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Severance pay programs for formal sector workers exist in most countries around the world, often providing the only formal income support to the worker made redundant – yet little is known about the working of these programs, particularly in developing countries. In order to help fill that gap, the present study described the origin of these programs; summarized the salient features of severance pay programs throughout the world; formulated and examined hypotheses about the economic rationale for the existence of these programs; and reviewed recent reforms of these systems.

The study showed that the origin of mandated severance pay can be traced to three main events: the creation of labor codes; the first events of large scale industrial restructuring starting at the end of the 19<sup>th</sup> century and pressures of the interwar high unemployment episode; and the expansion of the welfare state after WWII. Despite these common origins, the review of existing severance pay programs showed that countries use widely differentiated designs, or at least parameter values.

The inventory of mandated severance pay programs and related social policy and country indicators in 183 countries offers a rich information base to better understand the program and allow for first hypothesis testing. E.g. the data supports the hypothesis of the wide spread nature of severance pay across the world: Of the 183 countries, all except 13 (i.e. 7 percent) provide mandated or quasi-mandated severance pay; the latter are largely concentrated on high income and inexistent in low income countries. While high-income/OECD countries tend to use less generous programs and are less likely to mandate such systems, many low and middle-income countries offer the most generous systems, and rely on compulsion. In most countries, employers account for severance payments as a current operating expense, and few institutional arrangements exist for assuring that firms are able to meet their severance pay obligations to separating workers.

The paper also examined the economic rationale for severance pay and found partial support for all three hypotheses it advanced: that severance pay serves as a social benefit payment, a human resource management tool, and a job protection mechanism.

Evaluations of both income protection and efficiency properties of severance pay programs, usually done for developed countries and mostly as part of a broader assessment of employment protection legislation, are typically fairly negative. The direct estimation of severance pay effects for developed economies, however, indicates few and limited effects once separated from other restrictive employment protection measures. If confirmed by other studies that are able to isolate the pure severance effects on employment outcomes, this may call to think about a better integration of severance pay with other social benefits, in particular of unemployment and retirement, where they exist. If further studies were to show the absence of efficiency effects of mandated compared to voluntary severance pay arrangements as human resource instrument, this may call for rethinking the mandate.

An interesting finding of the paper – which should be considered seriously by policymakers in developing countries – is that severance pay (and job protection in general) of developed countries poses less restrictions on employers as the one of developing and transition countries: it offers less generous payments, it is more simple to administer (and hence it generates less costs), and it is often not mandated but determined by collective bargaining or firm level decisions. This is another indication that in a globalized world, improving labor market outcomes and increasing

productivity by the creation of a more flexible labor market – among others by liberalizing overly restrictive employment protection legislation – is inescapable.

The absence of unemployment benefits in low and middle countries often leads to high employment protection through mandated severance pay as well as dismissal rules. The challenge will be to move toward less restrictive employment protection legislation while providing effective and incentive oriented income support schemes in a job-enabling environment– i.e. the quest for a low and middle income country’ version of “flexicurity”. Moving along these lines would suggest to reduce the notional generosity while improving compliance and hence the effective generosity. And low and middle income countries should explore the introduction of Individual Savings Accounts that provide a risk management instrument against a broad range of risks, and the reforms needed to create the enabling environment for such accounts.

Despite recent promising reforms by several countries, finding the best avenues for reforming severance pay remains a task for future research. Critical contributions for such a research are suggested in three areas. First, it would be useful to disentangle better the individual and joint effects of the Employment Protection Legislation (EPL), with severance pay being one of its components. If severance pay programs were to have non-positive effects on labor market outcomes one could think about replacing the mandate by contractual arrangements or by folding them into other social benefits. Second, another fruitful area is investigating the efficiency effects of voluntary severance pay programs for itself and also compared to other and more modern remuneration schemes that attempt to improve and capture knowledge by workers. The result would provide decision information on de-mandating the severance pay. Last but not least, it will be important to explore the liquidity preferences of workers as they seem to explain much of the support for the continuation of existing severance pay programs and the rejection of folding them into unemployment benefit or corporate pension schemes.

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## **ANNEX 1: Historic Perspectives across Countries and Regions**

For these historic perspectives we combine regional and historical information on severance pay, focusing first on the developments in the United States, UK, and Japan. We then extrapolate some ideas about how severance pay evolved in developing and transition countries, relying on the sparse evidence available on this topic.

### **Severance Pay History in the United States**

In the US, one of the earliest examples was in 1922 when the Delaware and Hudson Railroad adopted dismissal compensation as part of its benefit program. A large oil company paid dismissal compensation in 1925 when it was implementing a merger. The first big dismissal plan was in the Chicago clothing industry. The Amalgamated Clothing Workers and Hart, Schaffner and Marx had built a comprehensive industrial relations program. About 236 dismissed workers received \$500 each in 1926. Severance payments ranging from \$150 - \$500 had been paid on several occasions earlier in the industry. The amounts of compensation were determined more by the financial condition of the firm rather than the needs of the workers due to the prevailing market conditions. The contribution was made by the firm and the remaining workers who temporarily gave up unemployment insurance rights. There were plenty of such incidents in the clothing industry where workers were dismissed due to increased mechanization of the industry. Until 1929, most of the dismissal plans aimed to assist those displaced by mergers, consolidations of offices and plants, or changes in working rules.

Similarly, dismissal plans including severance pay also emerged in several large scale industries such as rubber manufacturing (1929), oil refining (1931 and 1936), banking (1934), public utility(1938), food manufacturing (1938), and auto manufacturing (1940) (Hawkins 1940). In these cases, severance pay plans depended on experience and age of workers, but usually to all employees.

In San Francisco, the building of the Golden Gate and Bay bridges implied displacement of the large workforce employed on ferry boats. A union arbitrator recalled this experience in 1936 (Box 2.3).

The practice of paying compensation to dismissed employees was followed in the US by many

#### ***Box A.1 Golden Gate and Bay bridges – Job displacement and Severance Pay***

*"Before the bridges, everybody went by ferryboat, and the old railroad commission gave the ferryboat companies a higher return, because they'd be out of business when the bridges opened. But the workers -- what about them? There were about 4,000 of them ...they wanted severance pay, but in 1932 nobody had ever heard of severance pay. The average length of service was 15 years, and we wanted one month's pay for every year of service. To make a long story short, we went to the president of the Southern Pacific railroad, which ran most of the ferries, and told him we wanted severance pay. ... 'Or what?' he said. 'Or we'll go on strike,' I said. Well, there was no way to get across the bay except by ferryboat. So he said, 'I have some figures here for one offer only,' and he turned them over, like cards. He said, 'I'll give you one month's pay for every year of service, and that's it.' Well,.., that was exactly what we were demanding! But we didn't take it right away. We said, 'We'll caucus.' We took it."*

*Excerpt from interview with Sam Kagel, arbitrator. The San Francisco Chronicle "Ah, the '30s, Full of Struggle And the Joy of Life" Carl Nolte, Sunday, May 2, 1999*

firms even before any unemployment insurance laws were passed. However, legislation on mandatory severance pay was never enacted in the US – not even on the state level – one of the few industrialized countries not to have done so. Instead, it left the issue to the firms and collective agreements to establish and implement. The firms adopted severance payments plans to reward faithful employees, but also as a public relations exercise and to sustain plant morale. Parsons (2005a) noted that during the 1930s, employers adopted different types of advanced notice plans. Flat rate plans largely helped get rid of inefficient labor and served as a mechanism for protection plant morale by quickly dispersing disgruntled workers. Graduated plans seemed to specifically reward workers for their long service to the company. Many companies also had informal or ad hoc plans they applied based on the particular situation of workers. Thus, companies seemed to target different severance plans to different types of workers.

In the 1940s and 50s, severance plans did not expand nearly as much as in the previous decade. Unions became more involved in promoting these plans as part of collective agreements. But severance pay coverage grew much slower than pensions, health or insurance coverage. Severance pay was used when workers were unjustly dismissed, retrenched through consolidation or because of technological change. From the 1970s onward, severance pay coverage decreased. Some industries appeared to drop severance pay plans between 1960s and 1970s. In subsequent decades, severance pay coverage actually decreased despite higher job insecurity. Parsons (2005b) suggests that severance pay was not responsive to demand as its use did not necessarily increase during downturns. In fact, severance pay primarily reflected the employer's desire to limit the morale impact of dismissals.

### **Severance pay in the United Kingdom**

In the UK during the 1920s, some of the dismissal plans developed as supplements to unemployment insurance. In 1928, Cadbury Brothers Ltd. had to lay off about 500 workers. The chocolate industry had undergone considerable mechanization leading to more efficient processes. The firm in addition to unemployment benefits had a regular plan for dismissal compensation. Special provisions were made for lump sum payments to those moving out of the district, emigrating, or going into business. In England, because of the national insurance law the tendency was toward paying periodic payments of equal sums that did not vary with service or salary of the employee. Trade Unionism was strong in Britain and had secured a number of agreements limiting the employer's absolute right to dismiss.

In subsequent decades, redundancy payments became institutionalized through the Redundancy Payment Act of 1965. This legislation essentially helped the state subsidize industrial restructuring. Redundancy payments were meant to encourage employees to leave employment in declining industries and move to growing sectors. Severance pay also became increasingly useful to address unjust dismissals, which often sparked collective action or strikes. In both UK and New Zealand, severance pay could help decentralize and individualize dismissals, and thereby avoid strikes and better manage labor disputes.

### **Severance Pay in Japan**

Already before the Japanese "leaving" allowance act was passed in 1936, and before the "fortnight dismissal wage" law of 1926 was enacted, many voluntary schemes of dismissal compensation were adopted by larger enterprises as standard procedure or to meet particular emergencies requiring reductions in work force. Compensation was also paid to those laid off because of sickness, accident or old age, and occasionally to those who quit voluntarily and those

who are discharged for strike activity. Compensation in the case of non-fault dismissals was more generous which can be attributed to paternalism. The transition of the Japanese feudal economy to an industrial one was so quick that the human feelings of the employer and the sense of justice of the employee heavily influenced dismissal policies.

In June 1935, the Japanese Bureau of Social Affairs conducted a study of all industrial and mining concerns employing 50 or more workers and found that 1,582 firms had written regulations governing leaving allowances. Workers and employers also addressed provisioning for severance pay as early as 1936. In many firms, workers and employers adopted internal regulations for provisioning through contributions by both workers and employers. (Hawkins, 1942) Dismissal plans in Japan were in that period were found to be relatively generous compared to plans in the US.

In summary, developments till WWII suggest that the rising importance of severance payments has been linked many factors. These range from industrial re-structuring, top-ups to flat unemployment benefits and focused originally on a few sectors and white-color workers only. There were also legal arrangements ranging from mandated in labor code or special laws, to general or selective collective bargain arrangements to voluntary schemes.

### **Historic origins of severance pay in developing and transition countries**

As illustrated in the case of France, the US and UK, the third main element for making severance payments almost ubiquitous in the world is the conscious expansion of social programs after WWII. There was also a distinct trend in the translation or copying of labor market programs from the industrialized North in the de-colonizing South. The development of a “Social Welfare State” in the North led to the gradual expansion of existing programs to ever larger parts of the population, and to the introduction or expansion of related programs, in particular unemployment benefits and old-age pensions. But while severance payments remain typically linked to the labor code and related legislation or collective bargaining arrangements – and hence stem from an employee/employer relationship – the other related social programs are typically established by special social laws and are determined by public action.

In developing countries, the introduction or expansion of severance-type payments has received little attention and only limited references do exist. It has been suggested that the provision of severance pay in a number of developing countries was deemed a somewhat transient legislative measure, the need for which would decline with the development of fuller employment policy and an extensive social security system.

For example, the provision of severance pay was “subject to this obligation coming to an end on the promulgation of legislation concerning social insurance (Costa Rica) or to the replacement of compensation by benefits from a welfare fund (Dominican Republic, Egypt, Lebanon, Syria); see Herz (1954: 319).

In Latin America, the origins and development of severance pay can be assessed by tracing when related legislations were introduced, and how labor movements may have shaped severance pay subsequently. Indeed, legislations on severance pay appeared to concur with the introduction of labor codes in multiple Latin American countries. The first mention of severance pay legislation occurred in Mexico (1917), and later Bolivia (1924 and 1925), Chile (1924), Argentina (1930), Colombia (1934), El Salvador (1935), Peru (1924, 1925, 1930), Venezuela (1936) and Uruguay

(1944). In most countries, severance pay applied to salaried workers, commercial employees or wage earners.

When considering the rationale for introducing severance pay, Mexico's practice of severance allowances has been interpreted as an "expression of accumulation of property like equity in employment with entitles worker to a form of liquidated damages upon the destruction of his job." (see Box 2.4).

***Box A.2 Severance pay in Mexico: Compensation for liquidated damages of job ownership***

*Mexico stands out for having early legislation that justified a form of severance pay. As its 1917 Constitution reflects the significant symbolic role of the working class and peasants, specific articles introduced the concept that workers had a right to their jobs. Employers were required to prove that they had just cause for firing a worker. Otherwise, workers were entitled to 3 months wages as indemnity, or could choose reinstatement in their previous job. Should employers refuse reinstatement, then workers received severance pay graduated by years of service in addition to 3 months indemnity pay.*

*As labor laws evolved to increase protection for workers, employers attempted to limit the class of workers to which these laws applied. Simultaneously, legislation leaned towards reinstatement rather than severance pay in recognition of specific labor market characteristics. Dismissal implied not only a loss of precious seniority, but also starting at the bottom of the job and wage ladder. Severance pay was considered inadequate compensation for such damages. A further rationale for reinstatement was the lack of insurance against the risks of job loss. In reality, reinstatement was an unattractive option to workers and employers as both considered their relationship "a broken marriage". Workers feared retribution by their employers, who would make working conditions sufficiently unpleasant so as to induce them to quit. While workers could have accessed a greater settlement by demanding reinstatement, many settled out of court and for less than the statutory severance pay. Union representatives could pressure workers to settle and sanction workers by preventing their further employment in a given industry. Moreover, even when employers had legal justification for large scale dismissal, the burden of proof and onerous legal proceedings made collective bargaining and severance pay the preferred option. Needless to say, severance pay was a luxury afforded only to workers in the formal sector, and the large informal sector had none of such protection.*

*Based on Meyers (1965): Ownerships of Jobs*

In **Argentina**, the introduction of severance pay followed the consolidation of the early labor movement in 1930 under General Confederation of Labor (CGT). By 1932, CGT had delivered a series of legislative demands on shorter working hours, severance pay, and other welfare measures. These demands would form part of ongoing political debate, and though many would be adopted over the coming years, they lacked enforcement. During the subsequent Peronist era, the creation of labor secretariat helped formalize the relationship between unions and the state and effectively implement such workers benefits and protections.

Several countries also took active measures to ensure funding for severance pay. **Chile** addressed the funding issue by requiring employers to deposit 8.33% of each employee's salary (up to 3,500 pesos) with the national savings bank. Employee could collect this amount, plus the interest earned on it, upon termination of employment (Hawkins, 1942). In 1928, **Ecuador** adopted legislation for provisioning as well though employers were only required to set aside the appropriate salary, not necessarily deposit it in a separate account.

In many **Latin American countries**, Herz (1954) noted the strong role of legislation protecting workers and the heavy involvement of courts in dismissal cases (speculating this was the case because of the then weak collective bargaining). For example, in Mexico and Guatemala, employers had to justify dismissals through formal procedures, and employees usually received dismissal compensation unless they were guilty of misconduct. Since then, job protection appears to remain the motivation behind severance pay, or specifically to punish unjust dismissals. Moreover, labor legislations have been layered on top of each other, reflecting the notion that workers have acquired rights and that their benefits should not be curtailed. The historically strong relationship between leftist political parties and unions seems to also explain the promulgation of labor protecting legislation.

In **African countries**, the introduction of severance pay appears to have been influenced by late colonial relationships. Visisombat (1968) provides interesting reading regarding employment law developments in post-WWII French-speaking Africa. Visisombat reports that prior to 1952 employment law across French overseas territories varied. Employment law in the French overseas territories was standardized with the passing of the 1952 Labor Code for Overseas Territories which brought together “rules scattered through various decrees and orders issued by governors” in Africa. The 1952 Code marked “an important, perhaps even historic, stage in the development of African social legislation” ... “due to the fact that it applied equally to all workers without discrimination on grounds of sex, nationality, legal status or origin and in all African countries for which the Ministry for Overseas France was responsible” ... “but not the North African protectorates (Morocco and Tunisia) or the Algerian departments” (Visisombat, 1968:122). The 1952 Code referred to “separation grants”, but only as far as there [‘was] provision for them under the contract of employment or collective agreement”. In other words, severance pay was not provided under the 1952 Code on a statutory compulsory basis.

Following independence, a large number of newly independent governments adopted new national labor codes throughout the course of the 1960s. Although country differences have emerged, to a large extent, the 1952 Code has been influential in shaping the development of these new African national codes in the former overseas French territories. Importantly, in the post-colonial era many of the new national labor codes made improvements to better protect the rights of employees threatened with the loss of employment. However, in the immediate post-colonial era, few countries moved toward introducing statutory severance pay. In the late 1960s, the labor codes of Mali, Côte d'Ivoire, and Tunisia were the only examples “giving a legal and compulsory form to this type of grant” [severance pay] (Visisombat, 1968: 138).

One might also note that **French** severance pay legislation itself evolved only slowly between 1890 and 1950, largely following regional and national plant agreements and bargaining. These laws essentially solidified judge made laws and lower court decisions. Therefore, it may be unlikely that these practices would have been significant in the 1952 code that was transferred to Francophone African countries (as indeed, there was no mention of severance pay therein). It is also worth mentioning that some African countries had severance pay legislation in place before independence. For example, the first mention of severance pay legislation occurred in 1952 in Madagascar. This legislation referred to compensation in case of work stoppages (specifically related to employees in the sugar industry).

In **Asia**, severance pay dates back to the 1950s in countries such as Sri Lanka and India, while it is more recent in countries such as Thailand and Malaysia. Asher (2003) notes that particularly in India, each amendment to labor legislation has provided greater protection to the worker. Some

of the practice of severance pay appeared related to retrenchment occurring during the energy crisis (1973, 1979) but also reflected that a shortage of raw materials could stop work and lead to retrenchment. In Sri Lanka and India, severance pay would appear to have been a useful measure during economic restructuring. However, the more expensive Voluntary Retirement Schemes were far more common for curtailing the workforce during restructuring. Perhaps the benefits paid under severance pay were insufficient to cut back enough labor.

Particularly in Sri Lanka, the use of voluntary retirement schemes also reflected the highly politicized nature of labor movements. From its inception in the 1930s, the trade union movement was aligned along political parties, rather than occupational categories. From a historical perspective, workers were perceived as the victims of exploitation and needed State support. Moreover, employment security was still considered as an instrument for guaranteeing income security. Thus, job protection (often tied to political patronage) looms large in Sri Lankan labor movements. Altogether, these factors help explain why workers supported trade union representatives during the economic restructuring of the early 1990s. Their representatives could always bargain them a better deal, leading to increasingly larger redundancy compensation packages (Kelegama and Salih, 1998).

There is little information about the origins of severance pay legislations in the **Middle East**. Herz (1954) documented early legislation that determined advanced notice period. As noted earlier, in Lebanon severance pay was meant to be temporary legislation to be replaced by a welfare fund. However, severance pay is still prevalent in Lebanon today. Severance pay appeared to evolve as part of large social protection systems in this region, reflecting the state's roles both in regulating the labor market and as an employer. Stronger union activity in the early 1990s is also appeared to strengthen severance pay (Robalino and Mataoanu, 2005). While nowadays essential all countries in the Middle East and Northern Africa have severance pay and pension provisions for their formal labor force, very few have to day unemployment benefits (Angel-Urdinola and Kuddo, 2010). A special feature of severance pay concerns the many migrants to the 7 countries of the Gulf Cooperation Council (GCC). For them, severance pay is (besides basic health care) the only social protection benefit and is legislated by the labor code (see Holzmann and Pouget, 2010).

Among former Soviet countries, only Estonia has evidence of early severance pay legislation (1934 and 1936). Severance pay, or any dismissals for that matter, were essentially meaningless during the Soviet times and did not exist. Employees could only be dismissed for extremely limited reasons, each of which required different and complex dismissal procedures. With the transition to the market system, all countries adopted new severance pay legislations and unemployment benefits. While the latter continue covering often very few unemployed workers, severance pay is much more comprehensive and at times notionally generous but also innovative. In a number of countries (including the Czech Republic, Hungary, Poland, and Slovakia), severance pay is not paid in case the worker continues with a new employer ( Kuddo, 2009).



**ANNEX 2: Inventory of Severance Pay across the World**

Country	Legal Base		Coverage		Eligible Contingencies	Defined Benefits for Redundancy						End-of-Service Pay		Defined Contribution		
	Mandatory	Collective agreements	Sectors	Excluded categories	Dismissal/Redundancy /Bankruptcy/Incapacity /Old-Age/End-of-service	Minimum tenure required (months)	Benefits at 9 months	Benefits at 1 year	Benefits at 5 yrs	Benefit at 10 yrs	Benefits at 20 yrs	Generosity index	Minimum tenure required (months)	Generosity index	Minimum tenure required (months)	Contribution Rate (% of salary)
Afghanistan	1	0	..	..	R, ..	..	0.0	8.7	17.3	26.0	26.0	4.9				
Albania	1	..	..	..	D, R	36	0.0	0.0	10.7	21.4	42.9	1.4				
Algeria	0	1	a	..	D, R	36	13.0	13.0	13.0	13.0	13.0	5.6				
Angola	1	..	..	..	R, ..	..	0.0	2.2	10.8	21.7	54.2	2.2				
Antigua and Barbuda	1	..	..	..	R, ..	..	0.0	2.4	12.0	24.0	48.0	2.4				
Argentina	1	1	p	Agricultural workers and domestic workers	R	..	4.3	4.3	21.7	43.3	86.7	4.3				
Armenia	1	0	a	None	D, I	..	4.3	4.3	4.3	4.3	4.3	1.9				
Australia	1	1	p	Firm size less 15	R	12	0.0	4.0	10.0	12.0	0.0	2.4				
Austria	1	1	p	Agricultural workers and domestic workers	E	..	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.			0	1.54
Azerbaijan	1	..	a	Army, Judiciary	D, R	..	13.0	13.0	13.0	13.0	13.0	5.6				
Bahamas	1	..	..	..	R, ..	..	1.5	2.0	10.0	20.0	24.0	2.0				
Bahrain	1	0	p	expats (own system)	E	12	n.a.	n.a.	n.a.	n.a.	n.a.	0.0	12	1.0		
Bangladesh	1	..	p	Firms size less 5, managerial positions	R, I	12	0.0	5.0	25.0	50.0	100.0	5.0				
Belarus	1	1	a	None	D, R, B	..	13.0	13.0	13.0	13.0	13.0	5.6				
Belgium	0	1	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0				
Belize	1	0	..	..	R, ..	..	0.0	0.0	5.0	10.0	20.0	0.7				
Benin	1	0	..	..	D, R	..	0.0	1.3	6.5	14.1	31.4	1.3				
Bhutan	0	0	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0				
Bolivia	1	..	p	Agricultural workers	D, R	3	..	..	..	..	..	..				
Bosnia and Herzegovina	1	..	..	..	D, R	24	0.0	0.0	7.2	14.4	28.9	1.0				
Botswana	1	..	..	..	D, R	60	1.8	2.4	12.0	36.0	84.0	2.8				
Brazil	1	0	p	Agricultural and domestic workers	D, R, B, I, O - E	..	1.2	1.7	8.3	16.6	33.3	1.7			..	8.00
Brunei Darussalam	0	0	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.				
Bulgaria	1	1	p	Firm size less 20	R,O,I	..	4.3	4.3	4.3	4.3	4.3	1.9				
Burkina Faso	1	0	p	none	D,R	12	0.0	1.1	5.4	11.9	29.3	1.1				
Burundi	1	0	..	..	R, ..	..	0.0	0.0	8.7	13.0	13.0	1.0				
Cambodia	1	0	..	..	R, ..	..	1.0	2.1	10.7	21.4	26.0	2.1				
Cameroon	1	..	p	none	D, R	24	0.0	1.5	7.6	15.2	30.3	1.5				
Canada	1	..	a	Managerial positions and non-federally regulated workers	R	12	0.0	0.0	5.0	10.0	20.0	0.7				
Cape Verde	1	..	..	..	R, ..	..	3.3	4.3	21.7	43.3	86.7	4.3				
Central African Republic	1	0	..	..	R, ..	..	17.3	17.3	17.3	17.3	17.3	7.5				
Chad	1	0	..	..	R, ..	..	0.0	0.0	5.4	11.9	27.1	0.8				

Country	Legal Base		Coverage		Eligible Contingencies	Defined Benefits for Redundancy						End-of-Service Pay		Defined Contribution		
	Mandatory	Collective agreements	Sectors	Excluded categories	Dismissal/Redundancy /Bankruptcy/Incapacity /Old-Age/End-of-service	Minimum tenure required (months)	Benefits at 9 months	Benefits at 1 year	Benefits at 5 yrs	Benefit at 10 yrs	Benefits at 20 yrs	Generosity index	Minimum tenure required (months)	Generosity index	Minimum tenure required (months)	Contribution Rate (% of salary)
Chile	1	1	p	Domestic workers and managerial positions	D,R	12	0.0	4.3	21.7	10.0	47.7	3.2				
China	1	..	p	none	D,R	..	4.3	4.3	21.7	43.3	86.7	4.3				
Colombia	1	0	p	none	D,R	..	4.3	4.3	15.7	30.0	58.6	3.5				
Comoros	1	0	..	..	R, ..	..	4.3	4.3	21.7	43.3	86.7	4.3				
Congo, Dem. Rep.	0	0	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.				
Congo, Rep.	1	0	..	..	R, ..	..	0.0	0.0	6.1	13.4	29.9	0.9				
Costa Rica	1	..	p	none	D,R	..	2.0	2.8	15.2	25.1	25.1	2.8				
Cote d'Ivoire	1	1	p	none	D,R	12	0.0	1.3	6.5	14.1	31.4	1.3				
Croatia	1	..	p	none	D,R	24	0.0	0.0	7.2	14.4	26.0	1.0				
Cyprus	0	1	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.				
Czech Republic	1	1	p	Firm size less 20	R,I	..	13.0	13.0	13.0	13.0	13.0	5.6				
Denmark	1	1	p	Firm size less 20, domestic workers, seafarers, blue collar workers	D,R,E	144	0.0	0.0	0.0	0.0	0.0	0.0				
Djibouti	0	0	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.				
Dominica	1	..	..	..	R, ..	..	0.0	0.0	9.0	19.0	49.0	1.2				
Dominican Rep.	1	1	a	Freelance, tenants and sharecroppers, etc	D,R,O	3	2.4	3.8	20.9	41.8	83.6	4.1				
Ecuador	1	..	a	none	D,R	..	13.0	14.1	27.1	54.2	108.3	8.3				
Egypt, Arab Rep.	1	..	p	Domestic wokers	R	..	4.3	4.3	21.7	54.2	119.2	4.7				
El Salvador	1	..	..	..	R, ..	..	3.2	4.3	21.4	42.9	85.7	4.3				
Equatorial Guinea	1	..	..	..	R, ..	..	4.8	6.4	32.1	64.3	128.6	6.4				
Eritrea	1	..	..	..	R, ..	..	1.5	2.0	10.0	25.0	65.0	2.2				
Estonia	1	..	..	..	D,R,B	..	8.7	4.3	4.3	4.3	17.3	1.9				
Ethiopia	1	..	p	Managerial positions	D,R,B	..	3.2	4.3	10.0	17.1	31.4	2.7				
Fiji	1	..	..	..	R, ..	12	0.0	1.0	5.0	10.0	20.0	1.0				
Finland	0	1	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0.0				
France	1	1	p	none	D,R,E	12	0.0	0.9	4.3	8.7	23.1	0.9				
Gabon	1	0	..	..	R, ..	..	0.0	0.0	4.3	8.7	17.3	0.6				
Gambia	0	0	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.				

Country	Legal Base		Coverage		Eligible Contingencies	Defined Benefits for Redundancy						End-of-Service Pay		Defined Contribution		
	Mandatory	Collective agreements	Sectors	Excluded categories	Dismissal/Redundancy /Bankruptcy/Incapacity /Old-Age/End-of-service	Minimum tenure required (months)	Benefits at 9 months	Benefits at 1 year	Benefits at 5 yrs	Benefit at 10 yrs	Benefits at 20 yrs	Generosity index	Minimum tenure required (months)	Generosity index	Minimum tenure required (months)	Contribution Rate (% of salary)
Georgia	1	..	a	none	D,R	..	4.3	4.3	4.3	4.3	4.3	1.9				
Germany	1	1	p	Firm size less 10, managerial positions	R,E	6	0.0	2.2	10.8	21.7	43.3	2.2				
Ghana	1	1	a	Army, state security	R	..	6.5	8.7	43.3	86.7	173.3	8.7				
Greece	1	..	a	none	D,R,I	2	24.0	24.0	24.0	24.0	24.0	10.4				
Grenada	1	..	..	..	D, R	..	0.0	1.0	5.0	10.0	20.0	1.0				
Guatemala	1	..	..	..	D, R	..	3.8	5.1	25.3	50.6	101.1	5.1				
Guinea	1	..	..	..	R, ..	12	0.0	1.1	5.4	10.8	21.7	1.1				
Guinea-Bissau	1	..	..	..	R, ..	..	13.0	13.0	21.7	43.3	86.7	7.2				
Guyana	1	..	..	..	R, ..	12	0.0	2.0	10.0	25.0	52.0	2.2				
Haiti	0	0	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.				
Honduras	1	..	..	..	D,R	..	3.3	4.3	21.7	43.3	86.7	4.3				
Hong Kong	1	..	..	..	D,R	24	0.0	0.3	1.4	2.9	5.8	0.3				
Hungary	1	..	p	Firm size less 20	D,R,B,E	36	0.0	0.0	8.7	13.0	21.7	1.0				
Iceland	0	1	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.			..	..
India	1	..	a	Firm size less 50	R,I	12	2.1	2.1	10.7	21.4	42.9	2.1				
Indonesia	1	1	p	Domestic workers	D,R,B, I, E	..	4.3	13.0	34.7	56.3	108.3	8.5				
Iran	1	..	a	none	D,R,E,O,I	..	0.0	4.3	21.7	43.3	86.7	4.3				
Iraq	0	..	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.				
Ireland	1	1	..	none	R	24	0.2	0.7	2.6	5.0	9.8	0.6				
Israel	1	1	..	Workers excluded If employer contributes to pension plan	D,I,E	12	0.0	4.3	21.7	43.3	86.7	4.3				
Italy	1	1	p	none	E		n.a.	n.a.	n.a.	n.a.	n.a.	0.0			..	7.00
Jamaica	1	0	p	none	D,R	24	0.0	0.0	10.0	20.0	50.0	1.3				
Japan	0	1	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0.0				
Jordan	1	..	p	Agricultural workers and domestic workers	D,R,E	..	0.0	0.0	0.0	0.0	0.0	0.0				
Kazakhstan	1	..	..	none	D,R,B,E	..	4.3	4.3	4.3	4.3	4.3	1.9				
Kenya	1	..	a	Army, police	R	..	1.6	2.1	10.7	21.4	42.9	2.1				
Kiribati	0	0	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.				
Korea	1	0	p	None	D,R, E	12	0.0	4.3	21.7	43.3	86.7	4.3				
Kosovo	1	..	..	..	R, ..	..	0.0	0.0	8.7	13.0	17.3	1.0				
Kuwait	1	0	p	expats (own system)	D, R - E	12	1.6	2.1	10.7	32.5	75.8	2.5	12	0.7		
Kyrgyz Republic	1	..	a	Firm size less 15, managerial positions	R	..	13.0	13.0	13.0	13.0	13.0	5.6				
Lao PDR	1	..	..	..	..	..	3.9	5.2	39.0	78.0	156.0	6.9				

Country	Legal Base		Coverage		Eligible Contingencies	Defined Benefits for Redundancy						End-of-Service Pay		Defined Contribution		
	Mandatory	Collective agreements	Sectors	Excluded categories	Dismissal/Redundancy /Bankruptcy/Incapacity /Old-Age/End-of-service	Minimum tenure required (months)	Benefits at 9 months	Benefits at 1 year	Benefits at 5 yrs	Benefit at 10 yrs	Benefits at 20 yrs	Generosity index	Minimum tenure required (months)	Generosity index	Minimum tenure required (months)	Contribution Rate (% of salary)
Latvia	1	..	..	..	D,R,B,I,E	..	4.3	4.3	8.7	13.0	17.3	2.5				
Lebanon	0	..	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0.0				
Lesotho	1	..	..	..	R, ..	12	0.0	2.0	10.0	20.0	40.0	2.0				
Liberia	1	..	..	..	R, ..	..	3.0	4.0	20.0	40.0	80.0	4.0				
Lithuania	1	..	..	..	D,R,E	..	4.3	8.7	17.3	21.7	26.0	4.8				
Luxembourg	1	..	p	none	D,R	60	0.0	0.0	4.3	8.7	26.0	0.6				
Macedonia	1	..	..	..	D,R	..	4.3	4.3	8.7	13.0	21.7	2.5				
Madagascar	1	0	..	none	D,R,B	6	0.0	1.7	8.3	16.7	26.0	1.7				
Malawi	1	..	a	Police, army	D,R	12	0.0	2.0	10.0	30.0	80.0	2.3				
Malaysia	1	0	a	none	D,R	12	0.0	1.7	16.7	33.3	66.7	2.8				
Maldives	0	0	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0				
Mali	1	0	..	none	D,R	12	4.3	5.2	8.7	14.1	27.1	2.8				
Marshall Islands	0	0	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0				
Mauritania	1	..	..	..	R, ..	..	0.8	1.1	5.4	11.9	27.1	1.1				
Mauritius	1	..	..	..	R, ..	12	0.0	0.4	4.3	14.3	42.9	0.9				
Mexico	1	..	p	none	D,R	..	14.1	14.6	21.4	30.0	47.1	7.3				
Micronesia	0	0	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0.0				
Moldova	1	..	a	none	D,R,B,I	..	9.6	9.6	13.6	18.6	28.7	4.7				
Mongolia	1	..	..	..	D,R	..	4.3	4.3	4.3	4.3	4.3	1.9				
Montenegro	1	..	..	..	R, ..	..	26.0	26.0	26.0	26.0	26.0	11.3				
Morocco	1	1	p	Firm size less 10, domestic workers,	D,R	6	2.2	2.2	10.9	27.3	76.4	2.4				
Mozambique	1	..	..	..	D,R	..	13.0	13.0	32.5	65.0	130.0	8.7				
Namibia	1	..	..	..	R, ..	12	0.0	1.0	5.0	10.0	20.0	1.0				
Nepal	1	..	a	Firm size less 10,	R	6	0.0	4.3	21.4	42.9	85.7	4.3				
Netherlands	0	1	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0.0				
New Zealand	0	1	..	..	R	12	0.0	0.0	0.0	0.0	0.0	0.0				
Nicaragua	1	..	a	none	D,R,E	..	3.3	4.3	18.8	21.7	21.7	3.4				
Niger	1	1	p	none	D,R	12	4.3	5.2	8.7	3.5	30.3	2.4				
Nigeria	1	..	a	Domestic workers, air workers, seafarers, managerial positions, army, police, etc.	R	..	1.7	2.3	11.4	22.9	45.8	2.3				
Norway	0	1	..	..	..	..	0.0	0.0	0.0	0.0	0.0	0.0				

Country	Legal Base		Coverage		Eligible Contingencies	Defined Benefits for Redundancy						End-of-Service Pay		Defined Contribution		
	Mandatory	Collective agreements	Sectors	Excluded categories	Dismissal/Redundancy /Bankruptcy/Incapacity /Old-Age/End-of-service	Minimum tenure required (months)	Benefits at 9 months	Benefits at 1 year	Benefits at 5 yrs	Benefit at 10 yrs	Benefits at 20 yrs	Generosity index	Minimum tenure required (months)	Generosity index	Minimum tenure required (months)	Contribution Rate (% of salary)
Oman	1	0	a	expats (own system)	E	12	n.a.	n.a.	n.a.	n.a.	n.a.	0.0	12	17.3		
Pakistan	1	..	a	Firm size less 20	D,R,I	..	3.2	4.3	21.4	42.9	85.7	4.3				
Palau	0	0	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0.0				
Panama	1	..	p	Members of cooperatives	R	..	3.0	4.0	19.0	34.0	44.0	3.7				
Papua New Guinea	1	..	..	..	R, ..	..	1.3	1.7	8.7	17.3	34.7	1.7				
Paraguay	1	..	..	..	R, ..	..	2.1	2.1	10.7	42.9	85.7	2.9				
Peru	1	..	p	none	R - E	..	0.0	2.9	14.3	17.1	17.1	2.5			..	8.33
Philippines	1	..	p	none	R,I,B	6	4.3	4.3	21.7	43.3	86.7	4.3				
Poland	0	1	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0.0				
Portugal	1	..	a	none	D,R	12	13.0	13.0	21.7	43.3	86.7	7.2				
Puerto Rico	0	1	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0.0				
Qatar	1	0	..	..	R - E	..	0.0	3.0	15.0	30.0	60.0	3.0	12	1.0		
Romania	0	1	..	..	..	..	4.3	4.3	4.3	4.3	4.3	1.9				
Russian Federation	1	..	a	Army, managerial positions	D,R,B	..	8.7	8.7	8.7	8.7	8.7	3.8				
Rwanda	1	..	..	..	R, ..	..	0.0	4.3	8.7	13.0	21.7	2.5				
Samoa	0	0	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0.0				
Sao Tome and Principe	1	..	..	..	R, ..	..	13.0	13.0	21.7	43.3	86.7	7.2				
Saudi Arabia	1	0	a	expats (own system)	D,R,B,I - E	..	2.2	2.2	10.8	32.5	75.8	2.5	12	0.9		
Senegal	1	1	p	Seafarers	D,R	12	0.0	5.4	9.8	16.3	33.6	3.0				
Serbia	1	..	..	..	R, ..	..	0.0	1.4	7.2	14.4	25.3	1.4				
Seychelles	1	..	..	..	R, ..	..	1.3	1.7	8.6	17.1	34.3	1.7				
Sierra Leone	1	..	..	..	R, ..	..	4.0	4.4	28.0	72.0	180.0	5.7				
Singapore	0	1	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0.0				
Slovak Republic	1	..	p	Seafarers	R,I	..	8.7	8.7	13.0	13.0	13.0	4.2				
Slovenia	1	..	p	Firm size less 10, managerial positions	D,R,I	12	0.0	0.9	5.4	10.8	28.9	1.0				
Solomon Islands	1	0	..	..	R, ..	..	1.5	2.0	10.0	20.0	40.0	2.0				
South Africa	1	1	a	Army, state security, seafarers	R,B	12	0.0	1.0	5.0	10.0	20.0	1.0				
Spain	1	..	p	none	D,R,B,I	..	2.1	2.9	14.3	28.6	52.0	2.9				
Sri Lanka	1	0	p	Firm size less 15, members of cooperatives	D,R,B,I,O,E	60	8.1	10.8	54.2	97.5	169.0	10.5				
St. Kitts and Nevis	0	..	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0.0				
St. Lucia	1	..	..	..	R, ..	..	0.0	1.0	7.0	20.0	50.0	1.5				
St. Vincent and the Grenadines	1	..	..	..	R, ..	..	0.0	0.0	10.0	20.0	50.0	1.3				

Country	Legal Base		Coverage		Eligible Contingencies	Defined Benefits for Redundancy						End-of-Service Pay		Defined Contribution		
	Mandatory	Collective agreements	Sectors	Excluded categories	Dismissal/Redundancy /Bankruptcy/Incapacity /Old-Age/End-of-service	Minimum tenure required (months)	Benefits at 9 months	Benefits at 1 year	Benefits at 5 yrs	Benefit at 10 yrs	Benefits at 20 yrs	Generosity index	Minimum tenure required (months)	Generosity index	Minimum tenure required (months)	Contribution Rate (% of salary)
Sudan	1	..	..	..	R, ..	..	0.0	0.0	21.7	43.3	113.8	2.9				
Suriname	1	..	..	..	R, ..	..	4.0	4.0	5.0	17.3	26.0	2.2				
Swaziland	1	..	..	..	R, ..	..	0.0	0.0	8.0	18.0	38.0	1.1				
Sweden	0	1	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	9.0				
Switzerland	1	1	p	Firm size less 20	D,R,E	240	0.0	0.0	0.0	0.0	0.0	0.0				
Syria	1	..	p	Domestic workers	D,R,E	..	0.0	0.0	0.0	0.0	0.0	0.0				
Taiwan	1	..	..	..	D,R	..	1.6	2.2	10.8	43.3	86.7	2.9				
Tajikistan	1	..	..	..	R, ..	..	4.3	4.3	5.4	10.8	21.7	2.2				
Tanzania	1	..	a	Police, army	D,R	12	0.0	1.0	5.0	10.0	10.0	1.0				
Thailand	1	1	p	Agricultural workers, domestic workers	D,R	4	5.0	15.0	30.0	50.0	50.0	8.7				
Timor-Leste	0	0	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0.0				
Togo	1	0	..	..	R, ..	..	1.0	1.3	6.5	14.1	31.4	1.3				
Tonga	0	0	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0.0				
Trinidad and Tobago	1	..	..	..	R, ..	..	2.2	2.2	11.9	28.2	60.7	2.5				
Tunisia	1	1	p	Seafarers, domestic workers	D,R	36	1.3	1.7	8.6	13.0	13.0	1.6				
Turkey	1	1	p	Firm size less 30, agricultural and domestic workers, seafarers, managerial positions, etc	D,R,I,O	12	0.0	4.3	21.7	43.3	86.7	4.3				
Uganda	1	..	a	Army	I,B	..	0.0	0.0	0.0	0.0	0.0	0.0				
Ukraine	1	..	..	..	D,R,B,I	..	4.3	4.3	4.3	4.3	4.3	1.9				
United Arab Emirates	1	0	a	expats (own system)	D, R - E	12	2.3	3.0	15.0	36.4	79.3	3.2	12	1.4		
United Kingdom	1	1	a	Police, army, seafarers	R	24	0.0	0.0	2.6	5.1	10.5	0.3				
United States	0	1	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0.0				
Uruguay	1	..	a	none	D,R	..	5.2	5.2	26.0	31.2	31.2	4.5				
Uzbekistan	1	..	..	..	D,R	..	13.0	13.0	13.0	13.0	13.0	5.6				
Vanuatu	1	..	..	..	R, ..	..	0.0	4.3	21.7	43.3	43.3	4.3				
Venezuela	1	..	p	Firm size less 10, domestic workers	D,R,O	3	..	..	..	..	..	..				
Vietnam	1	..	p	Managerial positions, members of cooperatives, political organisations	D,R, E	12	0.0	4.3	21.7	43.3	86.7	4.3				
West Bank and Gaza	1	0	..	..	R, ..	..	4.3	4.3	21.7	43.3	86.7	4.3				
Yemen	1	0	p	Agricultural and domestic workers,	D,R	..	3.3	4.3	21.7	43.3	86.7	4.3				

Legal Base			Coverage		Eligible Contingencies	Defined Benefits for Redundancy						End-of-Service Pay		Defined Contribution		
Country	Mandatory	Collective agreements	Sectors	Excluded categories	Dismissal/Redundancy /Bankruptcy/Incapacity /Old-Age/End-of-service	Minimum tenure required (months)	Benefits at 9 months	Benefits at 1 year	Benefits at 5 yrs	Benefit at 10 yrs	Benefits at 20 yrs	Generosity index	Minimum tenure required (months)	Generosity index	Minimum tenure required (months)	Contribution Rate (% of salary)
Zambia	1	1	a	Domestic workers, police, army, judiciary, managerial positions	D,R,I	..	6.5	8.7	43.3	86.7	173.3	8.7				
Zimbabwe	1	..	p	none	D, R	..	0.0	13.0	65.0	130.0	433.3	13.0				



Funding & Taxation					Reforms		Other Income support				Employment Regulation	Country Background Variables					
Country	State contribution	Funding method	Taxation of benefits	Guarantee fund	Type of reform	Year of reform	Type of unemployment benefit system	Unemployment benefit generosity	Type of Pension system	Pension benefit generosity	Redundancy Notice Period (weeks)	Region	Income level	GDP per capita (Current US\$, 2009)	Unemployment rate, 2000-2008 (%)	Trade Union Density 2008-2009	Size of informal economy (%)
Afghanistan	..	I-C	..	..	..	..	none	n.a.	none	n.a.	4.3	Asia	low income	405	..	0.00	..
Albania	..	I-C	fully	..	no reform	n.a.	UI	16	PAYGO	..	11.6	Transition	upper middle income	3,808	..	..	..
Algeria	..	E-F	..	..	Collective Framework Agreement - Introduction of severance pay (non statutory)	2006	UI	36	PAYGO	80	4.3	MENA	upper middle income	4,029	18.40	..	..
Angola	..	I-C	..	..	..	..	none	n.a.	Pilot	..	4.3	Africa	lower middle income	4,081	..	..	..
Antigua and Barbuda	..	I-C	..	..	..	..	UA	..	PAYGO	..	3.4	LAC	upper middle income	12,920	..	..	..
Argentina	..	I-C	partially	..	Doubling of severance pay for non-regular employees	2000	UI	10	PAYGO	62	7.2	LAC	upper middle income	7,626	13.50	36.70	25.4
Armenia	..	I-C	fully	..	No reform	n.a.	UI	13	PAYGO	..	8.7	Transition	lower middle income	2,826	28.70	56.20	46.3
Australia	Yes	I-C	partially	..	No reform	n.a.	UA	42	mixed	42	4.0	OECD	high income	42,279	5.50	19.10	15.3
Austria	No	E-A	partially	yes	Move to individual severance savings accounts	2003	dual	61	PAYGO	80	2.0	OECD	high income	45,561	4.30	35.10	10.2
Azerbaijan	..	I-C	fully	..	No reform	n.a.	UI	9	PAYGO	..	8.7	Transition	upper middle income	4,899	7.50	..	..
Bahamas	..	I-C	..	..	..	..	UI	..	PAYGO	..	0.0	LAC	high income	..	..	..	..
Bahrain	..	I-C	untaxed	..	..	..	UI	..	PAYGO	79	4.3	MENA	high income	26,021	..	0.00	..
Bangladesh	No	I-C	..	..	Decreased generosity	1985	none	n.a.	PAYGO	..	4.3	Asia	low income	551	4.00	..	..
Belarus	..	I-C	fully	..	No reform	n.a.	UI	8	PAYGO	..	8.7	Transition	upper middle income	5,075	..	79.70	..
Belgium	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	UI	65	PAYGO	42	6.0	OECD	high income	43,672	7.70	93.20	23.2
Belize	..	I-C	..	..	..	..	none	n.a.	PAYGO	n.a.	3.3	LAC	lower middle income	4,062	..	..	..
Benin	..	I-C	..	..	No reform	n.a.	none	n.a.	PAYGO	..	4.3	Africa	low income	745	..	..	..
Bhutan	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	none	n.a.	PAYGO	..	8.3	Asia	lower middle income	1,805	..	..	..
Bolivia	..	I-C	..	..	No reform	n.a.	UI	..	mixed	..	..	LAC	lower middle income	1,758	7.80	..	67.1
Bosnia and Herzegovina	..	I-C	fully	..	No reform	n.a.	UI	6	PAYGO	..	2.0	Transition	upper middle income	4,524	27.80	..	..
Botswana	..	I-C	..	..	Introduction of sev	1992	none	n.a.	universal	..	4.9	Africa	upper middle income	6,063	19.00	..	..
Brazil	..	E-A	..	..	Contribution to Unemployment Guarantee Fund	2001	UI	9	PAYGO	..	4.3	LAC	upper middle income	8,121	9.00	20.90	39.8
Brunei Darussalam	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	none	n.a.	mixed	..	3.0	Asia	high income	..	..	..	..
Bulgaria	..	I-C	fully	..	Introduction of sev pay	2001	UI	12	mixed	50	4.3	Transition	upper middle income	6,423	12.30	..	36.9
Burkina Faso	..	I-C	..	..	no reform	n.a.	none	..	PAYGO	..	4.3	Africa	low income	517	..	..	38.4
Burundi	..	I-C	..	..	..	..	none	n.a.	PAYGO	..	8.7	Africa	low income	160	..	..	..
Cambodia	..	I-C	..	..	..	..	none	n.a.	none	..	7.9	Asia	low income	667	..	..	..
Cameroon	..	I-C	..	..	Establish calculation of employees' severance pay	1993	none	n.a.	PAYGO	..	6.5	Africa	lower middle income	1,136	7.50	..	..
Canada	Yes	I-C	..	..	No reform	n.a.	UI	52	mixed	45	7.0	OECD	high income	39,599	6.90	31.40	16.4
Cape Verde	..	I-C	..	..	..	..	none	n.a.	PAYGO	..	6.4	Africa	lower middle income	3,064	..	..	..
Central African Republic	..	I-C	..	..	..	..	none	n.a.	PAYGO	..	4.3	Africa	low income	454	..	..	..
Chad	..	I-C	..	..	..	..	none	n.a.	PAYGO	..	7.2	Africa	low income	610	..	..	..

Funding & Taxation					Reforms		Other Income support				Employment Regulation	Country Background Variables					
Country	State contribution	Funding method	Taxation of benefits	Guarantee fund	Type of reform	Year of reform	Type of unemployment benefit system	Unemployment benefit generosity	Type of Pension system	Pension benefit generosity	Redundancy Notice Period (weeks)	Region	Income level	GDP per capita (Current US\$, 2009)	Unemployment rate, 2000-2008 (%)	Trade Union Density 2008-2009	Size of informal economy (%)
Chile	Yes	E-A, E-F	..	yes	Increased access to Solidarity Fund for end-of-service benefits for fixed term contracts, Increased benefits level and quality	2009	UI	21	mixed	44	4.3	OECD	upper middle income	9,645	7.40	11.50	19.8
China	..	I-C	partially	..	Introduction of statu	2008	UI	20	mixed	68	4.3	Transition	lower middle income	3,744	..	..	13.1
Colombia	No	E-A	partially	yes	Introduction of fully funded severance pay savings	1990	UI	..	mixed	50	0.0	LAC	upper middle income	5,125	13.00	28.70	39.1
Comoros	..	I-C	..	..	..	..	none	n.a.	none	..	13.0	Africa	low income	833	..	..	..
Congo, Dem. Rep.	..	I-C	..	..	..	..	none	n.a.	PAYGO	..	10.3	Africa	low income	160	..	..	..
Congo, Rep.	..	I-C	..	..	..	..	none	n.a.	PAYGO	..	4.3	Africa	lower middle income	2,601	..	..	..
Costa Rica	..	I-C	..	..	No reform	n.a.	UI	..	mixed	89	4.3	LAC	upper middle income	6,385	5.90	..	..
Cote d'Ivoire	..	I-C	..	..	Introduction of sev pay	1996	none	n.a.	PAYGO	..	5.8	Africa	lower middle income	1,105	..	..	..
Croatia	..	I-C	fully	..	No reform	n.a.	dual	11	mixed	38	7.9	Transition	high income	14,222	13.00	..	33.4
Cyprus	n.a.	n.a.	n.a.	yes	..	..	UI	..	PAYGO	..	5.7	OECD	high income	31,410	?	..	..
Czech Republic	Yes	I-C	fully	..	No reform	n.a.	UI	33	PAYGO	50	8.7	OECD	high income	18,139	7.22	20.80	19.1
Denmark	Yes	I-C	..	..	Establish benefits for White-Collar workers	1996	UI	68	mixed	80	0.0	OECD	high income	55,992	4.63	99.20	18.2
Djibouti	n.a.	n.a.	n.a.	n.a.	..	..	none	n.a.	PAYGO	..	4.3	Africa	lower middle income	1,213	..	..	..
Dominica	..	I-C	..	..	..	..	none	n.a.	PAYGO	..	5.8	LAC	upper middle income	5,132	..	..	..
Dominican Rep.	..	I-C	..	..	No reform	n.a.	none	n.a.	mixed	53	4.0	LAC	upper middle income	4,637	16.00	..	32.1
Ecuador	..	I-C	..	..	Increase in severance	1991	UI	..	mixed	..	4.3	LAC	lower middle income	4,202	8.70	..	34.4
Egypt, Arab Rep.	..	I-C	untaxed	..	Unfinished years to be considered as full years when calculating tenure	2003	UI	7	PAYGO	..	10.1	MENA	lower middle income	2,270	9.90	26.10	35.1
El Salvador	..	I-C	..	..	..	..	UI	n.a.	PAYGO	..	0.0	LAC	lower middle income	3,424	..	..	..
Equatorial Guinea	..	I-C	..	..	..	..	none	n.a.	none	n.a.	4.3	Africa	high income	15,397	..	..	..
Eritrea	..	I-C	..	..	..	..	none	n.a.	none	n.a.	3.1	Africa	low income	369	..	..	..
Estonia	..	I-C	fully	yes	n.a.	n.a.	dual	..	mixed	52	8.6	OECD	high income	14,238	8.90	7.60	..
Ethiopia	..	I-C	..	..	Introduction of severance pay	2003	none	..	PAYGO	..	10.1	Africa	low income	344	5.00	12.90	..
Fiji	..	I-C	..	..	..	..	none	n.a.	Provident fund	..	4.3	Asia	upper middle income	3,326	..	..	..
Finland	Yes	I-C	..	yes	No reform	n.a.	dual	60	PAYGO	56	10.1	OECD	high income	44,581	8.30	68.00	18.3
France	Yes	I-C	..	..	Statutory min payment and extra benefit for employees with more than 10 years tenure	2008	dual	67	PAYGO	53	7.2	OECD	high income	41,051	8.30	7.90	15.3
Gabon	..	I-C	..	..	..	..	none	n.a.	PAYGO	..	10.4	Africa	upper middle income	7,502	..	..	..
Gambia	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	none	n.a.	PAYGO	..	26.0	Africa	low income	430	..	..	..

Funding & Taxation					Reforms		Other Income support				Employment Regulation	Country Background Variables					
Country	State contribution	Funding method	Taxation of benefits	Guarantee fund	Type of reform	Year of reform	Type of unemployment benefit system	Unemployment benefit generosity	Type of Pension system	Pension benefit generosity	Redundancy Notice Period (weeks)	Region	Income level	GDP per capita (Current US\$, 2009)	Unemployment rate, 2000-2008 (%)	Trade Union Density 2008-2009	Size of informal economy (%)
Georgia	..	I-C	fully	..	..	..	UI	6	PAYGO	..	0.0	Transition	lower middle income	2,449	12.80	40.70	67.3
Germany	Yes	I-C	fully	no	No reform	n.a.	dual	64	PAYGO	43	10.0	OECD	high income	40,670	9.20	19.90	16.3
Ghana	..	I-C	..	..	No reform	n.a.	none	n.a.	mixed	..	3.6	Africa	low income	1,098	..	70.00	38.4
Greece	Yes	I-C	partially	..	Increase in severance pay for blue color workers	2007	UI	33	PAYGO	96	0.0	OECD	high income	29,240	9.50	30.60	28.6
Grenada	..	I-C	..	..	..	..	none	n.a.	PAYGO	..	7.2	LAC	upper middle income	6,029	..	..	..
Guatemala	..	I-C	..	..	No reform	n.a.	UI	..	PAYGO	..	0.0	LAC	lower middle income	2,661	2.40	12.90	..
Guinea	..	I-C	..	..	..	..	none	n.a.	PAYGO	..	2.1	Africa	low income	497	..	..	..
Guinea-Bissau	..	I-C	..	..	..	..	none	n.a.	none	..	0.0	Africa	low income	519	..	..	..
Guyana	..	I-C	..	..	..	..	none	n.a.	PAYGO	..	4.3	LAC	lower middle income	1,518	..	..	..
Haiti	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	none	n.a.	none	n.a.	10.1	LAC	low income	646	..	..	..
Honduras	..	I-C	..	..	No reform	n.a.	UI	..	PAYGO	..	7.2	LAC	lower middle income	1,918	4.10	..	..
Hong Kong	..	I-C	..	..	No reform	n.a.	UA	32	mixed	38	4.3	Asia	high income	30,863	5.60	21.50	16.6
Hungary	Yes	I-C	fully	yes	Introduction of wage guarantee fund	1994	UI	48	mixed	77	6.2	OECD	high income	12,868	6.60	19.90	25.1
Iceland	..	n.a.	..	..	..	..	UI	57	mixed	..	10.1	OECD	high income	38,029	..	..	..
India	No	I-C	partially	..	No reform	n.a.	UI	..	mixed	40	4.3	Asia	lower middle income	1,134	4.30	..	23.1
Indonesia	..	I-C	..	..	Pending Reform...	2000-2007-2011	none	n.a.	mixed	15	0.0	Asia	lower middle income	2,349	9.10	..	19.4
Iran	..	I-C	..	..	No reform	n.a.	UI	47	PAYGO	..	0.0	Asia	upper middle income	4,540	10.90	..	..
Iraq	n.a.	n.a.	n.a.	n.a.	..	..	none	n.a.	PAYGO	..	0.0	MENA	lower middle income	2,090	..	..	..
Ireland	Yes	I-C	partially	..	No reform	n.a.	dual	50	mixed	34	4.0	OECD	high income	51,049	4.50	31.50	15.8
Israel	..	I-C	partially	yes	No reform	n.a.	UI	..	PAYGO	..	4.3	OECD	high income	26,256	8.90	..	21.9
Italy	tax incentives	E-A, E-F	partially	yes	Option to switch to funded occup. pension plan	2007	UI	37	PAYGO	68	8.7	OECD	high income	35,084	8.10	97.10	27
Jamaica	..	I-C	..	..	No reform	n.a.	none	n.a.	PAYGO	..	4.0	LAC	upper middle income	4,471	11.90	..	36.4
Japan	Yes	I-B	..	..	No reform	n.a.	UI	45	PAYGO	34	4.3	OECD	high income	39,738	4.60	18.00	11.3
Jordan	..	I-C	..	..	Change in service period for calculation of sev pay benefits	2010	none	n.a.	PAYGO	68	4.3	MENA	lower middle income	4,216	..	..	19.4
Kazakhstan	..	I-C	fully	..	No reform	n.a.	UI	..	mixed	..	4.3	Transition	upper middle income	7,257	8.30	..	43.2
Kenya	..	I-C	..	..	No reform	n.a.	none	n.a.	Provident fund	..	4.3	Africa	low income	738	..	35.50	34.3
Kiribati	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	none	n.a.	Provident fund	n.a.	4.3	Asia	lower middle income	1,306	..	..	..
Korea	No	I-B, E-A	partially	yes	Option to switch to funded occup. pension plan	2005	UI	31	PAYGO	42	4.3	OECD	high income	17,078	3.60	10.00	27.5
Kosovo	..	I-C	..	..	..	..	none	n.a.	funded	..	13.0	Transition	lower middle income	2,985	..	..	..
Kuwait	No	I-C	untaxed	no	..	..	none	n.a.	PAYGO	..	13.0	MENA	high income	54,260	..	0.00	..
Kyrgyz Republic	..	I-C	fully	..	Introduction of redundancy payment	2004	UI	6	PAYGO	..	4.3	Transition	low income	860	8.80	..	39.8
Lao PDR	..	I-C	..	..	..	..	none	n.a.	PAYGO	n.a.	6.4	Asia	low income	940	..	..	..

Funding & Taxation					Reforms		Other Income support				Employment Regulation	Country Background Variables					
Country	State contribution	Funding method	Taxation of benefits	Guarantee fund	Type of reform	Year of reform	Type of unemployment benefit system	Unemployment benefit generosity	Type of Pension system	Pension benefit generosity	Redundancy Notice Period (weeks)	Region	Income level	GDP per capita (Current US\$, 2009)	Unemployment rate, 2000-2008 (%)	Trade Union Density 2008-2009	Size of informal economy (%)
Latvia	..	I-C	fully	..	No reform	n.a.	UI	12	mixed	58	1.0	Transition	high income	11,616	9.90	13.00	39.9
Lebanon	n.a.	n.a.	n.a.	n.a.	No reform	n.a.	none	n.a.	none	n.a.	8.7	MENA	upper middle income	8,175	8.50	..	34.1
Lesotho	..	I-C	..	..	..	..	none	n.a.	PAYGO	..	4.3	Africa	lower middle income	764	..	..	..
Liberia	..	I-C	..	..	..	..	none	n.a.	none	n.a.	4.3	Africa	low income	222	..	..	..
Lithuania	..	I-C	fully	..	No reform	n.a.	UI	6	mixed	53	8.7	Transition	upper middle income	11,141	10.60	10.00	30.3
Luxembourg	..	I-C	..	..	No reform	n.a.	UI	87	PAYGO	88	17.3	OECD	high income	105,044	4.60	43.60	..
Macedonia	..	I-C	fully	..	Severance pay formula slightly modified	2005	UI	13	mixed	..	4.3	Transition	upper middle income	4,515	34.80	..	..
Madagascar	..	I-C	..	..	No reform	n.a.	none	n.a.	PAYGO	..	3.4	Africa	low income	461	5.60	..	39.6
Malawi	..	I-C	..	..	Right to severance pay not applicable in case of fair dismissal related to employee's conduct	2000	none	n.a.	none	n.a.	4.3	Africa	low income	326	..	20.60	40.3
Malaysia	No	I-C	partially	..	No reform	n.a.	none	n.a.	Provident fund	32	6.7	Asia	upper middle income	7,030	3.40	10.30	31.1
Maldives	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	none	n.a.	PAYGO	n.a.	5.8	Asia	lower middle income	4,760	..	..	..
Mali	..	I-C	..	..	No reform	n.a.	none	n.a.	PAYGO	n.a.	4.3	Africa	low income	691	8.80	..	41
Marshall Islands	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	none	n.a.	PAYGO	n.a.	0.0	Asia	lower middle income	2,504	..	..	..
Mauritania	..	I-C	..	..	..	..	none	n.a.	PAYGO	..	4.3	Africa	low income	921	..	..	..
Mauritius	..	I-C	..	..	..	..	none	n.a.	mixed	..	4.3	Africa	upper middle income	6,735	..	..	..
Mexico	..	I-C	partially	..	No reform	n.a.	none	n.a.	funded	36	0.0	OECD	upper middle income	8,144	3.20	17.00	30.1
Micronesia	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	none	n.a.	PAYGO	n.a.	0.0	Asia	lower middle income	2,476	..	..	..
Moldova	..	I-C	fully	..	Sev pay only for dismissals based on the worker's capacity, state of health and insufficient qualifications	2003	UI	15	PAYGO	..	8.7	Transition	lower middle income	1,516	6.90	40.00	..
Mongolia	..	I-C	..	..	No reform	n.a.	none	n.a.	PAYGO	..	4.3	Transition	lower middle income	1,573	3.50	..	18.4
Montenegro	..	I-C	..	..	..	..	UI	..	PAYGO	..	2.1	Transition	upper middle income	6,635	..	..	..
Morocco	No	E-F	..	..	Increase in generosity	2003	none	n.a.	PAYGO	70	7.2	MENA	lower middle income	2,911	11.10	..	36.4
Mozambique	..	I-C	..	..	No reform	n.a.	none	n.a.	PAYGO	..	4.3	Africa	low income	428	..	..	40.3
Namibia	..	I-C	..	..	..	..	none	n.a.	PAYGO	..	4.3	Africa	upper middle income	4,267	..	..	..
Nepal	..	I-C	..	..	Introduction of lump-sum payment in case of redundancy	1991	none	n.a.	Provident fund	..	4.3	Asia	low income	427	..	..	..
Netherlands	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	dual	71	mixed	88	8.7	OECD	high income	47,917	3.70	20.50	13
New Zealand	Yes	I-C	fully	..	No reform	n.a.	UA	38	universal	39	0.0	OECD	high income	29,352	4.60	20.80	12.7
Nicaragua	..	I-C	..	..	No reform	n.a.	none	n.a.	PAYGO	..	0.0	LAC	lower middle income	1,097	6.00	4.10	..
Niger	..	I-C	..	..	No reform	n.a.	none	n.a.	PAYGO	..	4.3	Africa	low income	352	..	..	..
Nigeria	..	I-C	..	..	No reform	n.a.	none	n.a.	funded	..	4.0	Africa	lower middle income	1,118	..	..	57.9
Norway	..	I-C	..	..	No reform	n.a.	UI	72	PAYGO	59	8.7	OECD	high income	79,089	3.70	52.90	19.1

		Funding & Taxation				Reforms		Other Income support				Employment Regulation	Country Background Variables				
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Oman	No	I-C	untaxed	no	..	..	UI	n.a.	PAYGO	..	4.3	MENA	high income	16,207	..	0.00	..
Pakistan	..	I-C	..	..	No reform	n.a.	none	n.a.	PAYGO	..	4.3	Asia	lower middle income	955	7.10	15.70	36.8
Palau	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	none	n.a.	PAYGO	n.a.	0.0	Asia	upper middle income	8,074	..	..	..
Panama	..	I-C	partially	..	No reform	n.a.	UI	..	mixed	..	0.0	LAC	upper middle income	7,155	11.10	..	64.1
Papua New Guinea	..	I-C	..	..	..	..	none	n.a.	funded	n.a.	3.3	Asia	lower middle income	1,172	..	..	..
Paraguay	..	I-C	..	..	..	..	UI	..	PAYGO	..	7.5	LAC	lower middle income	2,242	..	..	..
Peru	..	E-A	..	..	Option to withdraw 50% of account before separation	1991	none	..	mixed	39	0.0	LAC	upper middle income	4,469	7.20	..	59.9
Philippines	No	I-C	untaxed	..	No reform	n.a.	none	n.a.	PAYGO	68	4.3	Asia	lower middle income	1,752	9.70	3.20	43.4
Poland	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	UI	42	mixed	61	10.1	OECD	high income	11,273	15.70	..	27.6
Portugal	Yes	I-C	..	..	No reform	n.a.	dual	79	PAYGO	54	7.9	OECD	high income	21,903	6.30	19.50	22.6
Puerto Rico	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	UI	..	PAYGO	..	0.0	LAC	high income	..	..	..	..
Qatar	..	I-C	..	..	..	..	none	n.a.	PAYGO	..	7.2	MENA	high income	69,754	..	..	..
Romania	..	I-C	fully	yes	Introduction of guarantee fund	2003	UI	16	mixed	..	4.0	Transition	upper middle income	7,500	7.00	32.30	34.4
Russian Federation	..	I-C	fully	..	..	..	dual	12	mixed	..	8.7	Transition	upper middle income	8,676	7.70	..	46.1
Rwanda	..	I-C	..	..	..	..	none	n.a.	PAYGO	..	4.3	Africa	low income	506	..	..	..
Samoa	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	none	n.a.	none	..	5.8	Asia	lower middle income	2,776	..	..	..
Sao Tome and Principe	..	I-C	..	..	..	..	none	n.a.	PAYGO	..	4.3	Africa	lower middle income	1,184	..	..	..
Saudi Arabia	..	I-C	untaxed	no	Introduction of end-of-service benefit	2005	none	n.a.	PAYGO	..	4.3	MENA	high income	14,540	5.20	0.00	..
Senegal	..	I-C	..	..	No reform	n.a.	none	n.a.	PAYGO	..	3.2	Africa	lower middle income	1,023	11.10	..	43.2
Serbia	..	I-C	..	..	..	..	UI	..	PAYGO	..	0.0	Transition	upper middle income	5,872	..	..	..
Seychelles	..	I-C	..	..	..	..	none	n.a.	none	..	4.3	Asia	upper middle income	8,688	..	..	..
Sierra Leone	..	I-C	..	..	..	..	none	n.a.	PAYGO	n.a.	8.7	Africa	low income	341	..	..	..
Singapore	n.a.	n.a.	n.a.	n.a.	No reform	n.a.	none	n.a.	Provident fund	13	3.0	Asia	high income	36,537	4.40	31.70	13.1
Slovak Republic	..	I-C	fully	..	No reform	n.a.	UI	32	mixed	56	11.6	OECD	high income	16,176	15.80	12.90	18.9
Slovenia	Yes	I-C	fully	yes	Sev pay for economic reasons or reasons of capacity	2007	UI	27	PAYGO	..	5.7	OECD	high income	23,726	5.90	..	27.1
Solomon Islands	..	I-C	..	..	..	..	none	n.a.	Provident fund	n.a.	4.3	Asia	low income	1,256	..	..	..
South Africa	..	I-C	..	..	Statutory sev pay only in case of redundancy	1997	UI	6	universal	..	4.0	Africa	upper middle income	5,786	26.40	39.80	28.4
Spain	Yes	I-C	fully	..	Introduction of benefit formula, generosity increased	1995	dual	69	PAYGO	81	2.1	OECD	high income	31,774	10.60	14.50	22.6
Sri Lanka	No	I-C	..	..	Introduction of benefit formula	2005	UA	..	Provident fund	..	4.3	Asia	lower middle income	2,068	7.40	6.00	44.6
St. Kitts and Nevis	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	none	n.a.	PAYGO	..	8.7	LAC	upper middle income	10,988	..	..	..
St. Lucia	..	I-C	..	..	..	..	none	n.a.	PAYGO	..	3.7	LAC	upper middle income	5,496	..	..	..
St. Vincent and the Grenadines	..	I-C	..	..	..	..	none	n.a.	PAYGO	..	4.0	LAC	upper middle income	5,335	..	..	..

Funding & Taxation					Reforms		Other Income support				Employment Regulation	Country Background Variables					
Country	State contribution	Funding method	Taxation of benefits	Guarantee fund	Type of reform	Year of reform	Type of unemployment benefit system	Unemployment benefit generosity	Type of Pension system	Pension benefit generosity	Redundancy Notice Period (weeks)	Region	Income level	GDP per capita (Current US\$, 2009)	Unemployment rate, 2000-2008 (%)	Trade Union Density 2008-2009	Size of informal economy (%)
Sudan	..	I-C	..	..	..	..	none	n.a.	PAYGO	n.a.	4.3	Africa	lower middle income	1,294	..	0.00	..
Suriname	..	I-C	..	..	..	..	none	n.a.	none	n.a.	0.0	Asia	upper middle income	5,888	..	..	..
Swaziland	..	I-C	..	..	..	..	none	n.a.	Provident fund	n.a.	5.9	Africa	lower middle income	2,533	..	..	..
Sweden	n.a.	n.a.	n.a.	n.a.	No reform	n.a.	dual	66	mixed	62	14.4	OECD	high income	43,654	5.20	73.60	19.1
Switzerland	Yes	I-C	..	..	No reform	n.a.	UI	80	mixed	58	10.1	OECD	high income	63,629	3.50	23.70	8.8
Syria	..	I-C	..	..	No reform	n.a.	none	n.a.	PAYGO	..	8.7	MENA	lower middle income	2,474	11.40	..	..
Taiwan	..	I-C	partially	..	Introduction of benefit formula	2005	UI	8	PAYGO	70	4.3	Asia	high income	..	4.20	35.90	19.6
Tajikistan	..	I-C	..	..	..	..	none	n.a.	PAYGO	..	8.7	Transition	low income	716	..	..	..
Tanzania	..	I-C	partially	..	Introduction of sev pay	2004	none	n.a.	PAYGO	..	4.0	Africa	low income	509	5.10	18.70	58.3
Thailand	No	I-C	untaxed	yes	No reform	n.a.	UI	..	PAYGO	50	4.3	Asia	lower middle income	3,894	1.60	2.10	52.6
Timor-Leste	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	none	n.a.	none	n.a.	4.3	Asia	lower middle income	492	..	..	..
Togo	..	I-C	..	..	..	..	none	n.a.	none	n.a.	4.3	Africa	low income	431	..	..	..
Tonga	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	none	n.a.	none	n.a.	0.0	Asia	lower middle income	2,991	..	..	..
Trinidad and Tobago	..	I-C	..	..	..	..	none	n.a.	PAYGO	..	6.4	LAC	high income	15,841	..	..	..
Tunisia	..	E-F	..	..	Increase in severance pay	2002	UA	2	PAYGO	64	4.3	MENA	lower middle income	3,792	14.60	..	38.4
Turkey	Yes	I-C	partially	..	Introduction of sev pay	2003	UI	46	PAYGO	87	6.7	OECD	upper middle income	8,215	9.70	25.10	32.1
Uganda	..	I-C	..	..	Severance pay subject to negotiation btw the employer and the workers or the trade union	2006	none	n.a.	Provident fund	..	8.7	Africa	low income	490	3.20	..	43.1
Ukraine	..	I-C	fully	..	No reform	n.a.	UI	15	PAYGO	..	8.7	Transition	lower middle income	2,468	8.50	..	52.2
United Arab Emirates	no	I-C	untaxed	no	..	..	none	n.a.	PAYGO	..	4.3	MENA	high income	50,070	..	0.00	..
United Kingdom	Yes	I-C	partially	..	Statutory sev pay only in case of redundancy	1996	dual	28	mixed	31	5.3	OECD	high income	35,165	5.10	..	12.6
United States	n.a.	n.a.	n.a.	n.a.	No reform	n.a.	UI	28	PAYGO	39	0.0	OECD	high income	45,989	5.10	11.40	8.8
Uruguay	..	I-C	..	..	No reform	n.a.	UA	5	mixed	103	0.0	LAC	upper middle income	9,420	13.50	19.00	51.1
Uzbekistan	..	I-C	fully	..	No reform	n.a.	UI	6	PAYGO	..	8.7	Transition	lower middle income	1,156	..	..	..
Vanuatu	..	I-C	..	..	..	..	none	n.a.	PAYGO	n.a.	9.3	Asia	lower middle income	2,702	..	..	..
Venezuela	..	I-B, E-A	partially	..	Introduction of severance accounts	1997	UI	6	PAYGO	..	..	LAC	upper middle income	11,490	12.00	..	33.6
Vietnam	..	I-C	untaxed	..	Introduction of sev pay	2003	UI	..	PAYGO	68	0.0	Transition	lower middle income	1,032	2.30	..	15.6
West Bank and Gaza	..	I-C	..	..	..	..	none	n.a.	PAYGO	..	4.3	MENA	lower middle income	..	..	..	..
Yemen	..	I-C	..	..	Introduction of sev pay	1995	none	n.a.	PAYGO	..	4.3	MENA	lower middle income	1,118	15.40	..	..

Funding & Taxation					Reforms		Other Income support				Employment Regulation	Country Background Variables					
Country	State contribution	Funding method	Taxation of benefits	Guarantee fund	Type of reform	Year of reform	Type of unemployment benefit system	Unemployment benefit generosity	Type of Pension system	Pension benefit generosity	Redundancy Notice Period (weeks)	Region	Income level	GDP per capita (Current US\$, 2009)	Unemployment rate, 2000-2008 (%)	Trade Union Density 2008-2009	Size of informal economy (%)
Zambia	..	I-C	..	..	No reform	n.a.	none	n.a.	PAYGO	..	4.3	Africa	low income	985	..	..	48.9
Zimbabwe	..	I-C	..	..	No reform	n.a.	none	n.a.	PAYGO	..	13.0	Africa	low income	..	..	..	59.4













due to missing values. Some of the larger models even shrink the number of observations to approx. 20-25% of the original sample size. These models include merely OECD countries with a rather high GDP per capita. A generalization of results, thus, seems not valid, as income (GDP per capita) and OECD membership are correlated as well as income and the response variable Severance Pay Generosity. Groupwise models based on Income level or Region are an option here, although splitting the incomplete dataset further decreases the number of observations usable by a model. An analysis by region or income level is favorable. The smaller models can be calculated for larger samples but hardly have any explanatory / predictive power and are thus not to be used. The variable log(GDP per capita) is one of the few consistently significant variables.

**Absence of multi-collinearity of independent variables:** A correlation analysis in combination with a scatterplot matrix of the independent variables helps detect pairwise collinearity. Multi-collinearity can be determined by (generalized) variance inflation factors (VIFs) (Fox and Monette, 1992). VIFs measure the effect of multi-collinearity on the variance of the regression coefficient of an explanatory variable.

Correlation analysis as well as VIFs show that multi-collinearity is present in the analyzed dataset. Apart from Trade Union Density and Notice Period (weeks) all metric variables are pairwise correlated. Including indicator variables of the categorical explanatory variables in the correlation analysis shows that these two variables as well as the indicator variables for Type of Unemployment Benefit = UA and Region = MENA are not significantly correlated to the other explanatory variables. Still, the majority of the correlation coefficient is smaller than 0.4, which indicates that pairwise collinearity is not as severe. Generalized variance inflation factors indicate that log(GDP per capita), Income level, and Unemployment Benefit Generosity are the regressors most heavily affected by multi-collinearity. It is advisable to avoid using them all together in one model. Especially models that include Income level and/or Region in addition to a GDP per capita variable may be problematic.

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