

# Who is claiming for Fixed-Term Contracts?

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Preliminary, comments welcome**

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## **Abstract**

Using a Rajan and Zingales (1998) difference-in-difference empirical approach, this paper explores the response of industries that differ in their "intrinsic need" of worker turnover under the presence of Employment Labor Legislations (EPL). Particularly, we analyze the use of fixed-term contracts (FTC) as a way to avoid the cost of firing insiders.

**JEL Classification:** J21, J33, J63

**Keywords:** employment protection legislation, labor turnover, fixed-term contracts

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## 1. Introduction

The effects of Employment Labor Legislations (EPL) on employment and overall economic performance are still a mystery, even after decades of theoretical and empirical research concerning this topic. Going further from the anecdotal comparison of higher unemployment in continental Europe (a high EPL environment) than in Anglo-Saxon countries (generally speaking low EPL economies), serious studies regarding this topic show mixed and usually contradictory results, a fact reflected in the changing and contradictory policy recommendations of International Institutions on this issue<sup>1</sup>.

Even the effects of EPL in the employment level are unclear, recent literature shows that the labor turnover is negatively affected. In the present study, our main question is if this effect hold when EPL are combined with the use of fixed-term contracts (FTC). Specifically, we analyze the use of FTC as a way to avoid the cost of firing insiders and if the response is different for industries that differ in their "intrinsic need" of workers turnover. In order to do that, we implement a Rajan and Zingales (1998) difference-in-difference empirical approach.

Our study is related to the literature concerning unemployment, EPL and FTC, developed mainly in Europe in order to examine high unemployment rates and the labor market hysteresis phenomenon. The previous studies are mainly theoretical pieces or empirical analyses of particular country cases focused on the use of FTC by the "disadvantaged workforce", such as the young, women or unskilled workers<sup>2</sup>.

Early empirical studies failed to states any negative effect of EPL in job turnover, as predicted in most of the theoretical models. Trying to understand the lack of evidence, Boeri (1999) claims that the use of FTC's in high EPL countries creates an intermediate labor market status of temporary workers that increase turnover but have negative

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<sup>1</sup> For a detailed survey in this topic, Freeman (2005).

<sup>2</sup> An example of a recent study in that vein is Kahn (2007).

implications in overall employment and welfare. This arises through the so-called “musical chair effect”, without permanent jobs created for ending FTC.

Blanchard and Landier (2002) analyze the impact of partial reforms on labor markets, taking the introduction of FTC as reductions in firing costs for entry-level jobs. If regulations for regular jobs are kept, they argue that the main effect may be high turnover that could lead to higher unemployment. And even if the unemployment goes down, they say, the quality of jobs will be worse off. They study the case of France, with high EPL and increasing use of FTC, focusing particularly on the consequences for young workers, the group they say is the most affected.

Cahuc and Postel-Vinay (2002) find similar results to Blanchard and Landier (2002) in a framework of the simultaneous use of FTC and permanent jobs. They suggest that the distribution of firm ownership is likely to influence labor markets regulations. If the workers share of profits is small (as in continental Europe), they are going to prefer labor markets with combinations of FTC and firing restrictions. If the opposite exists (as in Anglo-Saxon countries) workers may prefer very flexible labor markets.

While the previous models find steady state solutions, Boeri and Garibaldi (2007) explore the transitional effects of the implementation of reforms imposing FTC in high EPL environments. The prediction is the existence of a “temporary honey moon”, with employment growth in the beginning since in good times the new hiring conditions are used, but in bad times it is not possible to fire the insiders. Slowly, the firms start replacing the insiders with temporary workers, and in the long run the push in employment is reversed.

The present study extends previous analysis in two ways. Firstly, the technique used allows us to expand the study to a broad panel of developed and developing countries. Second, we provide a labor demand side explanation for the effects of FTC, related to the idea that industries where the “intrinsic labor turnover” is high will claim for the use of this type of contracts when the EPL are binding.

The rest of paper is organized as follows: In section 2 we present the empirical methodology and the data. Section 3 summarizes the main results. Section 4 concludes.

## 2. Methodology and data

Our empirical approach follows the literature on difference-in-differences in a Rajan and Zingales (1998) framework, to test for the implications for different industries of labor laws that combine EPL and FTC, extending the results of Micco and Pages (2006) for EPL and labor turnover. This approach allows us to use country and sector fixed effects to control for all observable and unobservable characteristics in both dimensions. This technique also alleviates the potential endogeneity problem that regulations present in cross-country analysis, because the use of sector level data and country fixed effects allow us to account for the feedback from employment outcomes to regulations.

We exploit country-sector variation, estimating a panel in both dimensions, where there is no time variability since we are using one period with a quinquennial average. The empirical specification is:

$$\ln(Y_{ic}) = D_c + D_i + \beta_1 \text{SUM}_i \text{EPL}_c + \beta_2 \text{SUM}_i \text{FTC}_c + \beta_3 \text{SUM}_i \text{EPL}_c \text{FTC}_c + \delta C_c I_i + \mu_{ic} \quad (1)$$

where  $Y_{ic}$  denotes the employment level or other economic indicator in sector  $i$  of country  $c$ .  $D_i$  and  $D_c$  are sector and country fixed effects.  $\text{EPL}_c$  and  $\text{FTC}_c$  are dummies that take value 1 for countries with high EPL and consent for the use of FTC<sup>3</sup>, respectively.  $\text{SUM}_i$  is the intrinsic flexibility requirements of sector  $i$ .  $C_c I_i$  is a vector of controls with interaction between different country and sector variables which the previous literature states to be relevant for explaining the dependent variable and could bias the main result if omitted.

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<sup>3</sup> Even though we could use the continuous measures of both EPL and FTC, we decided to use dummies in order to give some meaning to the triple interaction term,  $\text{SUM} * \text{EPL} * \text{FTC}$ , which is our main variable of interest.

The parameters of interest in the estimation are  $\beta_1$ ,  $\beta_2$  and  $\beta_3$ . We expect  $\beta_1$  to be negative and significant, indicating that, following Micco and Pages (2006), industries with larger flexibility requirements will have lower employment levels in countries with restrictive EPL. For  $\beta_2$ , the sign and significance it is uncertain, since the presence of fixed-terms contracts has no clear effects of its own. The most important result in this paper is related to the parameter  $\beta_3$ , which we anticipate to be positive and significant, indicating that the presence FTC tends to mitigate the negative impact of EPL in the employment level for sectors with high flexibility requirements.

The data for country-sector employment and the other dependent variables are taken from the Industrial Statistics Yearbook produced by the United Nations Industrial Development Organization (UNIDO, 2006). This database provides observations at the industry level for 28 manufacturing sectors, at the three-digit level of disaggregation in the International Standard Industrial Classification (ISIC-rev2).

The dummies for countries with high EPL and consent<sup>4</sup> for the use of FTC are built using the data collected as of 1997 by Botero et al. (2004)<sup>5</sup>, where 1 is assigned for values over the median and 0 otherwise. Table 1 shows the original data for the countries in our sample. The EPL are small in China, Japan and countries with an Anglo-Saxon tradition, but high in continental Europe and most of the Latin-American countries. On the other hand, no clear cultural or regional pattern seems to explain the legislation regarding FTC<sup>6</sup>.

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<sup>4</sup> We use a measure of “consent” for using FTC instead of the actual use of FTC, because the latter is endogenous to the EPL in the country. To facilitate the interpretation of results, the variable FTC was rescaled in order to allow higher values to imply more consent.

<sup>5</sup> Specifically, to measure EPL, we use the sum of the *Cost of Firing Workers* and *Dismissal Procedures* indicators. In the case of the FTC, we take a variable that is the average of a measure of maximum cumulative duration of FTC and a dummy that indicates if those contracts only allowed for inherently temporary tasks. It is important to note that the definitions of EPL and FTC are independent, since the criteria used for the former are just related to the permanent labor force.

<sup>6</sup> All different combinations of low/high FTC and EPL are observed in the countries in the sample, a characteristic which allows for identification to study the joint effect of these policies.

Following one of the main assumptions in the Rajan and Zingales (1998) methodology, the sector specific intrinsic flexibility requirements have to be measured in reference to a “frictionless market”. In that sense, our baseline country is the United States, which according to many measures has one of the least restrictive EPL regimes in the world. In fact, our approach only requires the weaker assumption that the USA sector ranking is not affected by EPL. Therefore, we proxy the flexibility requirements as the job reallocation, the sum of job creation and job destruction, in the USA. The data comes from Davis and Haltiwanger (1999), from which we take the average for the period 1973-93. The data for the 28 sectors in the sample is showed in Table 2.

In addition to our main explanatory variables, we use other country-sector controls taken from the existing literature. We use four of these interactions: (i) Following Rajan and Zingales (1998), the external financial dependency in USA industries with a measure of a country’s financial development (private credit over GDP). (ii) The Claessens and Laeven (2003) specification for sector dependency on intangible assets interacted with a country-level indicator of property rights taken from Heritage Foundation indicators. (iii) The Klapper et al. (2004) specification for sector firm entry rate in USA industries (constructed by Dunne et al., 1988) interacted with the World Bank’s Doing Business indicator of country barriers to entry. (iv) Finally, we include the interaction of sector flexibility requirements and the GDP *per capita*, in order to be sure that EPL is not just a proxy for a country’s economic development.

### **3. Results**

#### **3.1 Regression specifications**

For the main regression analysis the dependent variable is averaged for the period 1991-95 and the right hand side variables are averages with one quinquennium lag, when possible (as in credit over GDP and GDP *per capita*), in order to avoid possible endogeneity problems.

The sample consists of 1218 observations for 45 countries, 19 industrialized and 26 developing, as a result of eliminating countries with observations for less than 20

industries and less than 3 years in the five year period. We also dismiss countries for which the results changed when running the main regressions, subtracting one country each time<sup>7</sup>. USA is not included in the sample either, since the methodology of construction for the industry-level variables may imply that the presence of this country could lead to endogeneity problems.

### 3.2 Split samples

The results are summarised in Table 3. In the first two columns, we reproduce the main regression of Micco and Pages (2006), exploring the effects of labor regulations on employment according to industry needs for flexibility. Here, the interaction of the EPL measure and sector level “frictionless” turnover is used as the main explanatory variable. Since our goal is to study the effects of FTC and to search for possible differentiated effects, we split the sample according to the degree to which they are permitted to be used in a country’s labor regulations.<sup>8</sup> Interestingly, for the group of countries which allow FTC (Column 1), there seems to be no effect of the EPL, but for the countries that permit them (Column 2), the negative effects of EPL on employment are significant. This exercise provides preliminary evidence that under the presence of FTC, the EPL seem to have no effects on the employment level.

For the next two columns we also split the sample, but now according to the level of EPL in each country. Column 3 includes just countries with high labor regulations, and here the main regressor is the interaction of industry flexibility requirements and the FTC dummy. This variable is positive and significant, providing support for the idea that sectors that need labor flexibility will have higher employment level when the use of FTC is possible. Nevertheless, this effect is only present if EPL is binding, since in the sub-sample of countries with low labor regulations (column 4), the effect disappears. This

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<sup>7</sup> We undertook the same process for industries, and none of them have a significant individual influence on the results.

<sup>8</sup> The magnitude of the coefficient is very similar to the one found by Micco and Pages (2006) who used the whole sample and the continuous measure of EPL (instead of the dichotomous variable used in the present analysis).

result is in line with the prior that FTC do not have any effects under flexible labor laws, because they are not needed.

### **3.3 Whole Sample and Triple Interaction**

When the whole sample is put together and both interactions of the previous subsection are included (column 5), only EPL seems to have any (negative) effects, while FTC does not appear to be a relevant explanatory variable on its own. This gives preliminary support to the expected values for  $\beta_1$  and  $\beta_2$  in equation (1).

In column 6 we show the most important result of the paper. We use the complete sample and the two double interactions used before, but also include a triple interaction: industry-level labor flexibility requirements with the dummies for EPL and FTC. The last variable is positive and significant, indicating that in countries with labor legislation that combines high EPL with the use of FTC, industries with high flexibility requirements tend to “compensate” the adverse effects on employment levels, since the magnitude of triple interaction is similar, but with opposite sign, to the effects of EPL, which remains negative and significant. On the other hand, the variable for FTC is statistically insignificant by itself, another sign that FTC only have effects when labor regulations are present.

It is relevant to note that in column 6, as well as in all the other regressions, all the controls have the expected results: (i) The Rajan and Zingales (1998) interaction of external financial requirements and financial development is positive and significant, indicating higher employment level in sectors that need external financing and are located in countries with credit availability. (ii) The Claessens and Laeven (2003) interaction have the expected sign, but no significance. (iii) The interaction of firm entry rate and entry regulations is negative and significant, meaning less employment in sectors with high firm turnover located in countries with restrictive entry regulations. (iv) The interaction of flexibility requirements and GDP per capita is negative and significant, meaning that industrialized economies will use technologies less intensive in labor when intrinsic turnover is high.

In columns 7 and 8 we explore if the effects of combining EPL and FTC hold for different economic outcomes. In (7) we use the county-sector value added as the dependent variable, and the main results are identical, which can be considered as an indication that what we are really capturing with the effect is the long-term sector size. In (8) we test the effects on wages, and find no evidence of decreases when FTC are presents. This does not necessarily indicate that wages under fixed-term contracts are not lower, but that the total amount that the industry spent in the payment of workers does not change significantly. This can be driven, for example, by the use of more employees earning lower salaries. It is important to note that the effects of EPL is positive and significant, providing evidence that in countries with high EPL sectors with high flexibility requirements have higher wages.

In order to be sure that the results do not depend exclusively on the chosen time period, in column 9 we perform the same regressions that in column 6, but now using as dependent variable the five years average employment level during the 1996-2000 quinquennium, and for 1991-1995 for the controls (when possible). Using the data for this more recent period implies a reduction in the number of countries, now just 36, and, therefore, the number of observations, now 300 less than in the other regressions. Nonetheless, the main findings remain unaffected.

### **3.4 Economic Significance**

While the foregoing empirical results support the expected signs for the relevant variables in equation (1) and are statistically significant, the coefficient magnitudes in the regressions cannot be given a direct economic interpretation. Because of the nature of the Rajan and Zingales (1998) technique, more than between or within country or sector comparisons, the effect should be understood as country-sector level at the same time. Specifically, the result obtained is understood as a difference-in-difference for country and sector centiles.

Unfortunately for the current analysis, this examination can only be done when the variables in the interactions are continuous, whereas we employ latent variables for the measures of EPL and FTC. Nevertheless, previous literature can be used to give economic meaning to our results. In Micco and Pages (2006), the difference-in-difference results for employment level when the double interaction of flexibility requirements and EPL is included is stated as the following:

“Increasing employment protection legislation *for a country in the 10th least regulated percentile to the 90th most regulated percentile in the sample reduces employment in the 90th most variable sector relative to the 10th most variable sector by 54 percent*”<sup>9</sup>.

Although a bit cryptic, the description emphasizes the fact that sectors with more intrinsic turnover will be more affected by EPL, and that the differences in employment level between sectors in the extreme deciles of turnover will increase by 54 percent if they move from a country in the minimum decile of EPL to a country in the top decile. This magnitude is large, of a similar scale, for example, that the effects in employment levels due to financial underdevelopment measured by the Rajan and Zingales (1998) variable. The effect is maintained or even augmented in the different specifications of Micco and Pages (2006).

Whilst the aggregated results for the whole economy cannot be predicted (employment can increase in some sectors and decrease in others), the reallocation process within industries in countries with high EPL suggested by the evidence is big, and it is possible to expect that the long term outputs of this inefficient allocation of resources forced by the EPL will be less than in a frictionless labor markets. The results described above suggest that this process of reallocation of labor from high to low intrinsic turnover sectors is not happening if EPL are combined with the use of FTC. Nevertheless, this not necessarily a good thing, a fact that we will analyze in more detail in the concluding section.

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<sup>9</sup> Authors own italics. This description refers to Table 7 of Micco and Pages (2006).

#### 4. Conclusions

Most of the studies concerning the effects of FTC on the labor market and economic performance are purely theoretical or only provide empirical evidence related to specific country cases. Additionally, concerning the question posed in the title of this paper - *'Who is claiming for fixed-term contracts?'* - previous studies mainly focus on a labor supply explanation related to the “disadvantaged workforce” ( those such as the young, women or unskilled workers). We extend the analysis in two ways. First, we use a difference-in-difference empirical technique that allows us to expand the study to a broad panel of developed and developing countries and control for fixed effects in country and industry level. Second, we show that not only some sectors in the workforce might be claiming for FTC, but, on the demand side, some industries would like to use this type of contracts when facing inflexible labor markets.

Our findings suggest that the presence of EPL will mainly harm the industries that, due to technological factors, have higher “intrinsic labor turnover”, an intuitive result since those are the ones that will “use” the labor market more. However, in countries with employment laws that combine EPL and the use of FTC, these negative effects tend to be neutralized, something that we interpret as the result of the existence of an alternative mechanism that allows the affected sectors to use this type of contract to confront the inflexibilities.

Usually the legislation on EPL tends to change slowly in most of the countries, and seems to be related to persistent historical and institutional characteristics<sup>10</sup>. But the regulations on FTC are more dynamic, with several reductions in the restrictions on its use in the last two decades, particularly in continental European countries<sup>11</sup>. Because of this, it is not possible to directly interpret our results as long run or steady state effects.

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<sup>10</sup> Botero et al. (2004)

<sup>11</sup> Booth et al. (2002a)

Therefore, and considering the period covered by the sample, it is more likely that we are capturing some transitional effects in line with the predictions of Boeri and Garibaldi (2007).

Even if stable over the time, the results must be treated with caution. To conclude that the use FTC is a good thing is not the aim of the present study. The aggregated welfare effects are unclear, and are very likely to be in line with the theoretical literature which generally predicts negative impacts. The fact that total employment levels can be unaffected when EPL are combined with fixed-term contracts could just be the consequence of a second best policy, where the quality of jobs may be worse, the time to find a position can be larger and/or salaries may be poorer<sup>12</sup>. The study of this idea constitutes a fruitful avenue for future research.

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<sup>12</sup> Empirical evidence concerning this, using micro panels in developed countries, has been provided by Booth et al. (2002b) and Kahn (2007).

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**TABLE 1: Employment Protection Legislation (EPL) and Fixed-Term Contracts (FTC) for countries in the sample.**

<b>COUNTRY</b>	<b>EPL</b>	<b>FTC</b>	<b>COUNTRY</b>	<b>EPL</b>	<b>FTC</b>
<b>Argentina</b>	0.5591	1	<b>Japan</b>	0.0796	0.6875
<b>Australia</b>	0.6738	0.0625	<b>Kenya</b>	0.9747	1
<b>Austria</b>	0.5026	1	<b>South Korea</b>	0.9023	0.6875
<b>Bolivia</b>	0.5207	1	<b>Sri Lanka</b>	1.3414	1
<b>Canada</b>	0.3374	1	<b>Mexico</b>	1.2826	1
<b>Chile</b>	1.0977	0.1875	<b>Malaysia</b>	0.1949	0.5625
<b>Colombia</b>	0.8345	0.1875	<b>Netherlands</b>	1.4023	0.625
<b>Germany</b>	1.0561	0.5	<b>Norway</b>	1.2414	1
<b>Denmark</b>	0.7907	0.5	<b>Pakistan</b>	0.7707	0.5
<b>Ecuador</b>	0.8917	1	<b>Panama</b>	1.4891	1
<b>Egypt</b>	0.9162	1	<b>Peru</b>	1.462	0.6875
<b>Spain</b>	1.0725	1	<b>Philippines</b>	1.1461	1
<b>Finland</b>	1.1026	0.6875	<b>Poland</b>	1.0581	0.3125
<b>France</b>	1.2896	0.5625	<b>Singapore</b>	0.6037	0.1875
<b>United Kingdom</b>	0.6296	1	<b>Sweden</b>	1.2432	0.8125
<b>Greece</b>	0.8521	0.625	<b>Thailand</b>	0.9177	1
<b>China</b>	0.1784	1	<b>Turkey</b>	0.7001	1
<b>Indonesia</b>	1.399	1	<b>Tanzania</b>	1.362	0.125
<b>India</b>	1.48	0.625	<b>Uruguay</b>	0.2438	0.5
<b>Ireland</b>	0.8314	0.25	<b>Venezuela</b>	0.6663	0.0625
<b>Israel</b>	0.5358	0.25	<b>South Africa</b>	0.6537	0.6875
<b>Italy</b>	0.881	0.5	<b>Zimbabwe</b>	0.5053	0.625
<b>Jordan</b>	1.0409	0.625			

Note: EPL is the sum of the *Cost of firing workers* and *Dismissal procedures* indicators and FTC, is the average of maximum cumulative duration of FTC and a dummy that indicates if those contracts are only allowed for inherently temporary tasks, both as in Botero et al. (2004). The data is collected as of 1997.

**TABLE 2: Intrinsic Flexibility Requirements (SUM) for industries in the sample.**

<b>INDUSTRY</b>	<b>SUM</b>	<b>INDUSTRY</b>	<b>SUM</b>
<b>Petroleum refineries</b>	0.081	<b>Other chemicals</b>	0.184
<b>Industrial chemicals</b>	0.118	<b>Transport equipment</b>	0.185
<b>Paper and products</b>	0.123	<b>Misc. petroleum and coal products</b>	0.187
<b>Tobacco</b>	0.137	<b>Machinery, electric</b>	0.194
<b>Iron and steel</b>	0.152	<b>Machinery, except electrical</b>	0.197
<b>Rubber products</b>	0.153	<b>Fabricated metal products</b>	0.206
<b>Glass and products</b>	0.153	<b>Furniture, except metal</b>	0.219
<b>Beverages</b>	0.166	<b>Footwear, except rubber or plastic</b>	0.220
<b>Non-ferrous metals</b>	0.168	<b>Other non-metallic mineral products</b>	0.223
<b>Printing and publishing</b>	0.168	<b>Plastic products</b>	0.225
<b>Professional &amp; scientific equipment</b>	0.172	<b>Wood products, except furniture</b>	0.232
<b>Pottery, china, earthenware</b>	0.178	<b>Leather products</b>	0.239
<b>Food products</b>	0.179	<b>Other manufactured products</b>	0.240
<b>Textiles</b>	0.180	<b>Wearing apparel, except footwear</b>	0.253

Note: SUM is the average job reallocation (sum of job creation and job destruction) for USA during the period 1973-93, using data from Davis and Haltiwanger (1999). For more details, Micco and Pages (2004)

**TABLE 3: Main Results**

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	Employment	Employment	Employment	Employment	Employment	Employment	VA	Wages	Employment
<b>Sector flexibility requirements * EPL</b>	-0.752 (1.648)	-4.856 (1.482)***			-2.474 (1.124)**	-5.609 (1.525)***	-5.061 (1.566)***	1.821 (0.519)***	-5.993 (1.643)***
<b>Sector flexibility requirements * FTC</b>			4.154 (1.734)**	-1.438 (1.316)	1.329 (1.114)	-1.398 (1.362)	-2.028 (1.833)	-0.783 (0.440)*	-1.675 (1.621)
<b>Sector flexibility requirements * EPL * FTC</b>						5.736 (2.205)***	5.898 (2.579)**	-0.412 (0.743)	4.959 (2.443)**
<b>External financial dependency * financial development</b>	1.120 (0.204)***	2.228 (0.355)***	1.346 (0.322)***	1.235 (0.215)***	1.289 (0.181)***	1.303 (0.180)***	1.189 (0.199)***	-0.058 (0.049)	1.179 (0.183)***
<b>Dependency on intangible assets * property rights</b>	0.170 (0.338)	0.403 (0.309)	-0.209 (0.375)	0.687 (0.279)**	0.296 (0.235)	0.305 (0.235)	0.436 (0.260)*	0.011 (0.068)	0.543 (0.223)**
<b>Sector flexibility requirements *GDP per capita</b>	-2.169 (0.657)***	-0.301 (0.464)	-1.941 (0.519)***	0.013 (0.561)	-1.185 (0.405)***	-1.147 (0.401)***	0.088 (0.485)	0.735 (0.144)***	-1.787 (0.468)***
<b>Firm entry * barriers to entry</b>	-1.372 (0.232)***	-1.779 (0.340)***	-1.825 (0.284)***	-0.929 (0.244)***	-1.391 (0.186)***	-1.370 (0.186)***	-1.391 (0.212)***	-0.040 (0.076)	-1.668 (0.210)***
<b>Observations</b>	658	560	592	626	1218	1218	1218	1218	929
<b>Countries</b>	24	21	22	23	45	45	45	45	36
<b>Sample</b>	FC=1	FC=0	JS=1	JS=0	ALL	ALL	ALL	ALL	ALL
<b>Period</b>	91-95	91-95	91-95	91-95	91-95	91-95	91-95	91-95	96-00
<b>R-squared</b>	0.8519	0.8657	0.8515	0.8596	0.8507	0.8517	0.8812	0.9723	0.8574

Robust standard errors in parentheses

\* significant at 10%; \*\* significant at 5%; \*\*\* significant at 1%