

## THE WORLD BANK GROUP PROJECT ON LABOUR REGULATIONS

The project gathers data on employment laws and industrial relations laws. Data were also gathered on the specific constitutional provisions governing these two areas. The employment laws and industrial relations laws of most countries are available on-line at the NATLEX database, published by the International Labour Organization. Constitutions are available on-line on the U.S. Law Library of Congress website. The main secondary sources include the International Encyclopaedia for Labour Law and Industrial Relations, and Social Security Programs Throughout the World. Observations were confirmed with more than one source. In most cases both the actual laws and a secondary source were used to ensure accuracy. All conflicting answers were checked with two additional sources, including a local legal treatise on labour and social security laws. If there was further doubt, legal advice from leading local law firms was solicited to confirm accuracy. The current mark of the data refer to January 2002.

Following the OECD Job Study and the International Encyclopaedia for Labour Law and Industrial Relations, the areas subject to statutory regulation in all countries were identified. Those include – within employment laws – alternative employment contracts, conditions of employment, and employment protection; and within industrial labour relations: labour unions, worker participation in management, and collective disputes.

The methodology was developed in Botero, Juan, Simeon Djankov, Rafael La Porta, Florencio Lopez-de-Silanes, and Andrei Shleifer, *The Regulation of Labor*, March 2003.

## INTERNATIONAL REFORM MONITOR: SOCIAL, LABOUR MARKET AND COLLECTIVE BARGAINING POLICIES OF THE BERTELSMANN FOUNDATION

Up-to-the-date reports and analyses about important reforms in social, labour market and collective bargaining policy, best practice reports from 15

countries and the expertise of 19 renowned think tanks and research institutes make the Reform Monitor a valuable source of information for every reformer. The “International Reform Monitor” documents at six-monthly intervals how other countries meet the challenges of the future with reforms. The precisely targeted supply of information to decision-makers in politics, industry and society is designed to give fresh impetus to our domestic reform policies. At the very heart of the project is an international network of renowned research institutes and think tanks in fifteen OECD states who report and analyze, like seismographs, even the most minute topical changes in social, labour market and collective bargaining policy reforms. The results of the network efforts are accessible on the Internet under [www.reform-monitor.org](http://www.reform-monitor.org) and are published every six months.

## IMF, WORLD ECONOMIC OUTLOOK, APRIL 2003

Structural reforms – a catch-all for fundamental institutional changes to improve an economy’s performance – are widely acknowledged as the key to unlocking the full potential of the global economy. Chapter 3 of the new Outlook builds on a recent resurgence of research interest on the role of institutional factors in explaining cross-country differences in economic performance. Economists have increasingly come to recognize that differences across countries in physical capital and in education levels can only go so far in explaining the vast differences observed in incomes across the world. The chapter explores a variety of quantitative measures of institutional quality reflecting, for example, perceptions of the degree of corruption, political rights, public sector efficiency, regulatory burdens and the rule of law. Consistent with other recent work that also tries to control for “reverse causality”, the chapter finds a strong positive correlation between institutional quality and per capita income.

Chapter 4 also looks at institutional reform, but from the much narrower perspective of labour markets. A particular focus is placed on continental Europe, where generous unemployment compensation, centralized wage bargaining processes, strict employment protection (e. g., large firing

costs), and high taxation of labour income all contribute to unemployment rates far exceeding those in the United States. The chapter finds that if European labour market competitiveness were to converge to the U.S. level European unemployment rates would fall dramatically.

## REGULATION AND INVESTMENT

One commonly held view about the difference between continental European countries and other OECD countries, especially the United States, is that the heavy regulation of Europe reduces its growth. Using newly assembled data on regulation in several sectors of many OECD countries, Alberto Alesina, Silvia Ardagna, Guiseppe Nicoletti and Fabio Schiantarelli provide substantial and robust evidence that various measures of regulation in the product market, concerning in particular entry barriers, are negatively related to investment. The implications of their analysis are clear: regulatory reforms, especially those that liberalise entry, are very likely to spur investment (OECD Economics Department Working Paper 352).

## VENICE SUMMER INSTITUTE 2003

CESifo's fourth Summer Institute will be held from 21 to 26 July 2003. Five workshops will focus on:

### *Tax Policy and Labour Market Performance*

Organisers: Peter Birch Sørensen & Jonas Agell  
Keynote speakers: Lans Bovenberg & Stephen Nickell

### *Monetary Unions after EMU*

Organiser: Paul De Grauwe  
Keynote speaker: Michael Artis

### *Insurance: Theoretical Analysis and Policy Implications*

Organiser: Christian Gollier  
Keynote speakers: Pierre-André Chiappori & Mark Pauly

### *Taxation and the Family*

Organisers: Ray Rees, Pierre Pestieau & Alesandro Cigno

Keynote speakers: Robert A. Pollak, Ray Rees, Pierre Pestieau & Alesandro Cigno

### *Economic Stagnation in Japan*

Organisers: Michael Hutchison & Frank Westermann  
Keynote speaker: Takatoshi Ito

## THE RONALD COASE INSTITUTE, WORKSHOP ON INSTITUTIONAL ANALYSIS, SEPTEMBER 6–11, 2003, BUDAPEST, HUNGARY

Scholars who want to learn more about institutional analysis should attend this workshop. Through training, presentations, and exchange, sessions will build the capacity of researchers to conduct empirical analysis in new institutional economics. This is an outstanding opportunity to present current research and get comments and suggestions from established scholars in institutional analysis.

## INTERNATIONAL SOCIETY FOR NEW INSTITUTIONAL ECONOMICS, “INSTITUTIONS AND CHANGE”, 7TH ANNUAL CONFERENCE, SEPTEMBER 11–13, 2003, BUDAPEST, HUNGARY

The International Society for New Institutional Economics (ISNIE) will hold its Seventh Annual Conference at the Budapest University of Economics, September 11–13, 2003. In addition to economics, the conference program will include sessions on the application of institutional analysis to political science, law, and organizational behaviour.