

**Employing Workers – Economy**[www.doingbusiness.org](http://www.doingbusiness.org)

Dear Contributor,

We would like to thank you for your cooperation with the *Doing Business* project. Your contribution and expertise are essential to the success of the *Doing Business* report, an annual publication of the World Bank and the IFC that benchmarks business regulation in 183 economies worldwide.

*Doing Business 2010: Reforming through Difficult Times* was launched on September 9, 2009. This year's report received a record number of 2,517 media citations within one month of publication, including coverage from all major global, regional and local media outlets including TV, print, broadcast and web.

The positive feedback from governments around the world who are using the *Doing Business* reports as an input for policy debate about regulatory reform is only possible thanks to the generous contribution of over 8,000 experts like you, in 183 economies.

Since its inception in 2004, *Doing Business* has informed 270 reforms around the world, making it easier for small and medium sized entrepreneurs to do business. Some 405 academic articles and 1,143 working papers have been published using *Doing Business* data.

For further information about the report, please visit our website on [www.doingbusiness.org](http://www.doingbusiness.org). We also invite you to read our quarterly newsletter for updates on the growing global network of *Doing Business* contributors around the world.

For *Doing Business 2011*, we are honored to be able to count on your expertise:

- Before completing the survey, please review the assumptions of the case study. We ask that you update last year's information, included in the survey.
- Please describe in detail any reform that affects the process of employing workers since June 2009.
- Please note that some of the assumptions and questions have changed. The affected assumptions and questions will be marked with an asterisk (\*).

We would appreciate if you could return the completed survey by March 12, 2010 to [cchapparoyedro@worldbank.org](mailto:cchapparoyedro@worldbank.org), [vmarechal@worldbank.org](mailto:vmarechal@worldbank.org) or [psalgadootonel@worldbank.org](mailto:psalgadootonel@worldbank.org). Please make sure to complete your name and address, so we can mail you a complimentary copy of the report.

If you have any questions, do not hesitate to contact us. Thank you again for your invaluable contribution to the World Bank's work.

Sincerely,



César Chaparro Yedro  
[cchapparoyedro@worldbank.org](mailto:cchapparoyedro@worldbank.org)  
Phone: +1 202 458 9057



Valérie Marechal  
[vmarechal@worldbank.org](mailto:vmarechal@worldbank.org)  
Phone: +1 202 473 2728



Pilar Salgado-Otónel  
[psalgadootonel@worldbank.org](mailto:psalgadootonel@worldbank.org)  
Phone: +1 202 473 2513

## Primary Contributor Information

All information will be published. Please **check** the information you **do not** want us to **publish**. We do not publish mobile phone numbers.

Do not publish	<b>Name</b>		
	Title (Mr., Ms., Mrs., etc.)	[ ]	
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## Additional Contributors' Information

Name	Occupation	Email	Phone	Address, if different than above
[title] [first name] [last name]	[firm] [position] [profession]	[ ]	[phone] [mobile]	[street] [state/province] [city/country]
[title] [first name] [last name]	[firm] [position] [profession]	[ ]	[phone] [mobile]	[street] [state/province] [city/country]
[title] [first name] [last name]	[firm] [position] [profession]	[ ]	[phone] [mobile]	[street] [state/province] [city/country]

## Case Study Assumptions

### ***The worker:***

- Is a non-executive employee who works in the **manufacturing** sector.
- Is a 42-year-old, **full-time, male** employee\*.
- Earns a salary including benefits equal to the country's average wage during the entire period of his employment.
- Has the pay period that is most common to workers in Argentina.
- Resides in Buenos Aires.
- Is a lawful citizen who belongs to the same race and religion as the majority of Argentina's population.
- Is **not** a member of a labor union, unless membership is mandatory.

### ***The employer:***

- Is a limited liability company (or the equivalent in Argentina).
- Operates in Buenos Aires.
- Operates in the manufacturing sector.
- Has **60 employees\***.
- Is subject to collective bargaining agreements in countries where collective bargaining agreements cover more than 50% of the manufacturing sector and apply even to firms not party to them.
- Abides by every law and regulation but does not grant workers more benefits than mandated by law, regulation or (if applicable) collective bargaining agreement.

## Reform Update

1. Reforms in labor law(s) or regulations	
<b>a. Has there been any reform (in practice or in the laws and regulations) related to Employing Workers since June 1, 2009?</b> Please describe. If there has been a legal reform, please indicate the name and date of the law. If possible, please provide a copy of the law or a link to the text of the law.	
<input type="checkbox"/> Yes <input type="checkbox"/> No  Comment [       ]	
<b>b. Are you aware of any reform (in practice or in the laws and regulations) related to Employing Workers that is expected to be adopted prior to June 1, 2010?</b> Please describe.	
Answer: [       ]	
<b>c. Are you aware of any reform (in practice or in the laws and regulations) related to Employing Workers that is ongoing and is expected to be adopted in the longer term?</b> Please describe.	
<input type="checkbox"/> Yes <input type="checkbox"/> No  Comment [       ]	

2. Current labor law(s) and regulations	
<b>a. Please update the major labor laws applicable in your country.</b> <i>(Please indicate full name and date)</i>	
Last year's answer:	Answer: [       ]

## Data Update

For your convenience, last year's answers are included in this survey. They represent a unified answer, based on the answers we received from various contributors.

Please update the data, taking into account the assumptions of the case study. Please describe in detail any change to the data and indicate since when the change took effect. We ask you to specify if the data were erroneous ("correction"), or if the change resulted from a modification in practice or by law which occurred after June 1, 2009 ("reform").

## Definitions

When reviewing relevant questions, please keep in mind the following definitions:

- **Fixed-term contract for permanent tasks:** labor contract that contains an "expiry" date or a limited duration and is used for an ongoing (continuous) function or necessity of the firm.
- **Economically necessary continuous operation:** situation in which an industry or factory maintains maximum efficiency through continuous shift work allowing a 24-hour and 7-day operation (i.e. there is a cost in turning the machines off).
- **Redundancy termination:** dismissal allowed by law and which is justified by economic, operational or structural reasons (not by other causes, such as behavior of the worker).

## Collective bargaining agreements

<b>1. Do collective agreements at a national, industry (e.g. textile, manufacturing, metal, etc.) or manufacturing-level (i.e. only applicable to manufacturing) apply to more than 50% of the manufacturing sector?</b>
Answer [      ]
<b>2. Do these collective agreements apply to firms that were not a party to the agreement?</b>
Answer [      ]
<b>3. Please provide the name of the collective agreement that applies to the largest amount of workers in the manufacturing sector.</b>
Answer: [      ]

## *Important:*

If you answered "yes" to questions 1 and 2 above, please base your answers for all the survey on provisions contained in the relevant collective agreement when applicable.

## DIFFICULTY OF HIRING

1. Fixed-term contracts	
<b>a. Are fixed-term contracts prohibited for permanent tasks?</b>	
Last year's answer: No	This year's answer: [     ]
<b>b. What is the maximum duration for a single fixed-term contract (in months), not including any renewals?</b>	
Last year's answer: No limit - Art. 18 specifies that labor contracts for a definite period are allowed for periods not less than 1 year. However, no maximum length is specified.	This year's answer: [     ]
<b>c. What are the rules for renewing a fixed-term contract beyond the original maximum term?</b> (Please specify the number and duration of renewals permitted)	
Last year's answer: No limit	This year's answer: [     ]
<b>d. What is the maximum cumulative duration of a fixed-term employment relationship (in months), including all renewals?</b>	
Last year's answer: No limit	This year's answer: [     ]
<b>Legal basis:</b> [     ]	
Did you make any changes from last year's answer? Yes <input type="checkbox"/> No <input type="checkbox"/> <b>If yes, please indicate whether it is a correction or a reform and explain.</b> Correction <input type="checkbox"/> or Reform <input type="checkbox"/> [     ]	

2. Minimum Wage	
<b>a. What is the minimum wage applicable to the worker as described in the case study?</b> (Please provide the gross minimum wage and indicate the currency unit and time period (e.g., euro/month). Please also specify if there are mandatory 13 <sup>th</sup> and/or 14 <sup>th</sup> -month salaries. If there are multiple minimum wage levels that could apply to our worker, please provide the minimum wage applicable to the greatest number of workers in manufacturing. If there are no minimum wages in your country or if the minimum wage applies only to the public sector, please answer N/A)	
Last year's answer: Minimum wages shall be fixed at such a level as to provide for a 5-member family. However, no concrete minimum wage has actually been set.	This year's answer: [     ]

**b. What is the minimum wage for a 19-year-old worker in his or her first job?**

*(Please provide the minimum wage for a 19-year-old with exactly one year minus one day (i.e. 364 days) of work experience in his or her first job or the existing apprentice wage. Alternatively, you may express the amount as a percentage of the wage listed in question 4.a)*

Last year's answer:

Minimum wages shall be fixed at such a level as to provide for a 5-member family. However, no concrete minimum wage has actually been set.

This year's answer:

[      ]

**c. Are there any compensations or mandatory salary-related benefits requirements applicable to either our worker or the 19-year-old worker?**

*(Examples of these benefits are: holiday bonuses, housing or food allowances, reimbursement of commuting expenses. Please do not take into account taxes or social security benefits paid by employers on behalf of workers)*

Last year's answer:

None

This year's answer:

[      ]

**Legal basis:**

[      ]

Did you make any changes from last year's answer? Yes ☐ No ☐

**If yes, please indicate whether it is a correction or a reform and explain.**

Correction ☐ or Reform ☐

[      ]

## RIGIDITY OF HOURS

### 3. Work scheduling

**a. What is the length of the standard workday?**

*(This is the number of hours a manufacturing employee can work in a single day before earning overtime pay)*

Last year's answer:

8 hours

This year's answer:

[      ]

**b. What is the maximum overtime limit in normal circumstances?**

Last year's answer:

4 hrs/day (based on ILO standards - please specify which ones)

This year's answer:

[      ]

**c. What is the maximum overtime limit in exceptional circumstances?**

*(Exceptional circumstances are (for example but not limited to): replacement of an absent employee, performance of work during a natural disaster, or seasonal increase in production. Please indicate the amount of overtime allowed in such situations and list what those situations are)*

Last year's answer:

Depends on work requirements

This year's answer:

[      ]

**d. What is the premium for overtime work?**

*(If there are multiple levels of mandatory overtime premium, please list them and explain what they are based on; e.g., 15% for the first 8 hours, 35% after, 60% Sundays and holidays)*

Last year's answer:  
25% (Art. 71(1))

This year's answer:  
[     ]

**e. What is the minimum number of hours of rest required by law between workdays?**

*(If the law does not stipulate a minimum, the answer is N/A)*

Last year's answer:  
12

This year's answer:  
[     ]

**f. What is the maximum number of working hours allowed in a day?**

*(This is the sum of normal working hours plus maximum overtime hours allowed in a single day, subject to any minimum daily rest requirements)*

Last year's answer:  
12

This year's answer:  
[     ]

**g. How many days are there in the typical workweek in manufacturing?**

*(Please answer on the basis of customary or typical business practice as opposed to any legal provision)*

Last year's answer:  
5 5/8

This year's answer:  
[     ]

**h. What is the maximum number of working days per week?**

*(The answer to this question is 7 minus the number of weekly rest days required by law)*

Last year's answer:  
5 5/8 [42 hour weekly rest - Art 57(1); the maximum workday on Thursday is 5 hours - Art 48(2)]

This year's answer:  
[     ]

**i. What is the maximum number of hours in a normal workweek?**

*(This variable measures the legal maximum duration of the regular workweek, excluding overtime)*

Last year's answer:  
40 (Art. 41(1))

This year's answer:  
[     ]

**j. What are the provisions for averaging standard work hours?**

*(Please indicate if your country allows standard (i.e., non-overtime) weekly working hours to be calculated on an average basis; for example, the number of standard hours worked must average 40 over the course of a year or quarter but may be greater or less than 40 in any given week)*

Last year's answer:  
reference period 1 year (Art. 41(1))

This year's answer:  
[     ]

**k. Can the workweek for a single worker extend to 50 hours per week (including overtime) for 2 months each year to respond to a seasonal increase in production?**

*(Please consider all relevant provisions, including the types of exceptions and restrictions examined in the previous questions. Assume that: (i) the company has the flexibility to take advantage of relevant provisions; (ii) the workers agree to work the overtime required; and (iii) the company has obtained any third-party consent for the use of overtime to which it may be entitled. If compensatory time off is required for*



overtime work in your country, please make sure to mention it in your analysis)

Last year's answer:

Yes - possible by calculating ordinary work hours on an average basis (Art. 41(1)) or using normal hours plus overtime

This year's answer:

[      ]

**l. Are there restrictions on night work that would apply to our worker?**

*(The answer is Yes if: (i) there are particular restrictions on the maximum number of hours of work that can be performed at night; and/or (ii) there are specific wage premiums for night-time work. The answer is No if there are such restrictions but they would not apply to our worker due to his sex (male) and age (42). Please explain any restrictions)*

Last year's answer:

Yes (Art. 43(1), Art. 73 - please inform us how much extra pay is required)

This year's answer:

[      ]

**m. Would the restrictions on night work apply in segments of the manufacturing sector where continuous operations are economically necessary?**

Last year's answer:

This year's answer:

[      ]

**(\*) n. If applicable, which is the exact wage premium for night work? Please also provide the premium for continuous operation, if different.**

This year's answer:

[      ]

**o. Are there restrictions on "weekly holiday" work that would apply to our worker?**

*(Restrictions, for example, include: (i) complete prohibition to work on the designated rest day (Sunday, Saturday or Friday, depending on the country); (ii) third-party authorization required to change the designated rest day as weekly holiday ; (iii) maximum limit of hours and/or wage premiums for work on such a specified day; and (iv) compensatory leave. Please explain if these restrictions are tied to a specific day (i.e. Sunday) or if they are applicable to any weekly rest day)*

Last year's answer:

Yes - 5 hour max workday on Thursday (Art. 41(2))

This year's answer:

[      ]

**p. Would the restrictions on "weekly holiday" work apply in segments of the manufacturing sector where continuous operations are economically necessary?**

Last year's answer:

This year's answer:

[      ]

**(\*) q. If applicable, which is the exact wage premium for weekly holiday work? Please also provide the premium for continuous operation, if different.**

*(Please specify if the premium is tied to a specific day (i.e. Sunday) or if it is applicable to any weekly rest day)*

This year's answer:

[      ]

**(\*) r. What is the mandatory paid annual vacation –and the formula for calculation – (in working days) for a worker in the following cases?**

*(If the legal provision is in calendar days, please provide that number as well as your conversion to working days, considering actual practice in your country. Please specify if the worker is required to take the vacation in particular "blocks" or groups of days or can freely choose)*

i. Formula for calculation	[      ]
ii. After <b>9 months</b> of continuous employment:	[      ]
iii. After <b>5 years</b> of continuous employment:	[      ]
iv. After <b>10 years</b> of continuous employment:	[      ]
v. After <b>20 years</b> of continuous employment:	[      ]
Last year's answer:	

**(\*) s. How many public holidays does a worker in the manufacturing sector benefit from in one year?**  
*(Public Holiday, National Holiday, or Legal Holiday refers to a holiday generally established by law and it designates a non-working day during the year)*

This year's answer:  
 [      ]

**Legal basis:**  
 [      ]

Did you make any changes from last year's answer? Yes ☐ No ☐  
**If yes, please indicate whether it is a correction or a reform and explain.**  
 Correction ☐ or Reform ☐  
 [      ]

## DIFFICULTY OF REDUNDANCY

**Questions 4, 5, and 6** refer to requirements to which employers must adhere in order to legally terminate the employment contracts of workers who are made redundant. The terminology for this process differs substantially across countries. In answering these questions, consider the legal process that an employer would use in your country to terminate the contracts of redundant workers: dismissal for economic, business or technical reasons; retrenchment; redundancy dismissal; collective dismissal; or something similar.

### 4. Redundancy termination

**a. Is it legal for an employer to terminate the employment contract of a worker on the basis of redundancy?**  
*(Please answer No to this question and N/A to questions 7.a through 7.h if: (1) a cause for dismissal is required and redundancy is not one of the allowable causes, (2) redundancy is only allowed as a cause for dismissal in the case of a plant closing or similar large event, or (3) redundancy is allowed as a ground for dismissal only for workers of certain income levels. Otherwise, answer Yes to this question and N/A to question 6.b)*

Last year's answer:  
 Yes (Art. 26)

This year's answer:  
 [      ]

**b. If your answer to 6.a is No, what penalty would a company incur for violating the law?**

*(Please explain the size and nature of both the civil and criminal liability in this case)*

Last year's answer: N/A	This year's answer: [     ]
<b>Legal basis:</b> [     ]	
Did you make any changes from last year's answer? Yes <input type="checkbox"/> No <input type="checkbox"/> If yes, please indicate whether it is a correction or a reform and explain. Correction <input type="checkbox"/> or Reform <input type="checkbox"/> [     ]	

## 5. Redundancy procedures

(Questions 5.a through 5.e ask about required interactions with third parties for employers wanting to terminate employees' contracts on the basis of redundancy. Some examples of such third parties are labor unions, workers' councils and government agencies. However, please remember that in our standardized case, the workers affected are not themselves labor union members, unless membership is mandatory).

**a. Must the employer notify or consult a third party before dismissing one redundant worker?**

Last year's answer: Yes (Art. 29(1))	This year's answer: [     ]
---	--------------------------------

**b. Does the employer need the approval of a third party in order to dismiss one redundant worker?**

Last year's answer: No	This year's answer: [     ]
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**(\*) c. Must the employer notify or consult a third party before dismissing a group of 9 redundant workers?**

Last year's answer: Yes (Art. 29(1))	This year's answer: [     ]
---	--------------------------------

**(\*) d. Does the employer need the approval of a third party in order to dismiss a group of 9 redundant workers?**

Last year's answer: No	This year's answer: [     ]
---------------------------	--------------------------------

**e. Would your answers for questions 7.c and 7.d change if the number of redundant workers were different from 9? If yes, please provide the number of workers at which the requirements change.**

(If the number varies with the size of the company, please provide all brackets. If the requirements change at a certain percentage of the workforce –as opposed to an exact number of workers–, please specify)

Last year's answer: N/A	This year's answer: [     ]
----------------------------	--------------------------------

**f. Is there a retraining or reassignment obligation before an employer can make a worker redundant?**

(The answer is Yes if the employer must retrain or reassign redundant employees prior to dismissal –i.e. the employer can dismiss the worker only if the worker could not have been retrained or reassigned)

Last year's answer: Yes (Art. 26)	This year's answer: [     ]
--------------------------------------	--------------------------------

**g. Are there priority rules that apply to redundancy dismissals or lay-offs?**

*(The answer is Yes if, in order to terminate redundant employees, the employer must follow a specific order of seniority, marital status, number of dependants, or other specific priority criteria)*

Last year's answer:

No

This year's answer:

[      ]

**h. Are there priority rules that apply to re-employment?**

*(The answer is Yes if employers are required to first offer any positions that become available to workers previously dismissed for redundancy (potentially with limitations based on the qualifications required for the post) before opening the positions to a wider applicant pool)*

Last year's answer:

No

This year's answer:

[      ]

**Legal basis:**

[      ]

Did you make any changes from last year's answer? Yes ☐ No ☐

**If yes, please indicate whether it is a correction or a reform and explain.**

Correction ☐ or Reform ☐

[      ]

## REDUNDANCY COST

### 6. Notice and severance payment

**(\*) a. What is the notice period for redundancy dismissal, expressed in terms of the period of time for which full wages are payable, for a worker in the following cases?**

*(Please also provide the formula(s) used to calculate mandatory notice period in the unit of time formally specified by law or collective agreement. If the rule is in days, please specify if they are calendar days or business days)*

i. Formula for calculation

[      ]

ii. After **9 months** of continuous employment:

[      ]

iii. After **5 years** of continuous employment:

[      ]

iv. After **10 years** of continuous employment:

[      ]

v. After **20 years** of continuous employment:

[      ]

Last year's answer:

**(\*) b. What is the severance pay for redundancy dismissal, expressed in terms of the period of time for which full wages are payable, for a worker in the following cases?**

*(Please also provide the formula(s) used to calculate mandatory severance pay in the unit of time formally specified by law or collective agreement. If the rule is in days, please specify if they are calendar days or business days)*

i. Formula for calculation

[      ]

Last year's answer:

ii. After **9 months** of continuous employment:

[      ]

iii. After <b>5 years</b> of continuous employment:	[     ]
iv. After <b>10 years</b> of continuous employment:	[     ]
v. After <b>20 years</b> of continuous employment:	[     ]
Last year's answer:	
<b>c. Please list any additional payments required of employers in the case of terminating a redundant worker.</b> <i>(Additional payments are (for example but not limited to): an amount the company must pay to all workers at the end of their employment, as opposed to just redundant ones, or an obligation to continue paying the worker's wages until the worker finds a new job)</i>	
Last year's answer: N/A.	This year's answer: [     ]
<b>Legal basis:</b> [     ]	
Did you make any changes from last year's answer? Yes <input type="checkbox"/> No <input type="checkbox"/> <b>If yes, please indicate whether it is a correction or a reform and explain</b> Correction <input type="checkbox"/> or Reform <input type="checkbox"/> [     ]	

7. Unemployment Protection	
<b>a. Does your country have an unemployment protection scheme?</b> <i>(This includes, for example, unemployment insurance, unemployment assistance and/or individual savings accounts for social protection, but not deferred compensation (e.g. payment bonuses or severance pay). If your answer is Yes, please describe in detail)</i>	
Last year's answer:	This year's answer: [     ]
<b>b. How is the unemployment protection scheme funded?</b> <i>(Please briefly indicate whether it requires contributions from employee, employer and/or the state and in which proportions)</i>	
Last year's answer: N/A	This year's answer: [     ]
<b>c. Who administers the unemployment protection scheme (private or public entities)?</b>	
Last year's answer: N/A	This year's answer: [     ]
<b>d. Who is eligible to receive benefits from the unemployment protection scheme?</b> <i>(Please explain whether the scheme is based on individual savings accounts, pooling or a mixed system and whether there is a minimum number of months required to qualify for unemployment benefits)</i>	
Last year's answer: N/A	This year's answer: [     ]
<b>e. Are workers under fixed-term contracts eligible for the unemployment protection scheme?</b>	

Last year's answer: N/A	This year's answer: [     ]
<b>f. What is the amount of the unemployment benefit and for how long does an unemployed worker receive it?</b>	
Last year's answer: N/A	This year's answer: [     ]
<b>g. Can the participation in an unemployment protection scheme replace the employer's obligation to severance pay in case of redundancy dismissal?</b>	
Last year's answer: N/A	This year's answer: [     ]
<b>Legal basis:</b> [     ]	
Did you make any changes from last year's answer? Yes <input type="checkbox"/> No <input type="checkbox"/> <b>If yes, please indicate whether it is a correction or a reform and explain.</b> Correction <input type="checkbox"/> or Reform <input type="checkbox"/> [     ]	

## Referrals

Please help us expand our list of contributors by referring us to other experts who can answer the Employing Workers survey:

First name	Last name	Firm	Position	Phone	E-mail	Area of Expertise
[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]

Doing Business is interested in obtaining official labor and social security statistics for your country. We would be very grateful if you could provide the name and contact details of the institution in your country that could provide this information.

Institution	Contact person	Phone	E-mail	Web page	Area of expertise
[ ]	[ ]	[ ]	[ ]	[ ]	[ ]

### Thank you for completing the survey!

We appreciate your contribution to the Doing Business project.  
 The results will appear in *Doing Business 2011* and on our website: <http://www.doingbusiness.org>.  
 Your work will be gratefully acknowledged in both.