

## Glossary

NAME	DESCRIPTION
<b>Id</b>	<p>Identifies univocally each <b>reform</b> in each country (e.g. BE023 = Belgium, reform code 023). Codes are not in chronological order. In this context, with the expression “reform” we mean a collection of policy measures referring to a unique formally approved document. Thus, collected information mainly consists of enacted national legislations. In addition, other public acts or collective agreements are recorded if they are likely to be relevant at a national level.</p> <p>Please remind that each observation in the dataset corresponds to a particular measure of the reform. As a consequence there can be either one or more observations for the same reform “id”, according to the number of measures implemented by a specific reform (e.g. BE023 is repeated four times in the dataset because that reform involves exactly 4 different measures ).</p> <p>If you want to account for the number of reforms only (and not for the different measures) you should collapse the dataset by this variable.</p> <p>This code is univocal even across reform areas.</p>
<b>Country</b>	Country
<b>Year</b>	Year of approval
<b>Month</b>	Month of approval
<b>Area</b>	<p>Reforms are classified in two different <b>areas</b>:</p> <ol style="list-style-type: none"> <li>1. Employment Protection Legislation</li> <li>2. Non-Employment Benefits</li> </ol>
<b>Topic</b>	<p>Each reform measure is classified according to the specific topic it covers (e.g. “Fixed-term contracts”, “Early retirement”, “Unemployment benefits - Eligibility”, etc.).</p> <p>There are 50 different topics helping the user aggregate reforms (or measures) in many different ways.</p>
<b>Agreement</b>	Takes value 1 if the reform is the result of a collective agreement, 0 otherwise.
<b>Sign</b>	<p>This indicator is constructed by assigning to each measure of the reform a “sign”. A measure has positive sign if:</p> <ul style="list-style-type: none"> <li>- EPL: it increase the flexibility of the system (in particular, if it makes easier or cheaper for firms to dismiss workers)</li> <li>- NEB: it increases the rewards from labour market participation (it reduces the amount or the duration of non employment benefits; it makes eligibility conditions stricter). Measures that associate active labour market policies to non employment benefits are classified as increasing the rewards from work.</li> </ul>
<b>Overallsign</b>	<p>The sign of the entire reform. It is equal to the sign of the majority of measures it involves. In case of inequality between measures, a choice is made based on the relative importance of the measures.</p>
<b>Overallscope</b>	<p>A reform is is “structural” if it is a comprehensive reform, addressing the broader design of existing systems, rather than their minor features. In particular:</p> <ul style="list-style-type: none"> <li>▪ A reform of the Employment Protection Legislation is considered structural if it affects all types of contracts (e.g. it should concern also workers under permanent contracts)</li> <li>▪ A reform of Non-Employment Benefits is structural if it affects the entire working age population</li> </ul> <p>It is marginal otherwise.</p> <p>This classification is based on: i) the observation of target groups of reforms; II) information drawn from the policy evaluation literature; iii) “country experts” assessments. In some cases, some subjective evaluation may be involved.</p>
<b>twotier_complete*</b>	<p>Two-tier measures are those involving only a fraction of the potentially eligible population (i.e. fixed- term contracts, long-term unemployed), regardless the size of the reform. Complete measures are instead those affecting the majority of the potentially eligible population, no matter if they bring incremental or discrete changes.</p>

	If the “treatment group” of the reform is a minority group (i.e. young people, temporary workers, aged people) of the entire eligible population, then the reform will be Two-Tier. If instead the target represents the most of the eligible population (i.e. regular workers, all workers) then the reform will be classified as Complete (Boeri, 2010).
<b>twotier_complete_overall*</b>	Determines if the reform as a whole is to be considered a two-tier or complete reform. If the majority of the policy measures is complete, then we consider the whole reform as complete.
<b>incremental_discrete*</b>	<p>This variable classifies reforms (in the EPL database) and measures (in the NEB database)** depending on their size, as either incremental or discrete. In particular, incremental reforms/measures involve a change in any given institution smaller than one-tenth of the cross-country deviation in the intensity of that regulation in the middle year (i.e., 1995) covered by our inventory. The regulatory intensity is measured by indicators of the characteristics of the institution in the various countries. For EPL reforms we used the OECD overall index of strictness of employment protection, which has a cross-countries s.d. of 1.013 in 1995. The fRDB-IMF summary generosity measure of unemployment benefits over 2 years has been used as measure of regulatory intensity for UB measures: the cross-countries s.d. in 1995 was 0.208. For all other NEB measures this variable is missing. Discrete reforms/measures involve changes in the indicator exceeding our arbitrary threshold.</p> <p>All the reference series for the regulatory intensity measures can be found at:  <a href="http://www.oecd.org/document/11/0,3343,en_2649_33927_42695243_1_1_1_37457,00.html">http://www.oecd.org/document/11/0,3343,en_2649_33927_42695243_1_1_1_37457,00.html</a>  <a href="http://www.frdb.org/scheda.php?id=12&amp;doc_pk=11055">http://www.frdb.org/scheda.php?id=12&amp;doc_pk=11055</a></p>
<b>perma_temp</b>	It refers to EPL measures only and determines if a measure involves either permanent, temporary or all workers.
<b>NEBcat</b>	<p>It only refers to NEB measures. Topics regarding NEB reforms are classified in the following subgroups:</p> <ol style="list-style-type: none"> <li>1. Unemployment Benefits (UB)</li> <li>2. Welfare to Work (WtoW)</li> <li>3. In Work Benefits (InWB)</li> <li>4. Early retirement (EarlyR)</li> <li>5. Disability and sickness benefits (Sick)</li> <li>6. Social Assistance (SA)</li> <li>7. Employment Services (EmplS)</li> </ol>

*NOTE:* Indicators like “sign”, “two-tier\_complete” or “dualism” of reforms necessarily involve same subjective evaluation and it is therefore rather difficult to give full account of how reforms were classified. However, we try to be as explicit as possible in the description of our methodology and sources. Moreover, we periodically update the inventory with suggestions from users. Therefore, we would be extremely interested in having your own comments on both the methods and the description of the data. This will enable us to improve both the quality of the data and its documentation. Please send your comments to [info@frdb.org](mailto:info@frdb.org).

\* This classification has been introduced in the database following Boeri, “Institutional Reforms and Dualism in European Labor Markets”, in Handbook of Labor Economics, 2010 (forthcoming).

\*\*Be aware that the "incremental\_discrete" variable is completed by reforms in the EPL database, while it is by measures in the NEB one.