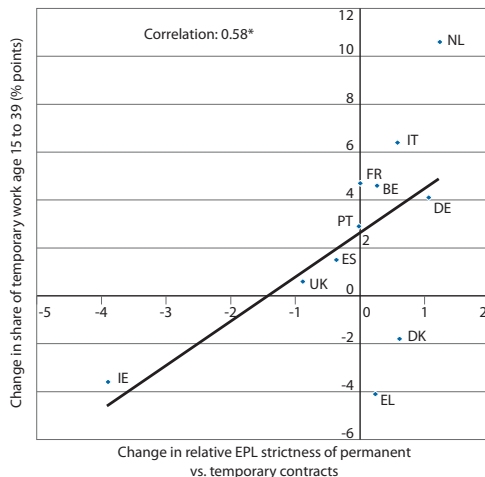
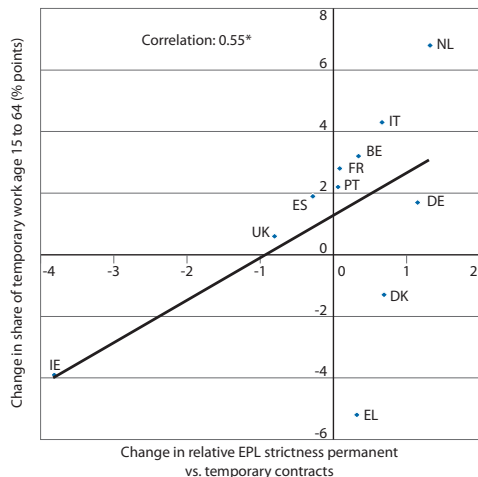


Chart 8: EPL two-tier reforms and share of temporary work (1990-2003)



Sources: OECD and Eurostat. DG EMPL calculations.

Notes: Change in the relative strictness of EPL of permanent vs. temporary contracts is calculated according to the formula:

$$\Delta_{1990-2003} \left(\frac{EPR_t - EPT_t}{EPT_t} \right)$$
; where EPR is EPL for Regular (i.e. permanent) contracts, and EPT is EPL for temporary contracts, t is the year and Δ indicates the change of this index between 1990 and 2003. This indicator increases whenever a two-tier reform is introduced that loosens EPL on temporary contracts while keeping EPL on permanent contracts unchanged. A positive (negative) value corresponds to an increase (decrease) in labour market segmentation (OECD, 2004). * coefficient statistically significant at 10%.