

**Author: Dr Sabina Avdagic**, University of Sussex, [s.avdagic@sussex.ac.uk](mailto:s.avdagic@sussex.ac.uk)

**ESRC project RES-061-25-0354:** Causes and Consequences of National Variation in Employment Protection Legislation in Central and Eastern Europe

## **Reforms of Employment Protection Legislation (EPL) in Country X (1990-2009)**

### **Expert Questionnaire**

ESRC funded project RES-061-25-0354

This questionnaire consists of two related parts: Part A and Part B. In order to contribute to this project, please provide your answers for both parts in as detailed and accurate manner as possible. Please send back your answers by email by **30 November 2009**.

#### **A Brief Summary of Your Tasks**

**Part A** provides a summary of major reforms and amendments of labor law since 1990 in your country. Our team collected this information from various online sources, available English translations of your country's labor law, and secondary literature. You are required to check this information for accurateness, add additional relevant reforms or information that we may have missed, and point out any mistakes in the current version of this summary.

**Part B** requires you to provide answers on 18 specific questions regarding labor law amendments in your country over time (i.e. since 1990). We need this information in order to calculate the EPL index of the strictness of employment protection legislation. This index was developed by the OECD, and it is the most widely used comparative measure of the flexibility of labor markets. Unfortunately, the OECD provides data mostly for advanced industrial economies and for only a few points in time. One aim of our project is to improve on this information by calculating annual values of the EPL index for 10 EU member states from Central and Eastern Europe, which will enable a better comparative assessment of the causes and consequences of EPL strictness. In order for us to be able to use the OECD methodology to calculate correctly the annual values of this index for your country, it is essential that you as a local expert provide concise and accurate answers to those 18 questions.

We provide below the specific instructions on how to complete both parts of this questionnaire.

## **INSTRUCTIONS FOR PART A**

The main table below lists the reforms of labor laws in your country since 1990. As explained, this is the information that our team collected from various sources available in English. Your task in this part is threefold:

**1. Is the information provided complete and accurate? Can you add more details on these reforms? On what specifically?**

[Please provide your answer in the section ‘Additional Information and/or Corrections’, which is directly underneath the main table of reforms. Indicate the date a particular reform was adopted (month & year), the name of the law/amendment, a description of adopted measures, and the source of information (e.g. a specific law, official journal or gazette, etc). Alternatively, you can insert your answers directly into the main table of reforms, but make sure that your text is in a different color or font so that we can identify it easily. Please also note that some of our text in the main table is in **red** - this concerns information that our sources were ambiguous on, and where we would particularly appreciate your clarification.]

**2. Would you add any other reforms to those listed in the table? Can you point out missing reforms?**

[As above, please provide your answer in the section ‘Additional Information and/or Corrections’, indicating the date a particular reform was adopted (month & year), the name of the law/amendment, a description of adopted measures, and the source of information. Alternatively, feel free to add new rows and insert your answers directly into the main table of reforms, while using a different color or font.]

**3. Fill in the last four columns of the table stating if:**

- The reform tends to increase the **flexibility** of the labor market

[*DEFINITION*: a reform increasing labour market flexibility makes it cheaper for firms to dismiss workers (in terms of procedures, notice, severance, because the contract has a fixed-term, etc.)]

- The reform is **structural**

[*DEFINITION*: Structural reforms are comprehensive reforms, addressing the broader design of existing systems, rather than their minor features. The idea is to be very restrictive in classifying reforms as “structural”. In order to be as objective as possible, the focus should be on the target group involved by the reform. In particular, an EPL reform may be considered “structural” if it affects all types of contracts (also permanent contracts) or a substantial share of existing contracts (for example, not only specific categories of temporary contracts or contracts for young workers, etc.)]

**Fill in the last column of the table motivating your answer (why increasing or decreasing flexibility? why structural or marginal?).**

[If you don’t have enough space to write, please continue below the table, specifying at what reform you are referring to. We provide below a hypothetical example of how these columns should be filled.]

Are reported descriptions satisfactory in order to classify listed reforms?

Yes

No

### Hypothetical example of how to fill in the last four columns of the table:

(1)	(2)		(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Id	Adoption		Law	Description	Topic	Target	Does the reform increase or decrease the flexibility of the labor market? Please consider each sub-section separately	On the whole, does this reform increase or decrease the flexibility of the labor market? Please consider each reform as a whole.	Is it a structural or marginal reform? Please consider each reform as a whole (do not consider specific sub-sections)	Please motivate your answers...
	Year	Month								
X01	1992	2	Law 28/2/1992 n. 56	A wider use of fixed term contracts is introduced. Collective agreements specify circumstances in which the signature of fixed-term contracts is allowed and the maximum percentage of fixed-term workers over the total number of permanent workers.	Fixed-term contracts	fixed-term workers	<i>Increasing</i>	<i>Increasing</i>	<i>Marginal</i>	<i>Marginal because it affects only a minority of workers (i.e. those on fixed-term contracts). In addition, the reform permits a significant role for trade unions in determining the use and the proportion of fixed-term contracts.</i>
				The duration of fixed-term contracts is set at the maximum of 2 years, but such contracts can be renewed indefinitely (provided that they satisfy the provisions about the circumstances and the proportion of fixed-term contracts set in collective agreements).	Fixed-term contracts	Fixed-term workers	<i>Increasing</i>			
X02	1994	7	Law 23/7/1994 n.223	Law on collective redundancies establishing standards related to notice and union consultation. It concerns companies with more than 15 employees and firing decisions involving at least 5 workers. The law applies either in case of reduction, change or end of the productive activity.	Collective dismissals	companies with > 15 employees	<i>Increasing</i>	<i>Increasing</i>	<i>Structural</i>	<i>The change in legislation affects the majority of workers (all workers in medium and large companies)</i>
				The employer is obliged to inform and consult union representatives about the reasons for the proposed layoffs and the number of positions to be eliminated. Employer and unions have 45 days to reach an agreement on terminations with unions. If an agreement between employer and union representatives is not reached, then the layoffs take place anyway. However, a number of standard criteria apply for the choice of workers to be dismissed (such as tenure with the employer and existence of dependent family members)	Collective dismissals	companies with > 15 employees	<i>Decreasing</i>	<i>Increasing</i>		

**Note: At this point the questionnaire included a preliminary list of reforms for the respective country, which we collected from various English-language sources. This information was organized in a table corresponding to the hypothetical example from the previous page.**

**Additional Information and/or Corrections:**

<i>Reform</i> (date & law)	<i>Notes</i> (including a description of measures and the source of information)

*If more space is required, feel free to add more rows and continue on the next page.*

## **INSTRUCTIONS FOR PART B**

Please provide answers to the following 18 questions, indicating the development of these measures since 1990, i.e. please specify when each of the particular items was first introduced in the legislation and whether and when it has been subsequently amended.

### **CATEGORY I: Individual Dismissals of Workers with Regular Contracts (No-Fault Dismissals)**

#### **1. PROCEDURAL INCONVENIENCES: When an employer wants to dismiss a worker, whom does he have to inform?**

- 0 - No requirements, i.e. oral statement is enough
- 1 - He must inform only the employee in writing
- 2 - He must inform a third party, such as a trade union
- 3 - He cannot fire a worker without authorization from a third party

Please indicate: (a) which of the alternative options listed here best corresponds to the legislation in your country; (b) when this notification procedure was first introduced in the post-communist legislation, and (c) when and how the notification procedure has been changed over time. (For example, the notification procedure in 1990 corresponds to option 3, but it has been changed in 1996 so that currently the notification procedure corresponds to option 2).

*ANSWER:*

#### **2. DELAY BEFORE NOTICE CAN START - Does the legislation specify a period of time before notice of dismissal can start? (For example, does the law require any warning procedures, or alternatively the notice can be communicated or handed directly to the employee or be sent by mail?)**

Please indicate whether the legislation in your country specify such delay, and if yes, whether and how there have been any changes with regard to this item over time.

*ANSWER:*

**3. LENGTH OF THE NOTICE PERIOD - When an employer fires a worker, how much advance notice (in days) is he required to give to the worker when that worker has been employed by him for:**

**(a) 9 months?**

**(b) 4 years?**

**(c) 20 years?**

Please provide your answer above for all three categories of workers, and specify whether there have been any changes in legislation over time regarding the length of notice.

**4. SEVERANCE PAY – When an employer fires a worker, how much severance pay (in months pay) is he required to give the worker when the worker has been employed by him for:**

**(a) 9 months?**

**(b) 4 years?**

**(c) 20 years?**

Please provide your answer above for all three categories of workers, and indicate whether there have been any changes in legislation regarding severance over time.

**5. DEFINITION OF JUSTIFIED OR UNFAIR DISMISSAL – When is dismissal considered fair?**

- 0 - Worker capability or redundancy are adequate and sufficient ground for dismissal
- 1 - Social considerations, age or job tenure must be considered when deciding whom to dismiss
- 2 - Transfer and/or retraining must be attempted prior to dismissal
- 3 - Worker capability cannot be grounds for dismissal

Please indicate: (a) which of the alternative options listed here best corresponds to the legislation in your country; (b) when this definition was first introduced, and (c) whether there have been any changes to this definition over time.

*ANSWER:*

**6. PROBATION OR TRIAL PERIOD – How long is the probation/trial period for a new worker (in months)?**

Please specify the length of trial period, when this regulation was first introduced, and whether there have been any changes to the length of trial period over time.

*ANSWER:*

**7. COMPENSATION FOLLOWING UNFAIR DISMISSAL – If a dismissal is found unfair by the courts, how much compensation (in months pay) is the employer required to pay?**

Please specify the amount of compensation in months of pay, and whether and when there have been any changes to this particular item over time.

*ANSWER:*

**8. POSSIBILITY OF REINSTATEMENT FOLLOWING UNFAIR DISMISSAL – If the dismissal is found to be unfair by the courts, is the employer required to reinstate the dismissed worker, even against the employer's wishes?**

- 0 - Never
- 1 - Rarely
- 2 - Fairly often
- 3 - Always

Please indicate which of the alternative options listed here best corresponds to the legislation in your country. Has the legislation regarding this item changed since 1990, and if yes, when and how?

*ANSWER:*



**CATEGORY II: Fixed-Term and Temporary Contracts**

**9. REGULATION OF FIXED-TERM CONTRACTS (FTC) – What are the valid cases for use of fixed-term contracts?**

- 0 - They are permitted only for “objective” or “material” reasons (e.g. to perform a task which itself is of fixed duration)
- 1 - Specific exemptions apply to situations of employer need (e.g. starting a new activity) OR employee need (e.g. first job)
- 2 - Exemptions exist on both the employer and employee sides
- 3 - There are no restrictions on the use of fixed-term contracts

Please indicate which of the alternative options listed here best corresponds to the legislation in your country. Has the legislation regarding the regulation of fixed-term contracts changed since 1990, and if yes, when and how?

*ANSWER:*

**10. MAXIMUM NUMBER OF FTC – What is the maximum number of successive fixed-term contracts?**

Please specify the maximum number of successive fixed-term contracts permitted by legislation in your country. (If there is no limit, please say so.) Has the legislation regarding this item changed since 1990, and if yes, when and how?

*ANSWER:*

**11. MAXIMUM CUMULATED DURATION OF FTC – What is the maximum cumulated duration (in months) of fixed-term contracts?**

Please specify if such restrictions exist, when they were first introduced, and whether there have been any changes to this regulation since 1990. If yes, when and how?

*ANSWER:*

**12. REGULATION OF TEMPORARY WORK AGENCY (TWA) EMPLOYMENT – When is it considered valid?**

- 0 - TWA employment is prohibited
- 1 - TWA employment is permitted in certain sectors and where companies have not used collective dismissals recently
- 2 - TWA employment is restricted to certain sectors, and to cover temporary absences or labor shortages
- 3 - TWA employment is permitted if limited to objective situations and of fixed duration
- 4 - There are no restrictions on TWA employment

Please indicate which of the alternative options listed here best corresponds to the legislation in your country. When was the regulation of TWA first introduced and have there been any changes to this regulation over time? If yes, when and how?

*ANSWER:*

**13. RESTRICTIONS ON THE NUMBER OF TWA CONTRACT RENEWALS – Are there any restrictions on the number of times a temporary work agency contract can be renewed? Yes / No?**

Please specify if such restrictions exist, when they were first introduced, and whether there have been any changes to this regulation over time.

*ANSWER:*

**14. MAXIMUM CUMULATED DURATION OF TWA CONTRACTS – What is the maximum cumulated period (in months) during which a person can be employed by a temporary work agency?**

Please specify the maximum cumulated duration of temporary work agency contracts permitted in your country (If there is no regulation on the emaximum cumulated duration of TWA contracts, please say that there are no limits.) When was this regulation first introduced, and has it changed over time? If yes, when and how?

*ANSWER:*

### **CATEGORY III: Collective dismissals**

#### **15. DEFINITION OF COLLECTIVE DISMISSAL – What is defined as a collective dismissal?**

- 0 - There are no special regulations for collective dismissals
- 1 - Specific regulations apply from 50 dismissals upwards
- 2 - Specific regulations apply from 20 dismissals upwards
- 3 - Specific regulations apply at 10 dismissals
- 4 - Specific regulations start to apply at below 10 dismissals

Please indicate which of the alternative options listed here best corresponds to the legislation in your country. When was the regulation on collective dismissals first introduced and have there been any changes to this regulation over time? If yes, when and how?

*ANSWER:*

#### **16. ADDITIONAL NOTIFICATION REQUIREMENTS FOR COLLECTIVE DISMISSALS – Are there any additional notification requirements besides those applying to individual dismissals? (For example, there can be notification requirements to employee representatives, such as trade unions or works councils and/or to government authorities, such as public employment offices.)**

- 0 - There are no such additional requirements
- 1 - Employer needs to notify one more actor (e.g. either a trade union or public employment office)
- 2 - Two more actors need to be notified (e.g. both employee representatives and public employment office)

Please indicate which of the alternative options listed here best corresponds to the legislation in your country. When was the regulation on these requirements first introduced and have there been any changes to this regulation over time? If yes, when and how?

*ANSWER:*

**17. ADDITIONAL DELAY BEFORE NOTICE FOR COLLECTIVE DISMISSALS – Are there any additional delays involved before the notice for collective dismissals can start? If yes, what is the number of days of such delays?**

Please specify whether the additional delay for collective dismissals exist, and if so of how many days. When was this regulation first introduced and have there been any changes to this regulation since 1990? If yes, please provide details on when and how this regulation was changed.

*ANSWER:*

**18. OTHER SPECIAL COSTS TO EMPLOYERS – Are there any other special costs imposed on employers in the case of collective dismissals? This refers to whether there are any additional severance pay requirements and whether social compensation plans (detailing measures for redeployment, retraining, outplacement, etc) are obligatory or common practice.**

- 0 - There are no such additional requirements
- 1 - One additional requirement applies
- 2 - Both requirements apply

Please indicate which of the alternative options listed here best corresponds to the legislation in your country. When were these requirements first introduced and have there been any changes to this regulation over time? If yes, please provide details on when and how this regulation was changed.

*ANSWER:*

**If you have any additional comments, please provide them here:**