Policy Journal*, 18: 264-269.

Botero, J., S. Djankov, R. La Porta, F. Lopez-de-Silanes, and A. Shleifer (2004) The Regulation of Labour, *Quarterly Journal of Economics*, 119(4): 1339–1382.

Bronstein, Arturo (2005) The New Labor Law of the Russian Federation. *International Labour Review*, 144(3): 291-318.

Campos, Nauro F. and Jeffrey B. Nugent (2010) The Dynamics of the Regulation of Labour in Developing and Developed Countries since 1960. Paper presented at the 5th IZA/World Bank Conference "Employment and Development", Cape Town, South Africa, May 3–4, 2010.

Cazes, Sandrine and Alena Nesperova (2003) Employment Protection Legislation and Its Effect on Labour Market Performance. Geneva, ILO.

Denisova, Irina and Marcus Svedberg (2007) The Governance of Economic and Employment Development in North West Russia. In: Silvain Giguere (ed.) *Baltic Partnerships: Integration, Growth, and Local Governance in the Baltic Sea Region*. OECD Publishing, Paris.

Djankov, Simeon and Rita Ramalho (2009) Employment Laws in Developing Countries. *Journal of Comparative Economics*, 37(1): 3-13.

Dolenc, Primož and Vodopivec, Milan (2007) *Mobilnost dela in fleksibilnost sistema plač*. Koper: Faculty of Management Koper.

Eamets, Raul and Jan Masso (2004) Labour Market Flexibility and Employment Protection Regulation in the Baltic States, IZA Discussion Paper No. 1147, Institute for the Study of Labor (IZA).

Eamets, Raul and Jan Masso (2005) The paradox of the Baltic States: Labour market flexibility but protected workers? *European Journal of Industrial Relations*, 11(1): 71 - 90.

Eichhorst, Werner, Michael Feil and Christoph Braun (2008) What Have We Learned? Assessing Labor Market Institutions and Indicators, IZA Discussion Papers 3470, Institute for the Study of Labor (IZA).

Freeman Richard B. (2004) Labor Market Institutions Without Blinders: The Debate over Flexibility and Labor Market Performance. NBER Working Paper N 11286.

Gimpelson, Vladimir, Kapeliushnikov, Rostislav, and Anna Lukyanova (2009) Employment Protection Legislation in Russia: Regional Enforcement and Labour Market Outcomes. IZA Discussion Paper N 4484.

Granick, David (1987) *Job Rights in the Soviet Union: Their Consequences*, Cambridge: Cambridge University Press.

Gregory, Paul R. and Collier, Irwin L, Jr. (1988) Unemployment in the Soviet Union: Evidence from the Soviet Interview Project, *American Economic Review*, 78(4): 613-32.

Heckman, James J., and Carmen Pages, eds. (2004) *Law and Employment: Lessons from Latin America and the Caribbean*. New York: University of Chicago Press.

Hopenhayn, Hugo A. and Richard Rogerson (1993) Job Turnover and Policy Evaluation: A General Equilibrium Analysis, *Journal of Political Economy*, 101(5): 915-38.

ILO (2009) Delivering decent work in Europe and Central Asia. Report of the Director-General, ILO, Geneva.

IMF (2006) Republic of Armenia: Poverty Reduction Strategy Paper Progress Report. IMF Country Report No. 06/239.

Lagos, Ricardo (2006) A Model of TFP, *Review of Economic Studies*, 73(4): 983-1007.

Lehmann, Hartmut and Alexander Muravyev (2010) Labor Market Institutions and Labor Market Performance: What Can we Learn from Transition Countries? Working Paper No. 714, Dipartimento Scienze Economiche, Universita di Bologna.

Marshall, Monty G. and Benjamin R. Cole (2009) Global Report 2009: Conflict, Governance, and State Fragility. Center for Systemic Peace, Severn, Maryland.

Micevska, Maja (2004) Unemployment and Labour Market Rigidities in Southeast Europe. Centre for Development Research, University of Bonn, Germany.

Mitra, Pradeep, Alexander Muravyev, and Mark Schaffer (2008) Convergence in Institutions and Market Outcomes: Cross-Country and Time-Series Evidence from the BEEPS Surveys in Transition Economies, IZA Discussion Paper No. 3863, Institute for the Study of Labor (IZA).

Nesporova, Alena and V. William Nero (2009) Promoting Decent Employment in Eastern Europe, Central Asia and Turkey. Background paper for the UN Conference on Social Impact of the Economic Crisis in Eastern Europe, Turkey and Central Asia, Almaty, 7-8 December 2009.

OECD (1999) Employment Outlook 1999. OECD, Paris.

OECD (2004) Employment Outlook 2004. OECD, Paris.

Prudinskiy, Arkadiy (1979) Fixed-term Labor Contracts and Maintenance of Stable Employment in Manufacturing (Srochniy trudovoy dogovor i sozдание stabilnyh kadrov na proizvodstve). Pravovedenie, No. 2: 62-66, in Russian.

Quigley, John (1989) Socialist Law and the Civil Law Tradition. *The American Journal of Comparative Law*, 37(4): 781-808.

- Riboud, Michelle, Carolina Sánchez-Páramo and Carlos Silva-Jáuregui (2003) Does Eurosclerosis Matter? Institutional Reform and Labor Market Performance in Central and Eastern European Countries in the 1990s. *Social Protection Discussion Paper Series No. 0202*, World Bank.
- Schüle, Ulrich (1999) Labour Market Policy in Post-Soviet Economies: The Case of Azerbaijan. *MOCT-MOST*, 9(2): 153-170.
- Sinitsina, Irina, Aziz Atamanov, Alexander Chubrik, Irina Denisova, Vladimir Dubrovskiy, Marina Kartseva, Irina Lukashova, Irina Makenbaeva, Magdalena Rokicka, Michael Tokmazishvili (2008) The Development Gap Between the CIS and EU. Case Network Report No. 81, Warsaw.
- Skedinger, Per (2010), *Employment Protection Legislation: Evolution, Effects, Winners and Losers*, Cheltenham, UK, and Northampton, MA: Edward Elgar.
- Smirnykh, Larissa (2001) Russian Labour Market – Institutional Development and Economic Perspectives. *Berichte aus dem Weltwirtschaftlichen Colloquium der Universität Bremen*, Nr. 107.
- Smirnykh, Larissa (2005) Labor Leasing: Economic Theory, EU and Russia Experience. Working Paper, Russian-European Centre for Economic Policy (RECEP), Moscow.
- Tonin, Mirco (2009) Employment Protection Legislation in Central and East European Countries, *South East Europe Review*, 4: 477-491.
- Venn, Daniele (2009) Legislation, Collective Bargaining and Enforcement: Updating the OECD Employment Protection Indicators. OECD Social, Employment and Migration Working Paper No. 89.
- World Bank (2005) *Enhancing Job Opportunities: Eastern Europe and the Former Soviet Union*. World Bank, Washington DC.
- World Bank (various years). *Doing Business*. Washington, D.C.: World Bank .

Appendix 1: Some misperceptions in assessing EPL in the USSR successor states.

The literature on regulation of labor in the former USSR and its successor states usually suggests that (a) at the start of transition to a market economy, regulation of labor was very rigid, well above the level observed in the OECD economies (b) the transition process to a market economy, which the successor states of the USSR embarked in the 1990s, was characterized by a gradual liberalization of employment protection legislation (c) in many countries, including Russia, labor regulations remain very rigid even now. Many studies provide estimates of the strictness of EPL in some of the countries, but often without necessary detail about contributions of specific items to the overall score, so it is very hard or impossible to judge the accuracy of these estimates. Worse, in the absence of any data provided by OECD, estimates vary a great deal from one source to another. Below we provide some examples of such assessments as well as of differences in the estimates.

Consider the following four assessments of the evolution and current state of labor regulations in the regions and Russia in particular:

World Bank (2005 p.210): “At the beginning of the transition, workers in the Region were among the most protected in the world. This was reflected in the socialist-era EPL, under which dismissals were very difficult, full-time permanent employment was the norm, and workers were entitled to a wide range of workplace benefits and protection. ... Nearly all transition countries subsequently carried out significant reforms of EPL, though at varying points during the transition. The direction of initial reforms has been toward greater flexibility in labor relations, including in hiring and firing (for example, lower direct dismissal costs or removal of trade union veto on dismissals), promoting temporary and part-time employment, allowing for opting out of collective agreements, and so forth.”

Sinitina et al. (2008 p.75): “Historically, employment protection legislation (EPL) has been particularly strict in CIS and South-Eastern Europe, and somewhat less strict in most CEE countries. This means that the costs of firing redundant labor in the CIS and SEE may be relatively high. This is likely to discourage them from hiring in the period of economic upturn, to avoid future firing costs in some subsequent downturn.”

Denisova and Svedberg (2007 p.169): “The Russian Labor Code will remain restrictive compared to those in OECD countries even in its new revised version. In particular, if calculated according to OECD methodology, the index of employment protection legislation in Russia is 3.3 compared to the OECD average of 2.0 and the EC-15 average of 2.4. The code places strong restrictions on employers’ adjustment to technological changes and economic shocks through labor shedding or wage reduction by imposing high turnover

costs. If formal rules are respected, then the response to high separation and hiring costs would be a decrease in demand for labor, and a decline in turnover”.

Gimpelson et al. (2009 p.6): “Whatever of the existing indices we choose, they confirm that the Russian EPL, as written in the law, is among the most stringent in the world. For example, on the OECD EPL scale Russia gets 3.6 scores against 2.0 on average for the OECD countries, 2.4 – for the EC countries, and 2.5 – for the transition countries in general (a higher score corresponds to more stringent legislation).”

The last two sources suggest a very high level of rigidity for Russia, albeit with notable variation in the estimates (the difference between 3.3 and 3.6 is hardly negligible). The variation increases dramatically if one considers additional sources. In particular, Cazes and Nesporova (2003) produce an estimate of 3.2 for Russia for 1999, that is, before the revision of the country’s labor code. Interestingly, Gimpelson et al. (2009) refer to 3.6 apparently after the adoption of the new labor code. Does this imply an increase in rigidity? Tonin (2005) provides his own number of 1.9 for 2002 (that is, after the adoption of the new labor code). His calculations are among the few with extensive detail about each component of the overall EPL. Finally, according to Nesporova and Nero (2009) there was a fall in EPL from 3.2 to 1.9 between the late 1990s and 2007. In the related document (ILO 2009), which presented the same data, there is though a warning on p.55: “Data for certain countries, even though they follow the same OECD methodology, were calculated by different experts and may give slightly different results for the two periods”). As we show in this paper, the degree of rigidity in 2007 was indeed close to 2.0 but was grossly overestimated “in the late 1990s” thus generating a wrong impression of substantial liberalization (decrease in the score by 1.3) in 2001, with the adoption of a new labor code. Our own estimates suggest that the fall in the overall OECD score in Russia was about 0.7.

Appendix 2: How to interpret the lack of regulations of TWAs?

Here we provide some references to different approaches concerning coding of TWA regulations. As already noted, there are virtually no regulations of this economic institution in the countries of the region. Even the Baltic states, now members of the EU, which issues recommendations concerning TWAs, did not have any developed regulations by 2009. For example, as noted in Arrowsmith (2009), there was no legal basis for ‘triangular’ employment in Estonia (as well as Latvia and Lithuania), although there was a licensing system in place (also in Lithuania). In most other countries there are no regulations whatsoever, not even a licensing system.

One approach to deal with the absence of regulations was to assume that TWAs are de-facto banned. For example, in its country report on Armenia, IMF (2006) states when evaluating the country’s new labor code of 2004: “In assessing individual indicators of the rigidity of EPL in Armenia, fixed-term employment arrangements received the highest coefficients of rigidity. The main reason for this is that the institution of so-called “temporary work agency” is not defined in either the old or the new legislation, although no direct restrictions are provisioned either.”

This approach was also typical outside of the ex-USSR region. For example, Dolenc and Vodopivec (2007) assign the highest possible score (=most rigid regime) for TWAs in Slovenia until 1998, when changes in law introduced licensing of TWAs. Starting with that year, regulation of TWAs is assigned the lowest possible value (=most liberal). Micevska (2004) uses the same method for calculating EPL indices for transition countries in South-Eastern Europe. If TWA employment is not legally regulated, the maximum possible score (most rigid regime) for TWAs is assumed.

Other scholars, however, interpret the absence of any regulations in the sense of laissez-faire by noting that the lack of legal norms does not prevent the growth of TWA firms (whose operations are governed by general commercial and labor law and which may be called differently) in such countries (e.g., Riboud, Sanchez-Paramo, and Silva-Jauregui 2002; OECD www.oecd.org/employment/protection). Indeed, there is considerable evidence that TWAs as economic phenomenon exist even in the absence of any sound legal basis. A curious example: In November 2007 a round table of trade union representatives from several ex-USSR states (Azerbaijan, Belarus, Kazakhstan, Russia, and Ukraine) adopted a resolution in which the unions called governments to introduce regulations of agency work.²²

²² The document is available on the web-site of the Federation of Independent Trade Unions of Russia, <http://fnpr.org.ru/4/29/3062.html>, as of November 1, 2010.

Appendix 3. Legal documents affecting EPL in the successor states of the USSR

USSR (before 1992)

- USSR law of 15.07.1970 “Foundations of legislation of the USSR and union republics on labor”.
- USSR law N 1905-1 of 15.01.1991 “Foundations of legislation of the USSR and union republics on employment of the population”.
- USSR law N 2016-1 of 11.03.1991 “On individual labor disputes”.

Armenia

- Labor Code of the Armenian SSR of 16.06.1972.
- Law of the Republic of Armenia “On employment of the population” of 27.12.1991.
- Law of the Republic of Armenia “On employment of the population” of 03.12.1996.
- Resolution of Government of Armenia of 08.05.1997 N 130 concerning criteria of mass dismissals.
- Labor Code of the Republic of Armenia of 09.11.2004.
- Law of the Republic of Armenia of 24.10.2005 “On employment of the population and its protection against unemployment”.

Azerbaijan

- Labor Code of the Azerbaijan SSR of 10.12.1971.
- Law of the Republic of Azerbaijan of 27.06.1991 “On employment of the population”.
- Law of the Republic of Azerbaijan N 25-IG of 13.02.1996 “On resolution of individual labor disputes”
- Law of the Republic of Azerbaijan of 21.05.1996 “On individual labor contracts”.
- Labor Code of the Republic of Azerbaijan of 01.02.1999.
- Law of the Republic of Azerbaijan of 02.07.2001 “On employment”.
- Law of the Republic of Azerbaijan N 771-IIIIGD of 24.02.2009 amending the Labor Code.

Belarus

- Labor Code of the Byelorussian SSR of 23.06.1972.
- Law of the Republic of Belarus of 30.05.1991 “On employment of the population”.
- Law N1962-XII of 24.11.1992 amending the law “On employment of the population”.
- Law of the Republic of Belarus of 15.12.1992 amending the Labor Code.
- Labor Code of the Republic of Belarus of 26.07.1999.
- Decree of President of the Republic of Belarus of 26.07.1999 N 29 “On additional measures on improvement of labor relations and strengthening of labor and implementation practices”
- Law of the Republic of Belarus N 125-Z of 16.06.2006 “On employment of the population”.

Estonia

- Labor Code of the Estonian SSR of 05.06.1972.
- Employment Contracts Act of 15.04.1992.
- Law of 18.12.2002 amending Employment Contracts Act.
- Law of 22.04.2004 amending Employment Contracts Act.
- Law on employment contracts of 17.12.2008.

Georgia

- Labor Code of the Georgian SSR of 28.06.1973.

- Law of the Republic of Georgia of 25.07.1991 "On Employment".
- Law of 12.11.1997 regarding modifications and amendments to the Labor Code of Georgia.
- Law of 28.09.2001 "On employment" ("Employment Act").
- Labor Code of 25.05.2006.

Kazakhstan

- Labor code of the Kazakh SSR of 21.07.1972.
- Law of the Kazakh SSR of 15.12.1990 "On employment of the population".
- Law of the Republic of Kazakhstan N 341-1 of 30.12.1998 "On employment of the population".
- Law of the Republic of Kazakhstan N 493-1 of 10.12.1999 "On labor in the Republic of Kazakhstan".
- Law of the Republic of Kazakhstan N 149-2 of 23.01.2001 "On employment of the population".
- Law N 20 of 23.12.2004 to amend and supplement the Labor Law.
- Labor Code of the Republic of Kazakhstan (law N 251 of 15.05.2007)

Kyrgyzstan

- Labor code of the Kyrgyz SSR of 23.05.1972.
- Law N 440-XII of 20.04.1991 "On employment of the population".
- Labor Code of the Kyrgyz Republic (law N70 of 04.10.1997).
- Law N 113 of 27.06.1998 "On promotion of employment of the population".
- Labor code of the Kyrgyz Republic (law N106 of 04.08.2004).
- Law N 63 of 24 February 2009 to amend and supplement the Labor Code.
- Law N 103 of 30 March 2009 to amend and supplement the Labor Code.

Latvia

- Labor code of the Latvian SSR of 14.04.1972.
- Law of the Republic of Latvia of 23.12.1991 "On employment".
- Law of 17.03.1992 amending the Labor Code.
- Law of 16.12.1993 amending the law "On employment".
- Law of 29.03.1996 amending the Labor code.
- Law on Labor of 01.06.2001.
- Law on support for the unemployed and employment-seekers of 09.05.2002.
- Law of 11.10.2006 amending the Law on Labor.

Lithuania

- Labor Code of the Lithuanian SSR of 01.06.1972.
- Law N I-864 of 13.12.1990 "On employment of the population".
- Law N I-2048 of 11.28.1991 "On the employment contract".
- Law of 14.07.1993 amending the law "On the employment contract".
- Law of 22.03.2001 amending the law "On the employment contract".
- Labor Code (Law N IX-926) of 04.06.2002.
- Law of 13.05.2008 amending the Labor Code.

Moldova

- Labor Code of the Moldavian SSR of 23.05.1973.
- Law Nr. 878 of 21.01.1992 "On employment of the working-age population".
- Law N 1315 of 02.03.1993 amending the Labor Code.

- Resolution of Government of the Republic of Moldova Nr. 433 of 10.05.2000 on the collective labor agreement at the national level (sets criteria of collective dismissals).
- Law Nr. 102 of 13.03.2003 “On employment of the population and social protection of job-seekers”.
- Labor Code of the Republic of Moldova (Law N 154-XV) of 28.03.2003.

Russia

- Labor Code of the Russian SFSR 09.12.1971.
- Law N 1032-1 of 19.04.1991 “On employment of the population in the RSFSR”.
- Law N 3543-1 of 25.09.1992 amending the Labor Code.
- Resolution of Government of the Russian Federation N99 of 05.02.1993 “On organization of work on employment promotion in the conditions of mass dismissals”.
- Labor Code of the Russian Federation of 30.12.2001 (Law N 197-FZ).
- Law N 8-FZ of 10.01.2003 amending the law “On employment of the population”.
- Resolution of the plenary session of the Supreme Court of the Russian Federation N 2 of 17.03.2004 concerning interpretation of the Labor Code by courts.
- Law N 122-FZ of 22.08.2004 amending several legal acts of the Russian Federation, including the law “On employment”.
- Law N 90-FZ of 30.06.2006 amending the Labor Code.
- Changes to the Resolution the Supreme Court of the Russian Federation N 2 of 17.03.2004, passed on 28.12.2006.

Tajikistan

- Labor code of the Tajik SSR of 16.06.1972.
- Law on employment of 15.05.1991.
- Labor code of 15.05.1997.
- Law on employment of 16.07.2003.

Turkmenistan

- Labor Code of the Turkmen SSR of 28.06.1972.
- Law of 12.11.1991 “On employment of the population”.
- Law of 01.10.1993 amending the Labor Code.
- Labor Code of Turkmenistan of 18.04.2009.

Ukraine

- Labor Code of the Ukrainian SSR of 10.12.1971.
- Law of 01.03.1991 “On employment of the population”.
- Law N 2134-XII of 18.02.1992 amending the Labor Code.
- Law of 17.11.1992 amending the Law “On employment of the population”.
- Law of 19.01.1995 N 6/95-VR amending the Labor Code.
- Law of 05.04.2001 N 2343-III amending the Labor Code.

Uzbekistan

- Labor code of the Uzbek SSR of 17.12.1971.
- Law of the Republic of Uzbekistan of 13.01.1992 “On employment of the population”.
- Labor Code of the Republic of Uzbekistan of 21.12.1995.
- Law N 616-I of 01.05.1998 “On employment of the population”.

Appendix 4. EPL and its components in the successor states of the USSR, 1990-2009.

ARMENIA

Item	Description	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
1	Notification procedures	6	6	6	6	6	6	6	6	6	6	6	6	6	6	2	2	2	2	2	2
2	Delay before notice can start	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3a	Length of the notice period, 9 months tenure	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6
3b	Length of the notice period, 4 years tenure	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4
3c	Length of the notice period, 20 years tenure	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
4a	Severance pay at 9 months tenure	6	6	6	6	6	6	6	6	6	6	6	6	6	6	2	2	2	2	2	2
4b	Severance pay at 4 years tenure	4	4	4	4	4	4	4	4	4	4	4	4	4	4	2	2	2	2	2	2
4c	Severance pay at 20 years tenure	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
5	Definition of unfair dismissal	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4
6	Length of trial period	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4
7	Compensation after unfair dismissal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	1	1	1	1	1
8	Possibility of reinstatement	6	6	6	6	6	6	6	6	6	6	6	6	6	6	4	4	4	4	4	4
9	Valid cases for FTC	0	0	0	0	0	0	0	0	0	0	0	0	0	0	4	4	4	4	4	4
10	Maximum number of successive FTC	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11	Maximum cum. duration of successive FTC	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
12	Types of work for which TWA is legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13	Restrictions on number of renewals	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2
14	Maximum cum. duration of TWA contracts	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15	Definition of collective dismissals	0	0	0	0	0	0	0	6	6	6	6	6	6	6	4.5	4.5	4.5	4.5	4.5	4.5
16	Additional notification requirements	0	3	3	3	3	3	3	3	3	3	3	3	3	3	6	6	6	6	6	6
17	Additional delays before notice can start	0	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3
18	Other special costs	0	0	0	0	0	0	3	3	3	3	3	3	3	3	0	0	0	0	0	0
RC1	Procedural inconveniences	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	1.00	1.00	1.00	1.00	1.00	1.00
RC2	Notice and severance pay	3.67	3.67	3.67	3.67	3.67	3.67	3.67	3.67	3.67	3.67	3.67	3.67	3.67	3.67	2.52	2.52	2.52	2.52	2.52	2.52
RC3	Difficulty of dismissal	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.25	3.25	3.25	3.25	3.25	3.25
TC1	FTC	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	2.25	2.25	2.25	2.25	2.25	2.25
TC2	TWA	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
CD	Collective dismissals	0.00	1.50	1.50	1.50	1.50	1.50	2.25	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.38	3.38	3.38	3.38	3.38	3.38
RC	Regular contracts (weight = 5/12)	3.39	3.39	3.39	3.39	3.39	3.39	3.39	3.39	3.39	3.39	3.39	3.39	3.39	3.39	2.26	2.26	2.26	2.26	2.26	2.26
TC	Temporary contracts (weight = 5/12)	0.38	0.38	0.38	0.38	0.38	0.38	0.38	0.38	0.38	0.38	0.38	0.38	0.38	0.38	1.38	1.38	1.38	1.38	1.38	1.38
CD	Collective dismissals (weight = 2/12)	0.00	1.50	1.50	1.50	1.50	1.50	2.25	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.38	3.38	3.38	3.38	3.38	3.38
EPL		1.57	1.82	1.82	1.82	1.82	1.82	1.94	2.19	2.19	2.19	2.19	2.19	2.19	2.19	2.08	2.08	2.08	2.08	2.08	2.08

AZERBAIJAN

Item	Description	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
1	Notification procedures	6	6	6	6	6	6	6	6	6	4	4	4	4	4	4	4	4	4	4	4
2	Delay before notice can start	0	0	0	0	0	0	0	0	0	0	0	4	4	4	4	4	4	4	4	4
3a	Length of the notice period, 9 months tenure	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6
3b	Length of the notice period, 4 years tenure	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4
3c	Length of the notice period, 20 years tenure	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
4a	Severance pay at 9 months tenure	6	6	6	6	6	6	6	6	6	4	4	4	4	4	4	4	4	4	4	4
4b	Severance pay at 4 years tenure	4	4	4	4	4	4	4	4	4	3	3	3	3	3	3	3	3	3	3	3
4c	Severance pay at 20 years tenure	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
5	Definition of unfair dismissal	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4
6	Length of trial period	4	4	4	4	4	4	4	4	4	3	3	3	3	3	3	3	3	3	3	3
7	Compensation after unfair dismissal	0	1	1	1	1	1	2	2	2	1	1	1	1	1	1	1	1	1	1	1
8	Possibility of reinstatement	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6
9	Valid cases for FTC	0	0	0	0	0	0	6	6	6	6	6	6	6	6	6	6	6	6	6	6
10	Maximum number of successive FTC	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11	Maximum cum. duration of successive FTC	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
12	Types of work for which TWA is legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13	Restrictions on number of renewals	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2
14	Maximum cum. duration of TWA contracts	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15	Definition of collective dismissals	0	0	0	0	0	0	0	0	0	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
16	Additional notification requirements	0	6	6	6	6	6	6	6	6	6	6	0	0	0	0	0	0	0	0	0
17	Additional delays before notice can start	0	6	6	6	6	6	6	6	6	3	3	0	0	0	0	0	0	0	0	0
18	Other special costs	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
RC1	<i>Procedural inconveniences</i>	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	2.00	2.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
RC2	<i>Notice and severance pay</i>	3.67	3.67	3.67	3.67	3.67	3.67	3.67	3.67	3.67	3.10	3.10	3.10	3.10	3.10	3.10	3.10	3.10	3.10	3.10	3.10
RC3	<i>Difficulty of dismissal</i>	3.50	3.75	3.75	3.75	3.75	3.75	4.00	4.00	4.00	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50
TC1	<i>FTC</i>	0.25	0.25	0.25	0.25	0.25	0.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25
TC2	<i>TWA</i>	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
CD	<i>Collective dismissals</i>	0.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	2.63	2.63	0.38	0.38	0.38	0.38	0.38	0.38	0.38	0.38	0.38
RC	<i>Regular contracts (weight = 5/12)</i>	3.39	3.47	3.47	3.47	3.47	3.47	3.56	3.56	3.56	2.87	2.87	3.53	3.53	3.53	3.53	3.53	3.53	3.53	3.53	3.53
TC	<i>Temporary contracts (weight = 5/12)</i>	0.38	0.38	0.38	0.38	0.38	0.38	1.88	1.88	1.88	1.88	1.88	1.88	1.88	1.88	1.88	1.88	1.88	1.88	1.88	1.88
CD	<i>Collective dismissals (weight = 2/12)</i>	0.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	2.63	2.63	0.38	0.38	0.38	0.38	0.38	0.38	0.38	0.38	0.38
EPL		1.57	2.10	2.10	2.10	2.10	2.10	2.76	2.76	2.76	2.41	2.41	2.32	2.32	2.32	2.32	2.32	2.32	2.32	2.32	2.32

BELARUS

Item	Description	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
1	Notification procedures	6	6	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4
2	Delay before notice can start	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3a	Length of the notice period, 9 months tenure	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6
3b	Length of the notice period, 4 years tenure	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4
3c	Length of the notice period, 20 years tenure	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
4a	Severance pay at 9 months tenure	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6
4b	Severance pay at 4 years tenure	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4
4c	Severance pay at 20 years tenure	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
5	Definition of unfair dismissal	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4
6	Length of trial period	4	4	6	6	6	6	6	6	6	4	4	4	4	4	4	4	4	4	4	4
7	Compensation after unfair dismissal	0	0	1	1	1	1	1	1	1	2	2	2	2	2	2	2	2	2	2	2
8	Possibility of reinstatement	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6
9	Valid cases for FTC	0	0	6	6	6	6	6	6	6	0	0	0	0	0	0	0	0	0	0	0
10	Maximum number of successive FTC	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11	Maximum cum. duration of successive FTC	1	1	1	1	1	1	1	1	1	0	0	0	0	0	0	0	0	0	0	0
12	Types of work for which TWA is legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13	Restrictions on number of renewals	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2
14	Maximum cum. duration of TWA contracts	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15	Definition of collective dismissals	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
16	Additional notification requirements	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	6	6	6	6
17	Additional delays before notice can start	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	6	6	6	6
18	Other special costs	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
RC1	<i>Procedural inconveniences</i>	3.00	3.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
RC2	<i>Notice and severance pay</i>	3.67	3.67	3.67	3.67	3.67	3.67	3.67	3.67	3.67	3.67	3.67	3.67	3.67	3.67	3.67	3.67	3.67	3.67	3.67	3.67
RC3	<i>Difficulty of dismissal</i>	3.50	3.50	4.25	4.25	4.25	4.25	4.25	4.25	4.25	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
TC1	<i>FTC</i>	0.25	0.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TC2	<i>TWA</i>	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
CD	<i>Collective dismissals</i>	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3.00	3.00	3.00	3.00
RC	<i>Regular contracts (weight = 5/12)</i>	3.39	3.39	3.31	3.31	3.31	3.31	3.31	3.31	3.31	3.22	3.22	3.22	3.22	3.22	3.22	3.22	3.22	3.22	3.22	3.22
TC	<i>Temporary contracts (weight = 5/12)</i>	0.38	0.38	1.88	1.88	1.88	1.88	1.88	1.88	1.88	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25
CD	<i>Collective dismissals (weight = 2/12)</i>	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3.00	3.00	3.00	3.00
EPL		1.57	1.57	2.16	2.16	2.16	2.16	2.16	2.16	2.16	1.45	1.45	1.45	1.45	1.45	1.45	1.45	1.95	1.95	1.95	1.95

GEORGIA

Item	Description	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
1	Notification procedures	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	0	0	0	0
2	Delay before notice can start	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3a	Length of the notice period, 9 months tenure	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	0	0	0	0
3b	Length of the notice period, 4 years tenure	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	0	0	0	0
3c	Length of the notice period, 20 years tenure	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	0	0	0	0
4a	Severance pay at 9 months tenure	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	2	2	2	2
4b	Severance pay at 4 years tenure	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	2	2	2	2
4c	Severance pay at 20 years tenure	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
5	Definition of unfair dismissal	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	0	0	0	0
6	Length of trial period	4	4	4	4	4	4	4	3	3	3	3	3	3	3	3	3	3	3	3	3
7	Compensation after unfair dismissal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
8	Possibility of reinstatement	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	2	2	2	2
9	Valid cases for FTC	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10	Maximum number of successive FTC	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11	Maximum cum. duration of successive FTC	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	0	0	0	0
12	Types of work for which TWA is legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13	Restrictions on number of renewals	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2
14	Maximum cum. duration of TWA contracts	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15	Definition of collective dismissals	0	0	0	0	0	0	0	0	0	0	0	6	6	6	6	6	0	0	0	0
16	Additional notification requirements	0	0	0	0	0	0	0	3	3	3	3	3	3	3	3	3	0	0	0	0
17	Additional delays before notice can start	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
18	Other special costs	0	3	3	3	3	3	3	3	3	3	3	0	0	0	0	0	0	0	0	0
RC1	<i>Procedural inconveniences</i>	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	0.00	0.00	0.00	0.00
RC2	<i>Notice and severance pay</i>	3.67	3.67	3.67	3.67	3.67	3.67	3.67	3.67	3.67	3.67	3.67	3.67	3.67	3.67	3.67	3.67	0.95	0.95	0.95	0.95
RC3	<i>Difficulty of dismissal</i>	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	1.25	1.25	1.25	1.25
TC1	<i>FTC</i>	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.00	0.00	0.00	0.00
TC2	<i>TWA</i>	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
CD	<i>Collective dismissals</i>	0.00	0.75	0.75	0.75	0.75	0.75	0.75	1.50	1.50	1.50	1.50	2.25	2.25	2.25	2.25	2.25	0.00	0.00	0.00	0.00
RC	<i>Regular contracts (weight = 5/12)</i>	3.39	3.39	3.39	3.39	3.39	3.39	3.39	3.31	3.31	3.31	3.31	3.31	3.31	3.31	3.31	3.31	0.73	0.73	0.73	0.73
TC	<i>Temporary contracts (weight = 5/12)</i>	0.38	0.38	0.38	0.38	0.38	0.38	0.38	0.38	0.38	0.38	0.38	0.38	0.38	0.38	0.38	0.38	0.25	0.25	0.25	0.25
CD	<i>Collective dismissals (weight = 2/12)</i>	0.00	0.75	0.75	0.75	0.75	0.75	0.75	1.50	1.50	1.50	1.50	2.25	2.25	2.25	2.25	2.25	0.00	0.00	0.00	0.00
EPL		1.57	1.69	1.69	1.69	1.69	1.69	1.69	1.78	1.78	1.78	1.78	1.91	1.91	1.91	1.91	1.91	0.41	0.41	0.41	0.41

ESTONIA

Item	Description	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
1	Notification procedures	6	6	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	2	2
2	Delay before notice can start	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3a	Length of the notice period, 9 months tenure	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	2	2
3b	Length of the notice period, 4 years tenure	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	2	2
3c	Length of the notice period, 20 years tenure	1	1	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2
4a	Severance pay at 9 months tenure	6	6	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	2	2
4b	Severance pay at 4 years tenure	4	4	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	2	2
4c	Severance pay at 20 years tenure	1	1	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	1	1
5	Definition of unfair dismissal	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4
6	Length of trial period	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4
7	Compensation after unfair dismissal	0	0	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
8	Possibility of reinstatement	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	0	0
9	Valid cases for FTC	0	0	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	6	6
10	Maximum number of successive FTC	0	0	0	0	0	0	0	0	0	0	0	0	0	0	4	4	4	4	4	4
11	Maximum cum. duration of successive FTC	1	1	1	1	1	1	1	1	1	1	1	1	1	1	0	0	0	0	0	0
12	Types of work for which TWA is legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13	Restrictions on number of renewals	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2
14	Maximum cum. duration of TWA contracts	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15	Definition of collective dismissals	0	0	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	6	6	6	6	6	6	6	6
16	Additional notification requirements	0	0	0	0	0	0	0	0	0	0	0	0	6	6	6	6	6	6	6	6
17	Additional delays before notice can start	0	0	4	4	4	4	4	4	4	4	4	4	1	1	1	1	1	1	3	3
18	Other special costs	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
RC1	<i>Procedural inconveniences</i>	3.00	3.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	1.00	1.00
RC2	<i>Notice and severance pay</i>	3.67	3.67	3.43	3.43	3.43	3.43	3.43	3.43	3.43	3.43	3.43	3.43	3.43	3.43	3.43	3.43	3.43	3.43	1.81	1.81
RC3	<i>Difficulty of dismissal</i>	3.50	3.50	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	2.25	2.25
TC1	<i>FTC</i>	0.25	0.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25	3.00	3.00	3.00	3.00	4.00	4.00
TC2	<i>TWA</i>	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
CD	<i>Collective dismissals</i>	0.00	0.00	2.13	2.13	2.13	2.13	2.13	2.13	2.13	2.13	2.13	2.13	3.25	3.25	3.25	3.25	3.25	3.25	3.75	3.75
RC	<i>Regular contracts (weight = 5/12)</i>	3.39	3.39	3.06	3.06	3.06	3.06	3.06	3.06	3.06	3.06	3.06	3.06	3.06	3.06	3.06	3.06	3.06	3.06	1.69	1.69
TC	<i>Temporary contracts (weight = 5/12)</i>	0.38	0.38	1.38	1.38	1.38	1.38	1.38	1.38	1.38	1.38	1.38	1.38	1.38	1.38	1.75	1.75	1.75	1.75	2.25	2.25
CD	<i>Collective dismissals (weight = 2/12)</i>	0.00	0.00	2.13	2.13	2.13	2.13	2.13	2.13	2.13	2.13	2.13	2.13	3.25	3.25	3.25	3.25	3.25	3.25	3.75	3.75
EPL		1.57	1.57	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.39	2.39	2.55	2.55	2.55	2.55	2.27	2.27

KAZAKHSTAN

Item	Description	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
1	Notification procedures	6	6	6	6	6	6	6	6	6	2	2	2	2	2	4	4	4	4	4	4
2	Delay before notice can start	6	6	6	6	6	6	6	6	0	0	0	0	0	0	0	0	0	0	0	0
3a	Length of the notice period, 9 months tenure	6	6	6	6	6	6	6	6	6	3	3	3	3	3	3	3	3	3	3	3
3b	Length of the notice period, 4 years tenure	4	4	4	4	4	4	4	4	4	2	2	2	2	2	2	2	2	2	2	2
3c	Length of the notice period, 20 years tenure	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
4a	Severance pay at 9 months tenure	6	6	6	6	6	6	6	6	6	2	2	2	2	2	2	2	2	2	2	2
4b	Severance pay at 4 years tenure	4	4	4	4	4	4	4	4	4	2	2	2	2	2	2	2	2	2	2	2
4c	Severance pay at 20 years tenure	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
5	Definition of unfair dismissal	4	4	4	4	4	4	4	4	4	2	2	2	2	2	2	2	2	2	2	2
6	Length of trial period	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4
7	Compensation after unfair dismissal	0	0	0	0	0	0	0	0	0	1	1	1	1	1	1	1	1	1	1	1
8	Possibility of reinstatement	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6
9	Valid cases for FTC	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10	Maximum number of successive FTC	0	0	0	0	0	0	0	0	0	6	6	6	6	6	6	6	6	6	6	6
11	Maximum cum. duration of successive FTC	1	1	1	1	1	1	1	1	1	0	0	0	0	0	0	0	0	0	0	0
12	Types of work for which TWA is legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13	Restrictions on number of renewals	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2
14	Maximum cum. duration of TWA contracts	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15	Definition of collective dismissals	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
16	Additional notification requirements	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
17	Additional delays before notice can start	0	0	0	0	0	0	0	0	0	3	3	0	0	0	0	0	0	0	0	0
18	Other special costs	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
RC1	<i>Procedural inconveniences</i>	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	3.00	1.00	1.00	1.00	1.00	1.00	2.00	2.00	2.00	2.00	2.00	2.00
RC2	<i>Notice and severance pay</i>	3.67	3.67	3.67	3.67	3.67	3.67	3.67	3.67	3.67	1.81	1.81	1.81	1.81	1.81	1.81	1.81	1.81	1.81	1.81	1.81
RC3	<i>Difficulty of dismissal</i>	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25
TC1	<i>FTC</i>	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
TC2	<i>TWA</i>	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
CD	<i>Collective dismissals</i>	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.75	0.75	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
RC	<i>Regular contracts (weight = 5/12)</i>	4.39	4.39	4.39	4.39	4.39	4.39	4.39	4.39	3.39	2.02	2.02	2.02	2.02	2.02	2.35	2.35	2.35	2.35	2.35	2.35
TC	<i>Temporary contracts (weight = 5/12)</i>	0.38	0.38	0.38	0.38	0.38	0.38	0.38	0.38	0.38	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
CD	<i>Collective dismissals (weight = 2/12)</i>	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.75	0.75	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
EPL		1.98	1.98	1.98	1.98	1.98	1.98	1.98	1.98	1.57	1.38	1.38	1.26	1.26	1.26	1.40	1.40	1.40	1.40	1.40	1.40

KYRGYZSTAN

Item	Description	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
1	Notification procedures	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6
2	Delay before notice can start	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3a	Length of the notice period, 9 months tenure	6	6	6	6	6	6	6	6	6	6	6	6	6	6	3	3	3	3	3	3
3b	Length of the notice period, 4 years tenure	4	4	4	4	4	4	4	4	4	4	4	4	4	4	2	2	2	2	2	2
3c	Length of the notice period, 20 years tenure	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
4a	Severance pay at 9 months tenure	6	6	6	6	6	6	6	2	2	2	2	2	2	2	6	6	6	6	6	6
4b	Severance pay at 4 years tenure	4	4	4	4	4	4	4	2	2	2	2	2	2	2	4	4	4	4	4	4
4c	Severance pay at 20 years tenure	1	1	1	1	1	1	1	2	2	2	2	2	2	2	1	1	1	1	1	1
5	Definition of unfair dismissal	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	2
6	Length of trial period	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4
7	Compensation after unfair dismissal	0	0	0	0	0	0	0	2	2	2	2	2	2	2	2	2	2	2	2	2
8	Possibility of reinstatement	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6
9	Valid cases for FTC	0	0	0	0	0	0	0	6	6	6	6	6	6	6	2	2	2	2	2	2
10	Maximum number of successive FTC	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11	Maximum cum. duration of successive FTC	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
12	Types of work for which TWA is legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13	Restrictions on number of renewals	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2
14	Maximum cum. duration of TWA contracts	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15	Definition of collective dismissals	0	0	0	0	0	0	0	0	3	3	3	3	3	3	6	6	6	6	6	6
16	Additional notification requirements	0	0	0	0	0	0	0	0	3	3	3	3	3	3	3	3	3	3	3	3
17	Additional delays before notice can start	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
18	Other special costs	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
RC1	<i>Procedural inconveniences</i>	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
RC2	<i>Notice and severance pay</i>	3.67	3.67	3.67	3.67	3.67	3.67	3.67	2.71	2.71	2.71	2.71	2.71	2.71	2.71	2.95	2.95	2.95	2.95	2.95	2.95
RC3	<i>Difficulty of dismissal</i>	3.50	3.50	3.50	3.50	3.50	3.50	3.50	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	3.50
TC1	<i>FTC</i>	0.25	0.25	0.25	0.25	0.25	0.25	0.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	1.25	1.25	1.25	1.25	1.25	1.25
TC2	<i>TWA</i>	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
CD	<i>Collective dismissals</i>	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.50	1.50	1.50	1.50	1.50	1.50	2.25	2.25	2.25	2.25	2.25	2.25
RC	<i>Regular contracts (weight = 5/12)</i>	3.39	3.39	3.39	3.39	3.39	3.39	3.39	3.24	3.24	3.24	3.24	3.24	3.24	3.24	3.32	3.32	3.32	3.32	3.32	3.15
TC	<i>Temporary contracts (weight = 5/12)</i>	0.38	0.38	0.38	0.38	0.38	0.38	0.38	1.88	1.88	1.88	1.88	1.88	1.88	1.88	0.88	0.88	0.88	0.88	0.88	0.88
CD	<i>Collective dismissals (weight = 2/12)</i>	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.50	1.50	1.50	1.50	1.50	1.50	2.25	2.25	2.25	2.25	2.25	2.25
EPL		1.57	1.57	1.57	1.57	1.57	1.57	1.57	2.13	2.38	2.38	2.38	2.38	2.38	2.38	2.12	2.12	2.12	2.12	2.12	2.05

LATVIA

Item	Description	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
1	Notification procedures	6	6	6	6	6	6	6	6	6	6	6	2	2	2	2	2	2	2	2	2
2	Delay before notice can start	0	0	0	4	4	4	4	4	4	4	4	4	0	0	0	0	0	0	0	0
3a	Length of the notice period, 9 months tenure	0	0	6	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3
3b	Length of the notice period, 4 years tenure	0	0	4	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2
3c	Length of the notice period, 20 years tenure	0	0	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
4a	Severance pay at 9 months tenure	1	1	6	6	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2
4b	Severance pay at 4 years tenure	1	1	4	4	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2
4c	Severance pay at 20 years tenure	1	1	1	1	1	1	1	1	1	1	1	2	2	2	2	2	2	2	2	2
5	Definition of unfair dismissal	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4
6	Length of trial period	6	6	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4
7	Compensation after unfair dismissal	0	0	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
8	Possibility of reinstatement	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6
9	Valid cases for FTC	0	0	0	0	0	0	0	0	0	0	0	6	6	6	6	6	6	6	6	6
10	Maximum number of successive FTC	0	0	0	0	0	0	4	4	4	4	4	0	0	0	0	0	0	0	0	0
11	Maximum cum. duration of successive FTC	1	1	0	0	0	0	0	0	0	0	0	3	3	3	3	3	1	1	1	1
12	Types of work for which TWA is legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13	Restrictions on number of renewals	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2
14	Maximum cum. duration of TWA contracts	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15	Definition of collective dismissals	0	1	1	0	0	0	0	0	0	0	0	0	6	6	6	6	6	6	6	6
16	Additional notification requirements	0	6	6	0	0	0	0	0	0	0	0	0	6	6	6	6	6	6	6	6
17	Additional delays before notice can start	0	0	0	0	0	0	0	0	0	0	0	0	4	4	4	4	4	4	4	4
18	Other special costs	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
RC1	<i>Procedural inconveniences</i>	3.00	3.00	3.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	3.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
RC2	<i>Notice and severance pay</i>	0.57	0.57	3.67	2.95	1.81	1.81	1.81	1.81	1.81	1.81	1.81	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
RC3	<i>Difficulty of dismissal</i>	4.00	4.00	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75
TC1	<i>FTC</i>	0.25	0.25	0.00	0.00	0.00	0.00	1.00	1.00	1.00	1.00	1.00	3.75	3.75	3.75	3.75	3.75	3.25	3.25	3.25	3.25
TC2	<i>TWA</i>	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
CD	<i>Collective dismissals</i>	0.00	1.75	1.75	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
RC	<i>Regular contracts (weight = 5/12)</i>	2.52	2.52	3.47	3.90	3.52	3.52	3.52	3.52	3.52	3.52	3.52	2.92	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25
TC	<i>Temporary contracts (weight = 5/12)</i>	0.38	0.38	0.25	0.25	0.25	0.25	0.75	0.75	0.75	0.75	0.75	2.13	2.13	2.13	2.13	2.13	1.88	1.88	1.88	1.88
CD	<i>Collective dismissals (weight = 2/12)</i>	0.00	1.75	1.75	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
EPL		1.21	1.50	1.84	1.73	1.57	1.57	1.78	1.78	1.78	1.78	1.78	2.10	2.49	2.49	2.49	2.49	2.39	2.39	2.39	2.39

LITHUANIA

Item	Description	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
1	Notification procedures	6	2	2	2	2	2	2	2	2	2	2	2	4	4	4	4	4	4	2	2
2	Delay before notice can start	0	0	0	0	0	0	0	0	0	0	0	0	1	1	1	1	1	1	0	0
3a	Length of the notice period, 9 months tenure	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6
3b	Length of the notice period, 4 years tenure	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4
3c	Length of the notice period, 20 years tenure	1	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2
4a	Severance pay at 9 months tenure	6	6	6	6	6	6	6	6	6	6	6	6	2	2	2	2	2	2	2	2
4b	Severance pay at 4 years tenure	4	6	6	6	6	6	6	6	6	6	6	6	4	4	4	4	4	4	4	4
4c	Severance pay at 20 years tenure	1	4	4	6	6	6	6	6	6	6	6	4	2	2	2	2	2	2	2	2
5	Definition of unfair dismissal	4	2	2	2	2	2	2	2	2	2	2	2	4	4	4	4	4	4	4	4
6	Length of trial period	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4
7	Compensation after unfair dismissal	0	1	1	1	1	1	1	1	1	1	1	1	2	2	2	2	2	2	2	2
8	Possibility of reinstatement	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6
9	Valid cases for FTC	0	4	4	4	4	4	4	4	4	4	4	4	5	5	5	5	5	5	5	5
10	Maximum number of successive FTC	0	0	0	0	0	0	0	0	0	0	0	0	6	6	6	6	6	6	6	6
11	Maximum cum. duration of successive FTC	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
12	Types of work for which TWA is legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13	Restrictions on number of renewals	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2
14	Maximum cum. duration of TWA contracts	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15	Definition of collective dismissals	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5
16	Additional notification requirements	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6
17	Additional delays before notice can start	3	6	6	6	6	6	6	6	6	6	6	6	4	4	4	4	4	4	1	1
18	Other special costs	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
RC1	<i>Procedural inconveniences</i>	3.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	2.50	2.50	2.50	2.50	2.50	2.50	1.00	1.00
RC2	<i>Notice and severance pay</i>	3.67	4.76	4.76	5.14	5.14	5.14	5.14	5.14	5.14	5.14	5.14	4.76	3.24	3.24	3.24	3.24	3.24	3.24	3.24	3.24
RC3	<i>Difficulty of dismissal</i>	3.50	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
TC1	<i>FTC</i>	0.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25	4.25	4.25	4.25	4.25	4.25	4.25	4.25	4.25
TC2	<i>TWA</i>	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
CD	<i>Collective dismissals</i>	3.38	4.13	4.13	4.13	4.13	4.13	4.13	4.13	4.13	4.13	4.13	4.13	3.63	3.63	3.63	3.63	3.63	3.63	2.88	2.88
RC	<i>Regular contracts (weight = 5/12)</i>	3.39	3.00	3.00	3.13	3.13	3.13	3.13	3.13	3.13	3.13	3.13	3.00	3.25	3.25	3.25	3.25	3.25	3.25	2.75	2.75
TC	<i>Temporary contracts (weight = 5/12)</i>	0.38	1.38	1.38	1.38	1.38	1.38	1.38	1.38	1.38	1.38	1.38	1.38	2.38	2.38	2.38	2.38	2.38	2.38	2.38	2.38
CD	<i>Collective dismissals (weight = 2/12)</i>	3.38	4.13	4.13	4.13	4.13	4.13	4.13	4.13	4.13	4.13	4.13	4.13	3.63	3.63	3.63	3.63	3.63	3.63	2.88	2.88
EPL		2.13	2.51	2.51	2.56	2.56	2.56	2.56	2.56	2.56	2.56	2.56	2.51	2.95	2.95	2.95	2.95	2.95	2.95	2.61	2.61

MOLDOVA

Item	Description	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
1	Notification procedures	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6
2	Delay before notice can start	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3a	Length of the notice period, 9 months tenure	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6
3b	Length of the notice period, 4 years tenure	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4
3c	Length of the notice period, 20 years tenure	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
4a	Severance pay at 9 months tenure	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6
4b	Severance pay at 4 years tenure	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4
4c	Severance pay at 20 years tenure	1	1	1	1	1	1	1	1	1	1	1	1	1	2	2	2	2	2	2	2
5	Definition of unfair dismissal	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4
6	Length of trial period	4	4	4	4	4	4	4	4	4	4	4	4	4	6	6	6	6	6	6	6
7	Compensation after unfair dismissal	0	0	0	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
8	Possibility of reinstatement	6	6	6	6	6	6	6	6	6	6	6	6	6	4	4	4	4	4	4	4
9	Valid cases for FTC	0	0	0	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6
10	Maximum number of successive FTC	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11	Maximum cum. duration of successive FTC	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
12	Types of work for which TWA is legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13	Restrictions on number of renewals	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2
14	Maximum cum. duration of TWA contracts	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15	Definition of collective dismissals	0	0	0	0	0	0	0	0	0	0	6	6	6	6	6	6	6	6	6	6
16	Additional notification requirements	0	0	0	3	3	3	3	3	3	3	3	3	3	6	6	6	6	6	6	6
17	Additional delays before notice can start	0	0	0	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3
18	Other special costs	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
RC1	<i>Procedural inconveniences</i>	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
RC2	<i>Notice and severance pay</i>	3.67	3.67	3.67	3.67	3.67	3.67	3.67	3.67	3.67	3.67	3.67	3.67	3.67	3.86	3.86	3.86	3.86	3.86	3.86	3.86
RC3	<i>Difficulty of dismissal</i>	3.50	3.50	3.50	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75
TC1	<i>FTC</i>	0.25	0.25	0.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25
TC2	<i>TWA</i>	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
CD	<i>Collective dismissals</i>	0.00	0.00	0.00	1.50	1.50	1.50	1.50	1.50	1.50	1.50	3.00	3.00	3.00	3.75	3.75	3.75	3.75	3.75	3.75	3.75
RC	<i>Regular contracts (weight = 5/12)</i>	3.39	3.39	3.39	3.47	3.47	3.47	3.47	3.47	3.47	3.47	3.47	3.47	3.47	3.54	3.54	3.54	3.54	3.54	3.54	3.54
TC	<i>Temporary contracts (weight = 5/12)</i>	0.38	0.38	0.38	1.88	1.88	1.88	1.88	1.88	1.88	1.88	1.88	1.88	1.88	1.88	1.88	1.88	1.88	1.88	1.88	1.88
CD	<i>Collective dismissals (weight = 2/12)</i>	0.00	0.00	0.00	1.50	1.50	1.50	1.50	1.50	1.50	1.50	3.00	3.00	3.00	3.75	3.75	3.75	3.75	3.75	3.75	3.75
EPL		1.57	1.57	1.57	2.48	2.48	2.48	2.48	2.48	2.48	2.48	2.73	2.73	2.73	2.88	2.88	2.88	2.88	2.88	2.88	2.88

RUSSIA

Item	Description	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
1	Notification procedures	6	6	6	6	6	6	6	6	6	6	6	4	4	4	4	4	4	4	4	4
2	Delay before notice can start	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3a	Length of the notice period, 9 months tenure	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6
3b	Length of the notice period, 4 years tenure	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4
3c	Length of the notice period, 20 years tenure	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
4a	Severance pay at 9 months tenure	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6
4b	Severance pay at 4 years tenure	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4
4c	Severance pay at 20 years tenure	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
5	Definition of unfair dismissal	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4
6	Length of trial period	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4
7	Compensation after unfair dismissal	0	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
8	Possibility of reinstatement	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6
9	Valid cases for FTC	0	0	6	6	6	6	6	6	6	6	6	2	2	2	4	4	2	2	2	2
10	Maximum number of successive FTC	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11	Maximum cum. duration of successive FTC	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
12	Types of work for which TWA is legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13	Restrictions on number of renewals	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2
14	Maximum cum. duration of TWA contracts	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15	Definition of collective dismissals	0	0	0	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
16	Additional notification requirements	0	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6
17	Additional delays before notice can start	0	6	6	6	6	6	6	6	6	6	6	6	6	6	3	3	3	3	3	3
18	Other special costs	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
RC1	<i>Procedural inconveniences</i>	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
RC2	<i>Notice and severance pay</i>	3.67	3.67	3.67	3.67	3.67	3.67	3.67	3.67	3.67	3.67	3.67	3.67	3.67	3.67	3.67	3.67	3.67	3.67	3.67	3.67
RC3	<i>Difficulty of dismissal</i>	3.50	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75
TC1	<i>FTC</i>	0.25	0.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	1.25	1.25	1.25	2.25	2.25	1.25	1.25	1.25	1.25
TC2	<i>TWA</i>	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
CD	<i>Collective dismissals</i>	0.00	3.00	3.00	3.38	3.38	3.38	3.38	3.38	3.38	3.38	3.38	3.38	3.38	3.38	2.63	2.63	2.63	2.63	2.63	2.63
RC	<i>Regular contracts (weight = 5/12)</i>	3.39	3.47	3.47	3.47	3.47	3.47	3.47	3.47	3.47	3.47	3.47	3.14	3.14	3.14	3.14	3.14	3.14	3.14	3.14	3.14
TC	<i>Temporary contracts (weight = 5/12)</i>	0.38	0.38	1.88	1.88	1.88	1.88	1.88	1.88	1.88	1.88	1.88	0.88	0.88	0.88	1.38	1.38	0.88	0.88	0.88	0.88
CD	<i>Collective dismissals (weight = 2/12)</i>	0.00	3.00	3.00	3.38	3.38	3.38	3.38	3.38	3.38	3.38	3.38	3.38	3.38	3.38	2.63	2.63	2.63	2.63	2.63	2.63
EPL		1.57	2.10	2.73	2.79	2.79	2.79	2.79	2.79	2.79	2.79	2.79	2.23	2.23	2.23	2.32	2.32	2.11	2.11	2.11	2.11

TAJIKISTAN

Item	Description	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
1	Notification procedures	6	6	6	6	6	6	6	4	4	4	4	4	4	4	4	4	4	4	4	4
2	Delay before notice can start	0	6	6	6	6	6	6	6	6	6	6	6	6	0	0	0	0	0	0	0
3a	Length of the notice period, 9 months tenure	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6
3b	Length of the notice period, 4 years tenure	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4
3c	Length of the notice period, 20 years tenure	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
4a	Severance pay at 9 months tenure	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6
4b	Severance pay at 4 years tenure	4	4	4	4	4	4	4	4	6	6	6	6	6	4	4	4	4	4	4	4
4c	Severance pay at 20 years tenure	1	1	1	1	1	1	1	1	2	2	2	2	2	1	1	1	1	1	1	1
5	Definition of unfair dismissal	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4
6	Length of trial period	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4
7	Compensation after unfair dismissal	0	0	0	0	0	0	0	1	1	1	1	1	1	1	1	1	1	1	1	1
8	Possibility of reinstatement	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6
9	Valid cases for FTC	0	0	0	0	0	0	0	6	6	6	6	6	6	6	6	6	6	6	6	6
10	Maximum number of successive FTC	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11	Maximum cum. duration of successive FTC	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
12	Types of work for which TWA is legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13	Restrictions on number of renewals	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2
14	Maximum cum. duration of TWA contracts	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15	Definition of collective dismissals	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
16	Additional notification requirements	0	0	0	0	0	0	0	0	0	0	0	0	0	6	6	6	6	6	6	6
17	Additional delays before notice can start	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
18	Other special costs	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
RC1	<i>Procedural inconveniences</i>	3.00	6.00	6.00	6.00	6.00	6.00	6.00	5.00	5.00	5.00	5.00	5.00	5.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
RC2	<i>Notice and severance pay</i>	3.67	3.67	3.67	3.67	3.67	3.67	3.67	3.67	4.24	4.24	4.24	4.24	4.24	3.67	3.67	3.67	3.67	3.67	3.67	3.67
RC3	<i>Difficulty of dismissal</i>	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75
TC1	<i>FTC</i>	0.25	0.25	0.25	0.25	0.25	0.25	0.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25
TC2	<i>TWA</i>	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
CD	<i>Collective dismissals</i>	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.50	1.50	1.50	1.50	1.50	1.50	1.50
RC	<i>Regular contracts (weight = 5/12)</i>	3.39	4.39	4.39	4.39	4.39	4.39	4.39	4.14	4.33	4.33	4.33	4.33	4.33	3.14	3.14	3.14	3.14	3.14	3.14	3.14
TC	<i>Temporary contracts (weight = 5/12)</i>	0.38	0.38	0.38	0.38	0.38	0.38	0.38	1.88	1.88	1.88	1.88	1.88	1.88	1.88	1.88	1.88	1.88	1.88	1.88	1.88
CD	<i>Collective dismissals (weight = 2/12)</i>	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.50	1.50	1.50	1.50	1.50	1.50	1.50
EPL		1.57	1.98	1.98	1.98	1.98	1.98	1.98	2.51	2.59	2.59	2.59	2.59	2.59	2.34	2.34	2.34	2.34	2.34	2.34	2.34

TURKMENISTAN

Item	Description	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
1	Notification procedures	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6
2	Delay before notice can start	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3a	Length of the notice period, 9 months tenure	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6
3b	Length of the notice period, 4 years tenure	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4
3c	Length of the notice period, 20 years tenure	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
4a	Severance pay at 9 months tenure	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6
4b	Severance pay at 4 years tenure	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4
4c	Severance pay at 20 years tenure	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
5	Definition of unfair dismissal	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4
6	Length of trial period	4	4	4	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	4
7	Compensation after unfair dismissal	0	0	0	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
8	Possibility of reinstatement	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6
9	Valid cases for FTC	0	0	0	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	4
10	Maximum number of successive FTC	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11	Maximum cum. duration of successive FTC	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
12	Types of work for which TWA is legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13	Restrictions on number of renewals	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2
14	Maximum cum. duration of TWA contracts	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15	Definition of collective dismissals	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
16	Additional notification requirements	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
17	Additional delays before notice can start	0	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6
18	Other special costs	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
RC1	<i>Procedural inconveniences</i>	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
RC2	<i>Notice and severance pay</i>	3.67	3.67	3.67	3.67	3.67	3.67	3.67	3.67	3.67	3.67	3.67	3.67	3.67	3.67	3.67	3.67	3.67	3.67	3.67	3.67
RC3	<i>Difficulty of dismissal</i>	3.50	3.50	3.50	4.25	4.25	4.25	4.25	4.25	4.25	4.25	4.25	4.25	4.25	4.25	4.25	4.25	4.25	4.25	4.25	3.75
TC1	<i>FTC</i>	0.25	0.25	0.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	2.25
TC2	<i>TWA</i>	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
CD	<i>Collective dismissals</i>	0.00	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
RC	<i>Regular contracts (weight = 5/12)</i>	3.39	3.39	3.39	3.64	3.64	3.64	3.64	3.64	3.64	3.64	3.64	3.64	3.64	3.64	3.64	3.64	3.64	3.64	3.64	3.47
TC	<i>Temporary contracts (weight = 5/12)</i>	0.38	0.38	0.38	1.88	1.88	1.88	1.88	1.88	1.88	1.88	1.88	1.88	1.88	1.88	1.88	1.88	1.88	1.88	1.88	1.38
CD	<i>Collective dismissals (weight = 2/12)</i>	0.00	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
EPL		1.57	1.82	1.82	2.55	2.55	2.55	2.55	2.55	2.55	2.55	2.55	2.55	2.55	2.55	2.55	2.55	2.55	2.55	2.55	2.27

UKRAINE

Item	Description	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
1	Notification procedures	6	6	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5
2	Delay before notice can start	0	6	0	0	0	0	0	0	0	0	0	4	4	4	4	4	4	4	4	4
3a	Length of the notice period, 9 months tenure	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6
3b	Length of the notice period, 4 years tenure	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4
3c	Length of the notice period, 20 years tenure	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
4a	Severance pay at 9 months tenure	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6
4b	Severance pay at 4 years tenure	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4
4c	Severance pay at 20 years tenure	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
5	Definition of unfair dismissal	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4
6	Length of trial period	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4
7	Compensation after unfair dismissal	0	0	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
8	Possibility of reinstatement	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6
9	Valid cases for FTC	0	0	0	0	0	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6
10	Maximum number of successive FTC	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11	Maximum cum. duration of successive FTC	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12	Types of work for which TWA is legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13	Restrictions on number of renewals	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2
14	Maximum cum. duration of TWA contracts	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15	Definition of collective dismissals	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
16	Additional notification requirements	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
17	Additional delays before notice can start	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
18	Other special costs	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
RC1	<i>Procedural inconveniences</i>	3.00	6.00	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50
RC2	<i>Notice and severance pay</i>	3.67	3.67	3.67	3.67	3.67	3.67	3.67	3.67	3.67	3.67	3.67	3.67	3.67	3.67	3.67	3.67	3.67	3.67	3.67	3.67
RC3	<i>Difficulty of dismissal</i>	3.50	3.50	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75
TC1	<i>FTC</i>	0.25	0.00	0.00	0.00	0.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
TC2	<i>TWA</i>	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
CD	<i>Collective dismissals</i>	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
RC	<i>Regular contracts (weight = 5/12)</i>	3.39	4.39	3.31	3.31	3.31	3.31	3.31	3.31	3.31	3.31	3.31	3.97	3.97	3.97	3.97	3.97	3.97	3.97	3.97	3.97
TC	<i>Temporary contracts (weight = 5/12)</i>	0.38	0.25	0.25	0.25	0.25	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75
CD	<i>Collective dismissals (weight = 2/12)</i>	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
EPL		1.57	1.93	1.48	1.48	1.48	2.11	2.11	2.11	2.11	2.11	2.11	2.38	2.38	2.38	2.38	2.38	2.38	2.38	2.38	2.38

UZBEKISTAN

Item	Description	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
1	Notification procedures	6	6	6	6	6	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2
2	Delay before notice can start	0	0	4	4	4	4	4	4	0	0	0	0	0	0	0	0	0	0	0	0
3a	Length of the notice period, 9 months tenure	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6
3b	Length of the notice period, 4 years tenure	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4
3c	Length of the notice period, 20 years tenure	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
4a	Severance pay at 9 months tenure	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6
4b	Severance pay at 4 years tenure	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4
4c	Severance pay at 20 years tenure	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
5	Definition of unfair dismissal	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4
6	Length of trial period	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4
7	Compensation after unfair dismissal	0	0	0	0	0	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
8	Possibility of reinstatement	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6
9	Valid cases for FTC	0	0	0	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6
10	Maximum number of successive FTC	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11	Maximum cum. duration of successive FTC	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
12	Types of work for which TWA is legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13	Restrictions on number of renewals	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2
14	Maximum cum. duration of TWA contracts	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15	Definition of collective dismissals	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
16	Additional notification requirements	0	0	0	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3
17	Additional delays before notice can start	0	0	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6
18	Other special costs	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
RC1	<i>Procedural inconveniences</i>	3.00	3.00	5.00	5.00	5.00	3.00	3.00	3.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
RC2	<i>Notice and severance pay</i>	3.67	3.67	3.67	3.67	3.67	3.67	3.67	3.67	3.67	3.67	3.67	3.67	3.67	3.67	3.67	3.67	3.67	3.67	3.67	3.67
RC3	<i>Difficulty of dismissal</i>	3.50	3.50	3.50	3.50	3.50	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75
TC1	<i>FTC</i>	0.25	0.25	0.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25
TC2	<i>TWA</i>	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
CD	<i>Collective dismissals</i>	0.00	0.00	1.50	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25
RC	<i>Regular contracts (weight = 5/12)</i>	3.39	3.39	4.06	4.06	4.06	3.47	3.47	3.47	2.81	2.81	2.81	2.81	2.81	2.81	2.81	2.81	2.81	2.81	2.81	2.81
TC	<i>Temporary contracts (weight = 5/12)</i>	0.38	0.38	0.38	1.88	1.88	1.88	1.88	1.88	1.88	1.88	1.88	1.88	1.88	1.88	1.88	1.88	1.88	1.88	1.88	1.88
CD	<i>Collective dismissals (weight = 2/12)</i>	0.00	0.00	1.50	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25
EPL		1.57	1.57	2.10	2.85	2.85	2.60	2.60	2.60	2.33	2.33	2.33	2.33	2.33	2.33	2.33	2.33	2.33	2.33	2.33	2.33

Appendix 5. Descriptive statistics of the variables used in the correlation analysis.

EPL variables

Variable	Obs	Mean	Std. Dev.	Min	Max
EPL – overall index	300	2.147	0.46	0.41	2.95
RC – regular contracts	300	3.273	0.584	0.73	4.39
TC – temporary contracts	300	1.229	0.704	0.25	2.38
CD – collective dismissals	300	1.634	1.448	0	4.13

Economic variables

Variable	Obs	Mean	Std. Dev.	Min	Max
GDP_per_capita	283	1532	1473	122.1	7304
GDP_per_capita_ppp	278	4877	4052	729	20651
GDP_growth_rate	285	1.371	10.66	-44.9	30.55
Employment_ratio	271	69.24	7.78	50.26	87.5
Unemployment_rate	238	3.296	2.799	0.05	12.9
Youth_unempl	203	24.8	14.01	1.169	64.09
GINI_earnings	133	0.391	0.063	0.209	0.521

Reform indices

Variable	Obs	Mean	Std. Dev.	Min	Max
Large_privatizat	300	2.415	1.017	1	4
Small_privatizat	300	3.071	1.139	1	4.33
Firm_restructuring	300	1.831	0.685	1	3.67
Price_liberalization	300	3.451	1.011	1	4.33
Trade_liberalization	300	2.9	1.289	1	4.33
Competition_policy	300	1.892	0.617	1	3.67
Banking_reform	300	2.047	0.869	1	4
Securities_markets	300	1.808	0.708	1	3.67

Political variables

Variable	Obs	Mean	Std. Dev.	Min	Max
polity (democracy index)	284	1.081	6.728	-9	10
system (parliamentary system?)	279	0.24	0.546	0	2
yrcurnt (years left in the office)	260	2.165	1.517	0	6
execrlc (right vs left governments)	273	1.399	1.288	0	3
allhouse (executive control all houses)	213	0.488	0.501	0	1
housesys (plurality)	224	0.576	0.472	0	1
maj (majority in parliament)	239	0.627	0.244	0.064	1