Employing workers

Between 2003 and 2008 Lithuania was among the most thriving economies in Europe, with GDP growth averaging 7.7% a year. The unemployment rate in 2007 was 4.3%. But the global economic crisis that started in 2008 hit the economy hard. Its GDP shrank by 14.7% in 2009. The unemployment rate rose to 13.7% by the end of 2009, and to 17.8% by the end of 2010.[1] Emigration from Lithuania surged in 2010: in a population of 3.3 million, 83,200 emigrated, almost 4 times as many as in 2009. About half those who left were between the ages of 20 and 34—young people looking for opportunities abroad.[2]

The Lithuanian government responded with a number of measures, including an amendment to the labor code in June 2010 to increase labor market efficiency. The new labor code allows employers, until July 31, 2012, to conclude fixed-term contracts with employees who are filling newly created permanent positions. In addition, the government extended the unemployment regime to younger people. Since August 1, 2010, workers under age 29 have been entitled to participate in a subsidized employment program in which the state covers up to 75% of the salaries of those who fail to find jobs independently. This helps employers cover the costs of their workforce while also creating opportunities for young workers wanting to enter the labor market.[3]

Portugal announced policies that it intends to implement soon in the context of a May 2011 request for financial support from the European Union and the International Monetary Fund (IMF). Labor market policies include measures to reduce labor costs and increase labor market flexibility so as to allow a more "efficient transition of workers across occupations, firms and sectors."[4] Among the planned measures are reducing severance payments, to align them with the EU average, and shortening the duration of unemployment insurance benefits to a maximum of 18 months.

Ireland requested support from the European Union and the IMF earlier, in 2010, and announced its intention to moderate the growth of labor costs. In February 2011 the Irish government reduced the minimum wage by 12% in an effort to foster job creation, particularly in categories where the risk of unemployment is higher. The government also plans to change the unemployment benefit system "to provide incentives for an early exit from unemployment."[5]

Globally, the number of unemployed people remained at 205 million in 2010, with little prospect of returning to precrisis levels in the near term.[6] A recent International Labour Organization (ILO) study shows that in response to the global crisis, economies such as Germany, Japan and the United States have implemented mostly temporary and discretionary measures, such as tax cuts for low-income groups and reductions in contributions to the health insurance system.[7] The same study shows that economies such as Argentina and Brazil have opted for structural measures, such as introducing a new family benefit that covers dependents of poor informal sector workers or expanding conditional cash transfer programs for low-income families.

CHANGES TO THE METHODOLOGY

Doing Business, in its indicators on employing workers, measures flexibility in the regulation of hiring, working hours and redundancy in a manner consistent with relevant ILO conventions (see table A.1 in the data notes). Changes in the methodology for these indicators have been made in the past 4 years so as to ensure consistency with those conventions and to strike a better balance between labor market flexibility and social protection (including unemployment protection). In *Doing Business 2010*, for example, the indicators were complemented with data on the existence of unemployment protection schemes in cases of redundancy dismissal where workers receive less than 8 weeks of severance pay.

Over the past 2 years the World Bank Group worked with a consultative group—including labor lawyers, employer and employee representatives, and experts from the ILO, civil society, the private sector and the Organisation for Economic Co-operation and Development (OECD)—to review the existing methodology and suggest future areas of research.[8] The consultative group completed its work this year, and its guidance has provided the basis for several changes in methodology (see also the data notes).[9] Follow-on work is continuing to explore the measurement of worker protection to complement the measurement of the cost to employers of labor regulations. The process also led to the collection of new data this year on issues related to the minimum wage (the results are presented below).

Doing Business 2012 presents data on employing workers, but does not present rankings of economies on the employing workers indicators or include the indicators in the aggregate ranking on the ease of doing business.[10]

WHO AMENDED EMPLOYMENT REGULATIONS IN 2010/11?

In 2010/11 only 5 economies besides Lithuania amended the regulations that are measured by the employing workers indicators.

Armenia repealed its 60-month limit on short-term contracts. Since August 2010 the law has allowed fixed-term contracts for an unlimited period; the contracts can be renewed for as long as the employer needs temporary workers. The authorities also reduced the notice period and severance pay for redundant employees.

Finland went the opposite way. There is no legal limit on the duration of fixed-term contracts. But since January 2011 the Employment Contracts Act has not permitted an employer to use consecutive fixed-term contracts when the number of such contracts or their duration shows that the employer's need for a workforce is long term.

Greece made a series of changes to its labor laws, and more are expected. The aim is to raise living standards and employment levels and to make labor markets fairer and more inclusive. A law passed in December 2010 expanded the system of collective negotiations and collective dispute resolution. Also in 2010, amendments were made to provisions relating to temporary employment, part-time employment, employment by rotation and the probation period for new employees. And a law passed in July 2010 reduced the notice period for white-collar workers while making the severance pay of redundant permanent employees dependent on their seniority, a change that lowered the redundancy cost. These measures, once fully implemented, are expected to support the economy's recovery by creating new jobs and helping to reallocate workers to the most productive sectors.[11]

Kosovo adopted a new labor code in November 2010. Among other changes, the new law reduced the allowed overtime from 20 hours a week to 8, and from 40 hours a month to 32, while increasing the premium for overtime from 20% to 30%. The law also increased the minimum number of hours of rest between workdays from 10 hours to 12, and the premium for night work from 20% to 30%. And it entitles all employees, regardless of seniority, to a minimum of 20 annual paid vacation days.

Malawi amended its employment act, reducing the mandatory severance pay in case of redundancy dismissal after 10 years of service from 30 weeks to 25—and after 20 years of service from 80 weeks to 65. This reduced the total redundancy cost.

FINDINGS ON EMPLOYING WORKERS

Since its inception *Doing Business* has been collecting increasingly detailed information on labor regulation, and the employing workers data set has expanded over the years.[12] Additional data relating to the minimum wage were collected this year.[13]

In economies where no minimum wage for the private sector is mandated by law, *Doing Business* collected data on whether there is a minimum wage only for the public sector, whether the public sector minimum wage is customarily used as a reference in the private sector and whether the law provides a regulatory mechanism for the minimum wage that is not enforced in practice.

In the context of the recent increase in youth unemployment as a result of the economic crisis,[14] the data collection gave particular emphasis to apprentices and young workers in their first job experience. One way to encourage the employment of young workers, very common in OECD high-income economies, is to apply a lower minimum wage, called an "apprentice wage," for young people below a certain age. This encourages employers to hire first-time employees, and it can ease the transition to permanent employment, especially where employers commit to training the young employees.[15]

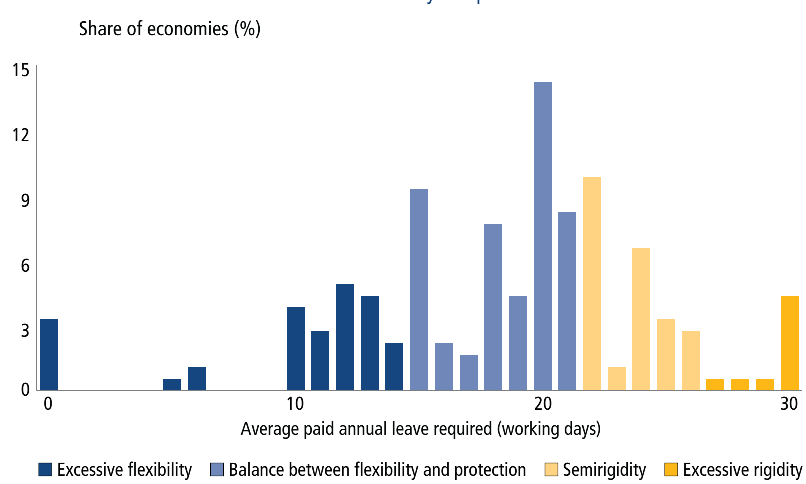
The data that *Doing Business* has gathered on employment and labor laws and regulations point to global and regional patterns in how the 183 economies it covers regulate the conditions on which firms employ workers.

Balance between protection and flexibility

The employing workers indicators measure the flexibility of working hours, including the number of days of paid annual leave, as determined by the law. As a result of the consultative process *Doing Business* has been engaged in, the indicators now highlight excessive flexibility as well as excessive rigidity in the number of days of annual leave.

ILO Convention 132 sets a minimum of 15 working days of paid annual leave. Accordingly, economies are divided into 4 groups based on their average mandatory annual leave (figure 1). The first group consists of 42 economies (23% of the total) that on the basis of ILO Convention 132 can be considered to have excessive flexibility, with average paid annual leave of less than 15 working days. The second group, consisting of 87 economies (47.5%), applies regulations consistent with relevant ILO conventions, with average paid annual leave of between 15 and 21 working days. The

FIGURE 1 Almost half of economies balance flexibility and protection in annual leave



Note: Based on information available for the 183 economies covered by *Doing Business*. The designation *excessive flexibility* accords with ILO Convention 132. Annual leave is the average for 1, 5 and 10 years of tenure.
Source: Doing Business database.

third group, 43 economies (23.5%), mandates average paid annual leave of between 22 and 26 working days. The last group, 11 economies (6%) with the most rigid regulations, mandates more than 26 working days of paid annual leave. There were no changes in the number of economies in any of these groups in the past year.

Length of the workweek

The consultative process also led to changes in the methodology to ensure consistency with ILO Convention 14, which mandates at least 1 day of continuous rest in the standard workweek. Data collected by *Doing Business* now highlight economies that do not comply with this minimum. This group consists of 10 economies (5.5% of the total) (figure 2): Australia, Georgia, Guyana, Kiribati, the Marshall Islands, the Federated States of Micronesia, New Zealand, Palau, Puerto Rico (territory of the United States) and St. Kitts and Nevis. Most economies have found a balance between flexibility and worker protection and provide for a workweek of 5.5 or 6 days (88%). Twelve economies limit the workweek to 5 days, indicating excessive rigidity (6.6%). No economies changed categories in the past year.

INITIAL FINDINGS ON WORKER PROTECTION

This year *Doing Business* collected additional data on regulations covering worker protection. The data will serve as a basis for developing a joint analysis of worker protection by the World Bank Group and the ILO as well as for developing measures of worker protection to complement the *Doing Business* employing workers data.

Doing Business has collected data on worker protection in 6 areas: social security systems, health and safety at work, youth employment, gender and personal needs, dismissal without justification and discrimination against part-time and temporary employees. Below are initial findings based on the data collected.

Unemployment protection and pension benefits

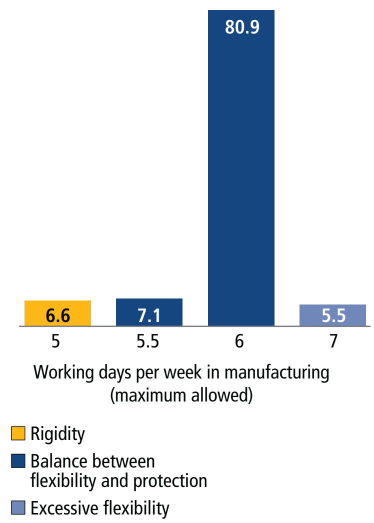
Doing Business collected data on unemployment insurance systems for 170 of the 183 economies it covers. The data collection included both contributory systems (group insurance coverage in which part of the premium is paid by the employee and part by the employer or union) and noncontributory systems (schemes that are funded through general taxation and whose benefits and coverage are not conditional on contributions from the employer or employee). The analysis shows that roughly half of the 170 economies (83) have implemented a contributory unemployment protection system and that 33 have implemented a noncontributory one (figure 3). All the economies that have implemented a noncontributory unemployment scheme have also implemented a contributory one. These schemes protect workers from sudden job loss, help them transition between jobs and prevent more people from slipping into poverty.

Eighty-seven economies have no such unemployment protection systems. They often have mandatory severance payments as the main substitute for unemployment insurance, which shift the burden to individual firms. This is the case, for example, in Ghana, Indonesia and Sri Lanka.

While the share of economies with unemployment protection systems varies sharply across income groups, this is not the case for mandatory old age pension systems. Data collected for 175 of the 183 economies covered by *Doing Business* show that these exist in almost all economies in the high-income group (98%) and in the low-income group (94%).[16] But a much larger share of high-income than low-income economies have noncontributory systems (figure 4).

FIGURE 2 Most economies balance flexibility and protection in the length of the workweek

Share of economies (%)



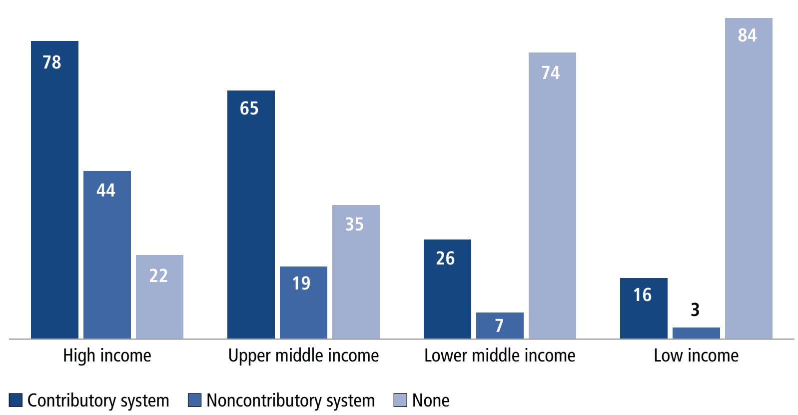
Note: Based on information available for the 183 economies covered by *Doing Business*. The designation *excessive flexibility* accords with ILO Convention 14.
Source: Doing Business database.

Maternity, paternity and parental leave

Doing Business also collected data on legally mandated maternity, paternity and parental leave in 177 of the 183 economies it covers. Among the 177 economies, 173 have

FIGURE 3 More than half of economies have some kind of unemployment protection scheme

Share of economies providing unemployment protection systems by income group (%)



Note: Based on information available for 170 of the 183 economies covered by *Doing Business*.
Source: Doing Business database.

ratified the United Nations Convention on the Elimination of All Forms of Discrimination against Women (1979), which includes a provision on paid maternity leave.[17] Paid maternity leave is offered by 170 of the 177 economies, though the length of leave, percentage of leave that is paid and who pays for it vary greatly (figure 5). Australia, Lesotho, Norway, Papua New Guinea, Portugal and Sweden do not offer paid maternity leave, despite having ratified the convention, nor does the United States, which has not ratified it.[18] Australia, Norway, Portugal and Sweden provide for an alternative in the form of paid shared parental leave and paid paternity leave. Lesotho, Papua New Guinea and the United States provide for unpaid maternity leave or unpaid shared parental leave.

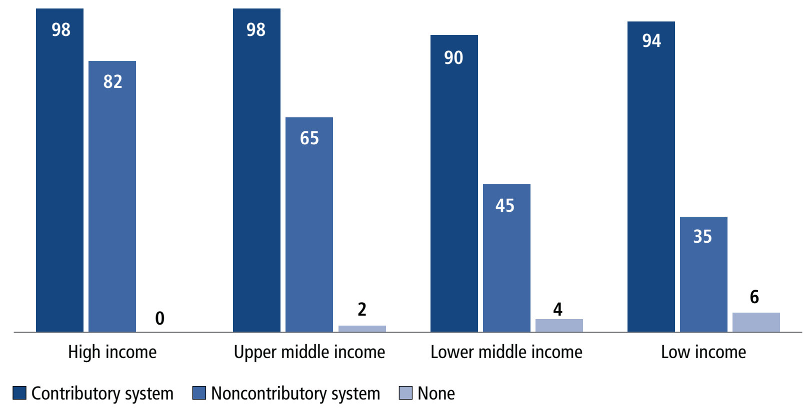
Paid paternity leave is less widespread than maternity leave. Among the 177 economies, 59 offer paid paternity leave. Among high-income economies, only 34% offer it, compared with 40% of upper-middle-income economies and 35% of low-income economies. Only 22% of lower-middle-income economies offer paternity leave.

Paid parental leave allows both parents to share the leave. Paternity and parental leave can increase parity between the sexes by allowing more equitable division of child-rearing responsibilities and ensuring that women have the same opportunities for career advancement as men.[19]

Almost half of high-income economies offer paid parental leave, most of them members of the European Union required to do so in accordance with Directive 96/34/EC.[20] Only 12% of lower-middle-income economies and 3% of low-income ones offer parental leave.

FIGURE 4 Old age pension systems are common among both high- and lower-income economies

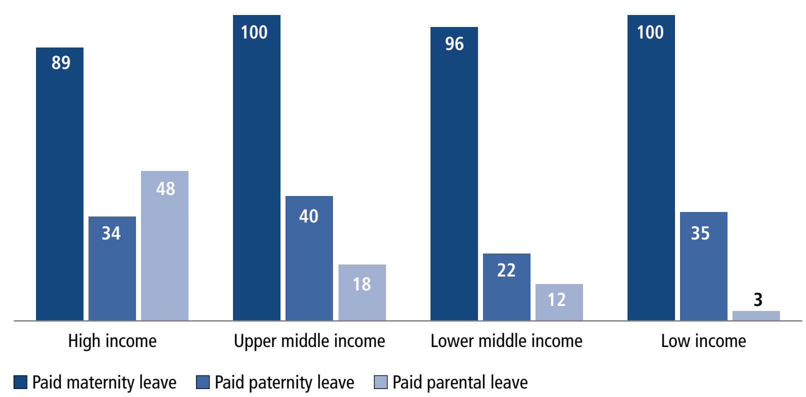
Share of economies providing old age pensions by income group (%)



Note: Based on information available for 175 of the 183 economies covered by *Doing Business*.
Source: Doing Business database.

FIGURE 5 Paid maternity leave is widespread, paid paternity leave much less so

Share of economies providing leave by income group (%)



Note: Based on information available for 177 of the 183 economies covered by *Doing Business*.
Source: Doing Business database.

DATA NOTES ON EMPLOYING WORKERS

Doing Business measures flexibility in the regulation of employment, specifically as it affects the hiring and redundancy of workers and the rigidity of working hours. Since 2007 improvements have been made to align the methodology for the employing workers indicators with the letter and spirit of the ILO conventions. Only 4 of the 188 ILO conventions cover areas measured by *Doing Business*: employee termination, weekend work, holiday with pay and night work. The *Doing Business* methodology is fully consistent with these 4 conventions. The ILO conventions covering areas related to the employing workers indicators do not include the ILO core labor standards—8 conventions covering the right to collective bargaining, the elimination of forced labor, the abolition of child labor and equitable treatment in employment practices.

Since 2009 the World Bank Group has been working with a consultative group—including labor lawyers, employer and employee representatives, and experts from the ILO, the OECD, civil society and the private sector—to review the employing workers methodology and explore future areas of research.[21]

The guidance of the consultative group has provided the basis for several changes in the methodology. The calculation of the minimum wage ratio was changed to ensure that no economy can receive the highest score if it has no minimum wage at all, if the law provides a regulatory mechanism for the minimum wage that is not enforced in practice, if there is only a customary minimum wage or if the minimum wage applies only to the public sector. A threshold was set for paid annual leave and a ceiling for working days allowed per week to ensure that no economy benefits in the scoring from excessive flexibility in these areas. Finally, the calculation of the redundancy cost and of the annual leave period for the rigidity of hours index was changed to refer to the average value for a worker with 1 year of tenure, a worker with 5 years and a worker with 10 years rather than the value for a worker with 20 years of tenure.

A full report with the conclusions of the consultative group is available at http://www.doingbusiness.org/methodology/employing-workers.

This year *Doing Business* collected additional data on regulations covering worker protection. The data will serve as a basis for developing a joint analysis of worker protection by the World Bank Group and the ILO and for developing measures of worker protection.

Doing Business 2012 does not present rankings of economies on the employing workers indicators or include the topic in the aggregate ranking on the ease of doing business. The report does present the data on the employing workers indicators in an annex. Detailed data collected on labor regulations are available on the *Doing Business* website (http://www.doingbusiness.org).

The data on employing workers are based on a detailed survey of employment regulations that is completed by local lawyers and public officials. Employment laws and regulations as well as secondary sources are reviewed to ensure accuracy. To make the data comparable across economies, several assumptions about the worker and the business are used.

Assumptions about the worker

The worker:

- Is a full-time, male, nonexecutive employee.
- Earns a salary plus benefits equal to the economy's average wage during the entire period of his employment.
- Has a pay period that is the most common for workers in the economy.
- Is a lawful citizen who belongs to the same race and religion as the majority of the economy's population.
- Resides in the economy's largest business city.
- Is not a member of a labor union, unless membership is mandatory.

Assumptions about the business

The business:

- Is a limited liability company.
- Operates in the economy's largest business city.
- Is 100% domestically owned.
- Operates in the manufacturing sector.
- Has 60 employees.
- Is subject to collective bargaining agreements in economies where such agreements cover more than half 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.

Rigidity of employment index

The rigidity of employment index is the average of 3 subindices: the difficulty of hiring index, rigidity of hours index and difficulty of redundancy index. Data and scores for Benin are provided as an example (table A.1).

All the subindices have several components. And all take values between 0 and 100, with higher values indicating more rigid regulation.

The difficulty of hiring index measures (i) whether fixed-term contracts are prohibited for permanent tasks; (ii) the maximum cumulative duration of fixed-term contracts; and (iii) the ratio of the minimum wage for a trainee or first-time employee to the average value added per worker.[22] An economy is assigned a score of 1 if fixed-term contracts are prohibited for

TABLE A.1 What do the employing workers indicators measure?

	Data for Benin	Score for Benin
Rigidity of employment index (0–100)		29.66
Simple average of the difficulty of hiring, rigidity of hours and difficulty of redundancy indices		39 + 10 + 40
Difficulty of hiring index (0–100)		39
Fixed-term contracts prohibited for permanent tasks?	No	0
Maximum duration of fixed-term contracts	4 years	0.5
Ratio of minimum wage for trainee or first-time employee to value added per worker	0.58	0.67
Rigidity of hours index (0–100)		10
Restrictions on night work and weekend work?	No	0
Allowed maximum length of the workweek in days and hours, including overtime	6 days	0
Fifty-hour workweeks permitted for 2 months due to an increase in production?	Yes	0
Paid annual vacation days	24 days	0.5
Difficulty of redundancy index (0–100)		40
Redundancy allowed as grounds for termination?	Yes	0
Notification required for termination of a redundant worker or group of workers?	Yes	2
Approval required for termination of a redundant worker or group of workers?	No	0
Employer obligated to reassign or retrain and to follow priority rules for redundancy and reemployment?	Yes	2
Redundancy cost (weeks of salary)		11.66
Notice requirements, severance payments and penalties due when terminating a redundant worker, expressed in weeks of salary	Yes	11.66

Source: Doing Business database.

permanent tasks and a score of 0 if they can be used for any task. A score of 1 is assigned if the maximum cumulative duration of fixed-term contracts is less than 3 years; 0.5 if it is 3 years or more but less than 5 years; and 0 if fixed-term contracts can last 5 years or more. Finally, a score of 1 is assigned if the ratio of the minimum wage to the average value added per worker is 0.75 or more; 0.67 for a ratio of 0.50 or more but less than 0.75; 0.33 for a ratio of 0.25 or more but less than 0.50; and 0 for a ratio of less than 0.25. A score of 0 is also assigned if the minimum wage is set by a collective bargaining agreement that applies to less than half the manufacturing sector or does not apply to firms not party to it, or if the minimum wage is set by law but does not apply to workers who are in their apprentice period. A ratio of 0.251 (and therefore a score of 0.33) is automatically assigned in 4 cases: if there is no minimum wage; if the law provides a regulatory mechanism for the minimum wage that is not enforced in practice; if there is no minimum wage set by law but there is a wage amount that is customarily used as a minimum; or if there is no minimum wage set by law in the private sector but there is one in the public sector.

In Benin, for example, fixed-term contracts are not prohibited for permanent tasks (a score of 0), and they can be used for a maximum of 4 years (a score of 0.5). The ratio of the mandated minimum wage to the value added per worker is 0.58 (a score of 0.67). Averaging the 3 values and scaling the index to 100 gives Benin a score of 39.

The rigidity of hours index has 5 components: (i) whether there are restrictions on night work; (ii) whether there are restrictions on weekly holiday work; (iii) whether the workweek can consist of 5.5 days or is more than 6 days; (iv) whether the workweek can extend to 50 hours or more (including overtime) for 2 months a year to respond to a seasonal increase in production; and (v) whether the average paid annual leave for a worker with 1 year of tenure, a worker with 5 years and a worker with 10 years is more than 26 working days or fewer than 15 working days. For questions (i) and (ii), if restrictions other than premiums apply, a score of 1 is given. If the only restriction is a premium for night work or weekly holiday work, a score of 0, 0.33, 0.66 or 1 is given, depending on the quartile in which the economy's premium falls. If there are no restrictions, the economy receives a score of 0. For question (iii) a score of 1 is assigned if the legally permitted workweek is less than 5.5 days or more than 6 days; otherwise a score of 0 is assigned. For question (iv), if the answer is no, a score of 1 is assigned; otherwise a score of 0 is assigned. For question (v) a score of 0 is assigned if the average paid annual leave is between 15 and 21 working days, a score of 0.5 if it is between 22 and 26 working days and a score of 1 if it is less than 15 or more than 26 working days.

For example, Benin does not impose any restrictions either on night work (a score of 0) or on weekly holiday work (a score of 0), allows 6-day workweeks (a score of 0), permits 50-hour workweeks for 2 months (a score of 0) and requires average paid annual leave of 24 working days (a score of 0.5). Averaging the scores and scaling the result to 100 gives a final index of 10 for Benin.

The difficulty of redundancy index has 8 components: (i) whether redundancy is disallowed as a basis for terminating workers; (ii) whether the employer needs to notify a third party (such as a government agency) to terminate 1 redundant worker; (iii) whether the employer needs to notify a third party to terminate a group of 9 redundant workers; (iv) whether the employer needs approval from a third party to terminate 1 redundant worker; (v) whether the employer needs approval from a third party to terminate a group of 9 redundant workers; (vi) whether the law requires the employer to reassign or retrain a worker before making the worker redundant; (vii) whether priority rules apply for redundancies; and (viii) whether priority rules apply for reemployment. For question (i) an answer of yes for workers of any income level gives a score of 10 and means that the rest of the questions do not apply. An answer of yes to question (iv) gives a score of 2. For every other question, if the answer is yes, a score of 1 is assigned; otherwise a score of 0 is given. Questions (i) and (iv), as the most restrictive regulations, have greater weight in the construction of the index.

In Benin, for example, redundancy is allowed as grounds for termination (a score of 0). An employer has to notify a third party to terminate a single redundant worker (a score of 1) as well as to terminate a group of 9 redundant workers (a score of 1), although the approval of a third party is not required in any of these cases (a score of 0). The law does not mandate any retraining or alternative placement before termination (a score of 0). There are priority rules for termination (a score of 1) and reemployment (a score of 1). Adding the scores and scaling to 100 gives a final index of 40.

Redundancy cost

The redundancy cost indicator measures the cost of advance notice requirements, severance payments and penalties due when terminating a redundant worker, expressed in weeks of salary. The average value of notice requirements and severance payments applicable to a worker with 1 year of tenure, a worker with 5 years and a worker with 10 years is used to assign the score. If the redundancy cost adds up to 8 or fewer weeks of salary and the workers can benefit from unemployment protection, a score of 0 is assigned, but the actual number of weeks is published. If the redundancy cost adds up to 8 or fewer weeks of salary and the workers cannot benefit from any type of unemployment protection, a score of 8.1 is assigned, although the actual number of weeks is published. If the cost adds up to more than 8 weeks of salary, the score is the number of weeks. One month is recorded as 4 and 1/3 weeks.

In Benin, for example, an employer is required to give an average of 1 month's notice before a redundancy termination, and the average severance pay for a worker with 1 year of service, a worker with 5 years and a worker with 10 years equals 1.68 months of wages. No penalty is levied and the workers cannot benefit from any type of unemployment protection. Altogether, the employer pays the equivalent of 11.66 weeks of salary to dismiss a worker.

The data details on employing workers can be found for each economy at http://www.doingbusiness.org by selecting the economy in the drop-down list. The Doing Business *website provides historical data sets adjusted for changes in methodology to allow comparison of data across years. This methodology was developed in Botero and others (2004) and is adopted here with changes.*

NOTES

1. Data from the IMF (http://www.imf.org).
2. Gruzevskis and Blaziene 2011.
3. Lithuania's Law on Support of Employment.
4. Government of Portugal 2011, page 13.
5. Government of Ireland 2010, page 24.
6. ILO 2011.
7. ILO 2010a.
8. For the terms of reference and composition of the consultative group, see World Bank, "Doing Business Employing Workers Indicator Consultative Group," http://www.doingbusiness.org.
9. A full report with the conclusions of the consultative group is available at http://www.doingbusiness.org/methodology/employing-workers.
10. Additional data collected on labor regulations are available on the *Doing Business* website (http://www.doingbusiness.org).
11. OECD 2011.
12. Detailed data are available for 183 economies on the *Doing Business* website (http://www.doingbusiness.org).
13. The data are available on the *Doing Business* website (http://www.doingbusiness.org).
14. ILO 2010b.
15. Scarpetta, Sonnet and Manfredi 2010.
16. The data refer only to legally mandated pensions (excluding all occupational pensions) paid through individual or group insurance schemes.
17. The UN Convention on the Elimination of All Forms of Discrimination against Women, article 11(2)(b), states that parties "shall take appropriate measures . . . to introduce maternity leave with pay or with comparable social benefits without loss of former employment, seniority or social allowances." Other international conventions also address maternity leave. The International Covenant on Economic, Social and Cultural Rights (ratified by 157 of the 177 economies), article 10(2), states that "special protection should be accorded to mothers during a reasonable period before and after childbirth. During such period working mothers should be accorded paid leave or leave with adequate social security benefits."
18. The United States has signed but not ratified the convention. When Australia ratified the convention in 1983, it made the explicit reservation that "maternity leave with pay is provided in respect of most women employed by the Commonwealth Government and the Governments of New South Wales and Victoria" but that "the Government of Australia advises that it is not at present in a position to take the measures required by article 11(2) to introduce maternity leave with pay or with comparable social benefits throughout Australia."
19. World Bank 2010.
20. Council Directive 96/34/EC of June 3, 1996, on the framework agreement on parental leave.
21. For the terms of reference and composition of the consultative group, see World Bank, "Doing Business Employing Workers Indicator Consultative Group," http://www.doingbusiness.org.
22. The average value added per worker is the ratio of an economy's gross national income (GNI) per capita to the working-age population as a percentage of the total population.

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