

This database corresponds to the following article (quote it as below):

- Royuela, V. and Sanchís-i-Marco, M. (2010) “La reforma de la contratación en el mercado de trabajo: entre la flexibilidad y la seguridad”, *Papeles de Economía Española*, forthcoming.

Available at: http://www.ub.edu/irea/working_papers.htm

The data base used in the article considers the following list of variables

This dataset contains information about the evolution of labour market institutions in 20 OECD countries from 1985 to 2007.

The countries in the sample are:

Australia; Austria; Belgium; Canada; Denmark; Finland; France; Germany; Ireland; Italy; Japan; Netherlands; New Zealand; Norway; Portugal; Spain; Sweden; Switzerland; United Kingdom; United States.

First we list the original variables we have used to build our data set, together with the source, description, and link from where we have downloaded the data. These variables are included in sheet1 of the excel file.

Finally we list the final set of variables we have built for our analysis. These variables are displayed in Sheet2 of the excel file, and also in the stata file labelled ‘database.ado’.

Data available at: <http://riscd2.eco.ub.es/~vroyuela>

List of original variables

Name: Population

Source: OECD

Description: Population. It has been prepared from statistics reported to the OECD by Member countries in their answers to annual national accounts questionnaire. This questionnaire is designed to collect internationally comparable data according to the 1993 SNA.

Link: <http://stats.oecd.org/>

Name: GDP_ppp

Source: OECD

Description: Gross domestic product (expenditure approach) US \$, constant prices, constant PPPs, OECD base year

Link: <http://stats.oecd.org/>

Name: GDP_pc

Source: OECD

Description: GDP per capita (using OECD data): $GDP_ppp / Population$

Link: <http://stats.oecd.org/>

Name: Output Gap

Source: OECD Economic Outlook

Description: Deviations of actual GDP from potential GDP as a per cent of potential GDP. Potential output for countries where data availability permits follows the methodology outlined in Beffy (et al 2006). Revisions to this method are discussed in Chapter 4 of OECD Economic Outlook 85 "Beyond the crisis: medium-term challenges relating to potential output, employment and fiscal positions".

Link: <http://stats.oecd.org/>

Name: Potential output

Source: OECD Economic Outlook

Description: Potential output for countries where data availability permits follows the methodology outlined in Beffy (et al 2006). Revisions to this method are discussed in Chapter 4 of OECD Economic Outlook 85 "Beyond the crisis: medium-term challenges relating to potential output, employment and fiscal positions".

Link: <http://stats.oecd.org/>

Name: Unemp

Source: OECD

Description: Unemployment rate. It includes national concept data unemployed persons. It has been prepared from statistics reported to the OECD by Member countries in their answers to annual national accounts questionnaire. This questionnaire is designed to collect internationally comparable data according to the 1993 SNA.

Link: <http://stats.oecd.org/>

Name: H_Unemp

Source: OECD

Description: Harmonised Unemployment rate

Link: <http://stats.oecd.org/>

Name: strunem (%)

Source: W. Nickell (2006)

Description: The structural rate of unemployment is the OECD's estimate of the non-accelerating inflation rate of unemployment (NAIRU), which is estimated using a Kalman-filtering approach that embodies a reduced-form Phillips curve.

More details available at <http://cep.lse.ac.uk/pubs/download/dp0759.pdf>

Link: <http://cep.lse.ac.uk/pubs/download/data0730.zip>

Name: UR (%)

Source: W. Nickell (2006)

Description: Unemployment rate from Nickell and Nunziata (2001). These are based on OECD standardised rates and are an extension of those used in Layard et al (1991).

More details available at <http://cep.lse.ac.uk/pubs/download/dp0759.pdf>

Link: <http://cep.lse.ac.uk/pubs/download/data0730.zip>

Name: UNEM

Source: W. Nickell (2006)

Description: Total unemployment rate (Unemployment/Labour Force) calculated using data taken from OECD labour market statistics database

More details available at <http://cep.lse.ac.uk/pubs/download/dp0759.pdf>

Link: <http://cep.lse.ac.uk/pubs/download/data0730.zip>

Name: EM

Source: W. Nickell (2006)

Description: Total employment rate (Employment/Population) calculated using data taken from OECD labour market statistics database.

More details available at <http://cep.lse.ac.uk/pubs/download/dp0759.pdf>

Link: <http://cep.lse.ac.uk/pubs/download/data0730.zip>

Name: INACT

Source: W. Nickell (2006)

Description: The inactivity rate = (1 - participation rate) which is equal to (1-(labour force/population)). It is calculated using data taken from OECD labour market statistics. More details available at <http://cep.lse.ac.uk/pubs/download/dp0759.pdf>

Link: <http://cep.lse.ac.uk/pubs/download/data0730.zip>

Name: Unemp_ILO

Source: ILO- KILM

Description: Unemployment rate. Total unemployment as reported using national labour force surveys, population censuses or official estimates.

More details available at <http://kilm.ilo.org/KILMnetBeta/pdf/kilm08EN-2009.pdf>

Link: <http://kilm.ilo.org/>

Name: LT_uenmpl

Source: ILO- KILM

Description: *Incidence* of long-term unemployment (%): those unemployed for one year or longer as a proportion of total unemployed.

More details available at <http://kilm.ilo.org/KILMnetBeta/pdf/kilm10EN-2009.pdf>

Link: <http://kilm.ilo.org/>

Name: EPL_regular

Source: OECD

Description: Strictness of employment protection – Individual dismissal of workers with regular contracts: incorporates three aspects of dismissal protection: (i) procedural inconveniences that employers face when starting the dismissal process, such as notification and consultation requirements; (ii) notice periods and severance pay, which typically vary by tenure of the employee; and (iii) difficulty of dismissal, as determined by the circumstances in which it is possible to dismiss workers, as well as the repercussions for the employer if a dismissal is found to be unfair (such as compensation and reinstatement). More information is available at www.oecd.org/employment/protection.

Link: <http://stats.oecd.org/>

Name: EPL_temporary

Source: OECD

Description: Strictness of employment protection – Regulation of temporary contracts: quantifies regulation of fixed-term and temporary work agency contracts with respect to the types of work for which these contracts are allowed and their duration. This measure also includes regulation governing the establishment and operation of temporary work agencies and requirements for agency workers to receive the same pay and/or conditions as equivalent workers in the user firm, which can increase the cost of using temporary agency workers relative to hiring workers on permanent contracts. More information is available at www.oecd.org/employment/protection.

Link: <http://stats.oecd.org/>

Name: EPL_collect

Source: OECD

Description: Strictness of employment protection – Additional costs for collective dismissals: most countries impose additional delays, costs or notification procedures when an employer dismisses a large number of workers at one time. This measure includes only additional costs which go beyond those applicable for individual dismissal. It does not reflect the overall strictness of regulation of collective dismissals, which is the sum of costs for individual dismissals and any additional cost of collective dismissals. More information is available at www.oecd.org/employment/protection.

Link: <http://stats.oecd.org/>

Name: EPL_total

Source: OECD

Description: Strictness of employment protection – overall. This composite indicators considers the three previous dimensions of employment protection: individual dismissal, temporary contracts and collective dismissals. More information is available at www.oecd.org/employment/protection.

Link: <http://stats.oecd.org/>

Name: epl

Source: W. Nickell (2006)

Description: Employment protection legislation data from the OECD labour market statistics database using version 1 of the indicator: the strictness of employment protection legislation. This series is extended back as a constant equal to the earliest available observation as long as the above ep index is constant then extended such that the percentage change in ep and epl is the same. More details available at <http://cep.lse.ac.uk/pubs/download/dp0759.pdf>

Link: <http://cep.lse.ac.uk/pubs/download/data0730.zip>

Name: epl_Allard

Source: W. Nickell (2006)

Description: Employment protection legislation series taken from Allard (2005a). This series uses the OECD methodology generating an index increasing on the range {0,5}.

More details available at <http://cep.lse.ac.uk/pubs/download/dp0759.pdf>

Link: <http://cep.lse.ac.uk/pubs/download/data0730.zip>

Name: udnet_vis

Source: W. Nickell (2006)

Description: Union density is Union membership/Employment and was calculated using administrative and survey data from the OECD labour market statistics database. Survey data appears in red. Serie extended by splicing in data from Visser (2006).

More details available at <http://cep.lse.ac.uk/pubs/download/dp0759.pdf>

Link: <http://cep.lse.ac.uk/pubs/download/data0730.zip>

Extended using data from OECD.

Name: UD

Source: ICTWSS Database (Jelle Visser, 2009)

Description: Union density: Union Density, net union membership as a proportion wage and salary earners in employment. More details available at http://www.uva-aias.net/uploaded_files/regular/TheICTWSSDatabaseandcodebook.pdf

Link: <http://www.uva-aias.net/207>

Name: almp

Source: OECD / W. Nickell (2006)

Description: Expenditure on Active Labour Market Policies as a percentage of GDP. Data for 1980, 1989, 1993 and 1998 taken from OECD (2001), Table 1.5 and interpolated. Public expenditure and participant stocks on LMP

Link: <http://stats.oecd.org/>

Name: almp/unemp

Source: OECD / W. Nickell (2006)

Description: Expenditure on Active Labour Market Policies divided by the Unemployment Rate. This can be rewritten as Expenditure on Active Labour Market Policies per unemployed individual normalised on GDP per member of the labour force.

Link: <http://stats.oecd.org/>

Name: WCoord

Source: ICTWSS Database (Jelle Visser, 2009)

Description: coordination of wage bargaining. **5**=economy-wide bargaining, based on a) enforceable agreements between the central organisations of unions and employers affecting the entire economy or entire private sector, or on b) government imposition of a wage schedule, freeze, or ceiling. **4**=mixed industry and economy-wide bargaining: a) central organisations negotiate non-enforceable central agreements (guidelines) and/or b) key unions and employers associations set pattern for the entire economy. **3**=industry bargaining with no or irregular pattern setting, limited involvement of central organizations and limited freedoms for company bargaining. **2**=mixed industry- and firm level bargaining, with weak enforceability of industry agreements. **1** = none of the above, fragmented bargaining, mostly at company level. More details available at http://www.uva-aias.net/uploaded_files/regular/TheICTWSSDatabaseandcodebook.pdf

Link: <http://www.uva-aias.net/207>

Name: Govint

Source: ICTWSS Database (Jelle Visser, 2009)

Description: government intervention in wage bargaining. **5**=the government imposes private sector wage settlements, places a ceiling on bargaining outcomes or suspends bargaining; **4**=the government participates directly in wage bargaining (tripartite bargaining, as in social pacts); **3**=the government influences wage bargaining outcomes indirectly through price-ceilings, indexation, tax measures, minimum wages, and/or public sector wages; **2**=the government influences wage bargaining by providing an institutional framework of consultation and information exchange, by conditional agreement to extend private sector agreements, and/or by providing a conflict resolution mechanism which links the settlement of disputes across the economy and/or allows the intervention of state arbitrators or Parliament; **1**= none of the above. More details available at http://www.uva-aias.net/uploaded_files/regular/TheICTWSSDatabaseandcodebook.pdf

Link: <http://www.uva-aias.net/207>

Name: LEVEL

Source: ICTWSS Database (Jelle Visser, 2009)

Description: The dominant level(s) at which wage bargaining takes place. **5**=national or central level. **4** = national or central level, with additional sectoral / local or company bargaining. **3**=sectoral or industry level. **2**=sectoral or industry level, with additional local or company bargaining. **1**=local or company bargaining. More details available at http://www.uva-aias.net/uploaded_files/regular/TheICTWSSDatabaseandcodebook.pdf

Link: <http://www.uva-aias.net/207>

Name: CENT

Source: ICTWSS Database (Jelle Visser, 2009)

Description: Summary measure of centralisation and coordination of union wage bargaining, taking into account both union authority and union concentration at multiple levels. More details available at http://www.uva-aias.net/uploaded_files/regular/TheICTWSSDatabaseandcodebook.pdf

Link: <http://www.uva-aias.net/207>

Name: AdjCov

Source: ICTWSS Database (Jelle Visser, 2009)

Description: Bargaining (or Union) Coverage, adjusted (0-100) = employees covered by wage bargaining agreements as a proportion of all wage and salary earners in employment with the right to bargaining, expressed as percentage, adjusted for the possibility that some sectors or occupations are excluded from the right to bargain. More details available at http://www.uva-aias.net/uploaded_files/regular/TheICTWSSDatabaseandcodebook.pdf

Link: <http://www.uva-aias.net/207>

Name: T1

Source: W. Nickell (2006)

Description: Employment tax rate. It is $ESS/(IE-ESS)$. With ESS equal to employers' social security contributions and IE equal to total compensation for employees. ESS is available from the OECD National Accounts detailed tables and IE from OECD Revenue Statistics. More details available at <http://cep.lse.ac.uk/pubs/download/dp0759.pdf>

Link: <http://cep.lse.ac.uk/pubs/download/data0730.zip>

Name: T2

Source: W. Nickell (2006)

Description: The direct tax rate is DT/HCR . With DT equal to income tax plus employees' social security contributions and HCR equal to household current receipts. Figures for income tax and employees' social security contributions were taken from OECD Revenue Statistics. HCR was taken from OECD National Accounts directly for pre-1990 and was calculated as the sum of compensation of employees, property income, social contributions and benefits and other current transfers for post-1990. More details available at <http://cep.lse.ac.uk/pubs/download/dp0759.pdf>

Link: <http://cep.lse.ac.uk/pubs/download/data0730.zip>

Name: T3

Source: W. Nickell (2006)

Description: The indirect tax rate is $(TX-SB)/CC$. With TX equal to indirect taxes, SB equal to subsidies and CC household final expenditures. All three were taken from OECD National Accounts. More details available at <http://cep.lse.ac.uk/pubs/download/dp0759.pdf>

Link: <http://cep.lse.ac.uk/pubs/download/data0730.zip>

Name: TW

Source: W. Nickell (2006)

Description: The Tax Wedge is equal to the sum of the employment tax rate, the direct tax rate and the indirect tax rate. More details available at <http://cep.lse.ac.uk/pubs/download/dp0759.pdf>

Link: <http://cep.lse.ac.uk/pubs/download/data0730.zip>

Name: TW_Nicol

Source: W. Nickell (2006)

Description: Average effective tax wedge. Ex-post wedge computed from national accounts taken from Nicoletti institutions data. More details available at <http://cep.lse.ac.uk/pubs/download/dp0759.pdf>

Link: <http://cep.lse.ac.uk/pubs/download/data0730.zip>

Name: TW_new

Source: self made based on OECD data

Description: Total tax wedge including employer payroll taxes (average rate in %) for one-earner married couple at 100% of average earnings, 2 children. We merged past (1985-2004) and new definitions of the concept (2000-2008), by extending the new definition using the information of the past definition. We used a simple linear regression model for every country: $NewTW_t = \alpha + \beta OldTW_t$. Data until 1995 has been past-extended for Australia, using the data for 1996. The same happens for France until 1993.

Link: <http://www.sourceoecd.org/>

Name: brr1 (%)

Source: W. Nickell (2006)

Description: Gross benefit replacement rates data are provided by OECD with one observation every two years for each country. In this case the data refer to the first year of unemployment benefits, averaged over three family situations and two earnings levels. The benefits are a percentage of average earnings before tax.

More details available at <http://cep.lse.ac.uk/pubs/download/dp0759.pdf>

Link: <http://cep.lse.ac.uk/pubs/download/data0730.zip>

Name: brr23 (%)

Source: W. Nickell (2006)

Description: Gross benefit replacement rates data are provided by OECD with one observation every two years for each country. In this case the data refer to the second and third years of unemployment benefits, averaged over three family situations and two earnings levels. The benefits are a percentage of average earnings before tax.

More details available at <http://cep.lse.ac.uk/pubs/download/dp0759.pdf>

Link: <http://cep.lse.ac.uk/pubs/download/data0730.zip>

Name: brr45 (%)

Source: W. Nickell (2006)

Description: Gross benefit replacement rates data are provided by OECD with one observation every two years for each country. In this case the data refer to the fourth and fifth years of unemployment benefits, averaged over three family situations and two earnings levels. The benefits are a percentage of average earnings before tax.

More details available at <http://cep.lse.ac.uk/pubs/download/dp0759.pdf>

Link: <http://cep.lse.ac.uk/pubs/download/data0730.zip>

Name: bd

Source: W. Nickell (2006)

Description: Benefit duration index. This index is constructed as $bd = 0.6*brr23/brr1 + 0.4*brr45/brr1$. This captures the level of benefits available in the later years of a spell relative to those available in the first year.

More details available at <http://cep.lse.ac.uk/pubs/download/dp0759.pdf>

Link: <http://cep.lse.ac.uk/pubs/download/data0730.zip>

Name: brrl (%)

Source: W. Nickell (2006)

Description: This index is constructed as $brrl = bd*brr1$ and captures the benefit replacement rate in later years. More details available at <http://cep.lse.ac.uk/pubs/download/dp0759.pdf>

Link: <http://cep.lse.ac.uk/pubs/download/data0730.zip>

Name: brr_oecd (%)

Source: W. Nickell (2006) / OECD

Description: These are the original benefit replacement rates data published by the OECD. It is defined as the average across the first five years of unemployment for three family situations and two money levels taken from www.oecd.org/els/social/workincentives and interpolated. Data extended until 2007. More details available at <http://cep.lse.ac.uk/pubs/download/dp0759.pdf>

Link: <http://cep.lse.ac.uk/pubs/download/data0730.zip>

and <http://www.oecd.org/dataoecd/52/9/42625593.xls>

Name: nrw (%)

Source: W. Nickell (2006)

Description: Alternative series describing unemployment benefits by Gayle Allard. The author develops a new indicator for unemployment benefits which combines the amount of the subsidy with their tax treatment, their duration and the conditions that must be met in order to collect them. See Allard (2005b) for further details. More details available at <http://cep.lse.ac.uk/pubs/download/dp0759.pdf>
Link: <http://cep.lse.ac.uk/pubs/download/data0730.zip>

Name: Icrq_qog

Source: The QOG Institute of Quality of Government

Description: ICRG indicator of quality of government. The mean value of the ICRG variables “Corruption”, “Law and Order” and “Bureaucracy”. Quality”, scaled 0-1. Higher values indicate higher quality of government. Originally developed by <http://www.countrydata.com> and <http://www.icrgonline.com>. The data is available for 1985, 1990, 1995, 2000 and 2005. Interpolation is developed, while data for 2006 and 2007 is equal to 2005.

Link: <http://www.qog.pol.gu.se/>

Name: gtm_unit

Source: The QOG Institute of Quality of Government

Description: Average of Nonfederalism and Nonbicameralism:

- Nonfederalism is coded as 0 = federal (elective regional legislatures plus conditional recognition of subnational authority), 1 = semifederal (where there are elective legislatures at the regional level but in which constitutional sovereignty is reserved to the national government), or 2 = nonfederal.

- Nonbicameralism is coded as 0 = strong bicameral (upper house has some effective veto power; the two houses are incongruent), 1 = weak bicameral (upper house has some effective veto power, though not necessarily a formal veto; the two houses are congruent), or 2 = unicameral (no upper house or weak upper house). The data is available for 1985, 1990, 1995, and 2000. Interpolation is developed, while data for 2001 to 2007 is equal to 2000. Developed by (Gerring et al 2005).

<http://www.bu.edu/sthacker/data.htm>

Link: <http://www.qog.pol.gu.se/>

List of final variables

Name: unemp

Description: Unemployment rate. This variable has been computed on the basis of Unemp_ILO (see above). Where no data was available, we have interpolated the data by means of Unem (OECD).

Name: gap

Description: Output Gap. Deviations of actual GDP from potential GDP as a per cent of potential GDP. We have used the data from OECD Economic Outlook. We have self computed the data for Germany (only available since 1991 in OECD data bases) as the percentage deviation from Hodrick Prescott filtered GPC_ppp variable

Name: pop

Description: Population (see above)

Name: GDP_ppp

Description: Gross Domestic Product PPP adjusted (see above)

Name: GDP_pc

Description: Per capita Gross Domestic Product PPP adjusted (see above)

Name: epl

Description: Strictness of employment protection – overall OECD definition. Data for New Zealand between 1985 and 1989 has been equalized to the data of 1990, in line with the results from the EPL measurement displayed in Nickell (2006) and in Allard (2005).

Name: almp

Description: Expenditure on Active Labour Market Policies as a percentage of GDP. OECD. Denmark data for 1985 is equal to the one of 1986. Data for Italy between 1985 and 2004 is equal to the data in 2003. Data for Japan between 1985 and 1989 equals 1990 data.

Name: almp_un

Description: Expenditure on Active Labour Market Policies divided by the Unemployment Rate. This can be rewritten as Expenditure on Active Labour Market Policies per unemployed individual normalised on GDP per member of the labour force. OECD. Denmark data for 1985 is equal to the one of 1986. Data for Italy between 1985 and 2004 is equal to the data in 2003. Data for Japan between 1985 and 1989 equals 1990 data.

Name: udnet

Description: Union Membership. Union membership/Employment from Nickell (2006) extended by Visser (2006). We have extended it until 2007 using administrative and survey data from the OECD labour market statistics database. Because of data availability we have used the data of 2006 for 2007 in Austria, New Zealand, Portugal, Spain, and Switzerland.

Name: UD

Description: Union Density. Variable coming from the ICTWSS database. Because of data availability we have used the data of 2006 for 2007 in Austria, Japan, New Zealand, Portugal, Spain, and Switzerland. Data interpolated for Portugal.

Name: AdjCov

Description: Bargaining (or Union) Coverage, adjusted (0-100). = employees covered by wage bargaining agreements as a proportion of all wage and salary earners in employment with the right to bargaining, expressed as percentage, adjusted for the possibility that some sectors or occupations are excluded from the right to bargain. Extracted from ICTWSS Database. Because of data availability we have used the data of 2006 for 2007 in Austria, Japan, Norway, Spain, Sweden and Switzerland. The data for New Zealand has been interpolated between 1986 and 1989. After 2001 we used the data of 2000. Portugal data also needed interpolation, and the data of 2006 was used for 2007. No data available for Ireland.

Name: Wcoord

Description: coordination of wage bargaining. 1-5 scale (1-economy wide bargaining; 5-fragmented bargaining most at the company level). ICTWSS database. See above for more details.

Name: govint

Description: government intervention in wage bargaining. 1-5 scale (1-no intervention; 5-imposing wages government). ICTWSS database. See above for more details.

Name: level

Description: The dominant level(s) at which wage bargaining takes place. 1-5 scale (1-state level; 5-local level). ICTWSS database. See above for more details.

Name: TW

Description: Tax Wedge. OECD definition: Total tax wedge including employer payroll taxes (average rate in %) for one-earner married couple at 100% of average earnings, 2 children. See above for more details.

Name: brr_oecd

Description: Benefit replacement rates published by OECD. We extended the data until 2007 using interpolation.

Name: icrg_qog

Description: quality of government. Data from the QOG Institute of Quality of Government. The mean value of the ICRG variables "Corruption", "Law and Order" and "Bureaucracy". Quality", scaled 0-1. Higher values indicate higher quality of government.

Name: gtm_unit

Description: centralisation index. Data from the QOG Institute of Quality of Government. Average of Nonfederalism (scaled 0-federal, to 2 nonfederal) and Nonbicameralism (scaled 0-strong bicameral, 2-unicameral). High values indicate more centralised government decisions.

References

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