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**Preferences for Labor Regulation:
Endowments vs. Beliefs**

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Are preferences for labor regulations driven by individuals' own endowments or their beliefs? To address this question, we conducted a cross-country survey on people's opinions on employment protection legislation—an area where reform has proven to be difficult and personal interests are at stake. We find that individuals' beliefs contribute two to three times more than their own endowments and personal pay-offs. A randomized information treatment confirms that beliefs can explain views about regulations, but beliefs can also change with new information. Our results are robust to several checks, including to alternative estimation techniques and samples.

Keywords: political views; preferences; political economy; regulation; reform; employment protection; beliefs; ideology; endowments, surveys.

JEL Classification Numbers: D70; D72; J08; J65.

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I. Introduction

Why do some people support labor market regulation while others oppose it? Does one's opinion reflect primarily one's own payoff from regulation, and therefore, ultimately, one's endowments (such as income and wealth) and other individual characteristics (such as gender and age)? Or do beliefs, rooted in ideology (e.g., political views) and (mis)information, instead play a predominant role? The literature on the political economy of regulation (and reforms in general) speaks to the relevance of both sets of drivers, but it has yet to shed light on their relative importance. Yet addressing this question bears major implications not just for regulation, but also for economic theory and policy. For example, if individual endowments are key, then compensating poorly endowed individuals—the losers from changes in labor market regulation—is crucial in garnering political support for reforms. If instead beliefs are key, and beliefs can also be fickle, then a smart communication strategy should be the policymakers' main priority.

This paper addresses this question in a novel way by running a new large-scale online survey questionnaire covering 500 individuals in each of 14 advanced countries. We focus our questionnaire on individuals' views about employment protection legislation (EPL). This is for three reasons. First, EPL is a major regulatory area where many individuals' interests are directly and visibly at stake because it relates to protections attached to their (current or future) job contract; other key market regulations are typically narrower in scope (e.g., most product market regulations and barriers to international trade are sectoral in nature) or impact most individuals less directly (e.g., domestic and external finance regulations). Second, EPL is also subject to a lively debate as part of which strong views are often held, making it a good candidate to study the respective roles of individual interests and beliefs. Third, the experience of advanced and emerging market economies over the last half-century shows that labor regulations are far harder to reform than other market regulations; indeed, EPL has changed surprisingly little within countries since the 1970s, despite an otherwise massive deregulation wave across such areas as domestic product markets, international trade, FDI, domestic finance or external finance (Alesina et al., 2022). These reasons make it particularly intriguing to focus on the political economy obstacles to EPL reforms.

Our survey questions are specifically designed to assess the significance of the many drivers of individual support for reform of EPL put forward in the literature, and thereby to shed new light on the respective roles of endowments (such as education, family situation or labor market status, for example) versus beliefs (such as (mis)information about regulation, and (mis)trust or political opinions.)

The contribution of this paper is twofold: 1) to assess the relative importance of beliefs and endowments in the formation of attitudes towards EPL; 2) to examine how new information can alter beliefs in this area. The main finding is that beliefs matter significantly more than individual endowments. It is also shown that beliefs can be fickle, as they respond strongly to a (randomized) treatment under which (treated) individuals are provided with new information.

To sort out the relative significance of endowments and beliefs, we first regress individuals' opinions about labor market regulation on both sets of individual variables—those proxying for endowments and those proxying for beliefs. We also control, through country fixed effects, for a range of economy-wide factors such as the stance of regulation, nature of the legal system or dominant collective beliefs rooted in history and geography. It is shown that variables related to beliefs are more significant correlates of individual opinions about EPL regulation than variables related to individual endowments. Beliefs contribute at the very least—depending on specifications and their interpretation—two to three times more than endowments to observed within-country cross-individual heterogeneity in individual opinions about EPL regulation. One particularly significant and impactful belief appears to be the extent to which respondents understand what regulation does in practice. These results are robust to alternative estimation and sampling techniques.

In a second step, we exploit follow-up questions to respondents about why they support strict EPL. Almost two-thirds of those who favor strict EPL state that their opinion reflects societal concerns (e.g., that deregulation will not create jobs and will increase inequality) rather than individual concerns (e.g., that deregulation might hurt them personally.) Also, individuals who could personally benefit from looser EPL due to their individual endowments (unemployed, out-of-the-labor-force, self-employed) are just as likely to favor strict EPL than others, and they are also more likely to favor it on societal (rather than on personal) grounds. Further, some two-thirds of those who support strict EPL would not change their opinion even if adequate monetary compensation were provided to address their specific concerns regarding deregulation. These results are again consistent with a key role of beliefs in driving people's opinion about EPL regulation.

Finally, we confirm the predominant role of beliefs through a randomized information treatment. Specifically, after filling out our questionnaire, half of the respondents are (randomly) treated with new information that economists have found that making it easy for employers to lay off permanent workers when they feel the economic need to do so is beneficial for the overall economy and increases hiring opportunities. Compared with untreated individuals, the likelihood that treated

respondents support looser EPL increases by about 13 percentage points after receiving new information, a large and highly statistically significant impact.

There are at least two caveats to our study, both related to the information treatment part. One is that the presence of experimenter-demand effects—in which survey respondents may change their answers due to perceived cues about what answers are considered appropriate—cannot be fully ruled out. Another is that our analysis captures the immediate impact of the information treatment, but by design it cannot assess how long-lasting the identified treatment effects might be.

The remainder of this paper is organized as follows. Section 2 provides a brief literature review. Section 3 introduces the survey design and the questionnaire administered along with the broad issues our questionnaire enables us to explore. The section further exhibits some basic facts unraveled from the resulting cross-country dataset. Section 4 lays out our empirical approach and presents the baseline results and estimated impact of our information treatment. This section also runs a battery of robustness checks. Section 5 concludes. Our detailed questionnaire is provided in Appendix IV.

II. Literature Review

This paper relates to a recent literature that uses large-scale social economics surveys and experiments to understand how individuals form their views about economic issues and, in particular, policies. Stantcheva (2020, 2021) runs online surveys on representative U.S. samples to explore individuals' understanding of tax, international trade and health policies and how they form their opinions on these issues. In our context, two findings are important: first, individuals' social preferences (for instance over distribution) are more important than efficiency concerns and, second, their opinions respond strongly to new (randomized) information and how it is framed. Likewise, in a randomized experiment run as part of the 2018 Latinbarometro survey across 18 Latin American countries, Chatruc, Stein and Vlaicu (2021) find people's views on international trade liberalization to be significantly influenced by information and how it is framed. Haaland and Roth (2020) study how labor market concerns affect support for immigration policy. Based on the survey data from the US, they find that survey respondents who were in the treatment group with research evidence showing no adverse labor market impacts of immigration become more supportive of immigration. These papers focus primarily on how people reason and learn about economic policies. Our paper explores these issues in the context of employment protection

legislation, a new area in this particular literature. A further contribution is to show that beliefs, more than individual economic interests, shape one's views about regulation.

Our paper also relates to the literature on the political economy of reforms in general, and of labor market regulation more specifically. This literature identifies two broad groups of factors shaping people's views about regulation—individual economic interests, as reflected in endowments and other individual characteristics, and beliefs.

2.1 Individual economic interests

Under the assumption that fully-informed, rational voters will always support the regulatory stance—in our context, tight versus weak job protection—that gives them the biggest expected monetary pay-off. In such framework, job protection acts as a rent appropriation device (e.g., Saint-Paul, 1997, 2000, 2002). As a result, employees support tight job protection more than the non-employed do. Likewise, in insider-outsider labor markets characterized by protected permanent contracts and more flexible temporary contracts, permanent employees (“insiders”) defend the status quo, while temporary workers or the unemployed (“outsiders”) do not. Insofar as young, female and less educated workers have weaker attachment to the labor market, they are more likely to be outsiders and, as such, to oppose tight job protection.

Further, because a rent-appropriation device is more effective at extracting higher wages where product market rents are larger, Blanchard and Giavazzi (2003) argue that incumbent workers are more supportive of tight labor regulation in less competitive industries. Fernandez and Rodrik (1991) observe that *ex ante* uncertainty regarding winners and losers can be an obstacle to welfare-enhancing reforms that benefit the majority of voters *ex post*—if a reform has a negative expected payoff for a certain group of voters, then *all* voters in that group will oppose the reform *ex ante* even though some of them would have benefitted *ex post*.¹ Another, distinct obstacle to reform is risk aversion, which might lead an individual to oppose even reforms that have a positive expected payoff *ex ante*.

¹ In our context, while *some* permanent workers may gain from reform *ex post*—such as through enhanced job mobility and career prospects, they may not know *ex ante*, and if the average expected pay off from reform is negative, *all* permanent workers will oppose the reform.

2.2. Ideology and beliefs

Many papers analyze how prevailing trust and beliefs within a society shape, and are themselves shaped, by policy (e.g., Aghion et al., 2010; Alesina and Angeletos, 2005; Alesina and Fuchs-Schundeln, 2007; Benabou and Tirole, 2006; Tabellini, 2008). Taking these insights to the specific issue of labor regulation, Aghion et al. (2011) highlight the impact of poor labor relations between workers and employers, which can lead to low unionization and high demand for labor regulation by the state. Algan and Cahuc (2009) stress the role of civic virtues; the weaker these are, the smaller is the scope for providing income insurance to workers through unemployment insurance rather than tight job protection legislation.

Other papers focus on the role of family values; stronger family ties strengthen support for regulations that reduce job and geographical mobility (Alesina et al., 2015), while society's care for the male breadwinner—often rooted in religion—favors regulations that enhance his job security (Algan and Cahuc, 2003). In connection to history rather than (at least directly) beliefs, Botero et al. (2004) stress that a country's deep institutions matter for the regulation of labor; civil law is more conducive to cumbersome regulation than common law. Each of these various factors—poorer labor relations, weaker civic virtues, stronger family ties, predominance of Catholicism over Protestantism, civil as opposed to common law systems—can potentially rationalize the tighter job protection legislation observed in Southern European countries vis-à-vis their Northern European counterparts, for example.

However, this literature leaves unsettled the question of which factors matter most for people's views on labor market regulation and reform. Our paper makes progress on this front by identifying the respective roles of individual economic interests and beliefs in the context of a novel multi-country survey.

Finally, some papers show that endowments can shape individual beliefs. Di Tella et al. (2007) find that a (random) assignment of land titles makes beneficiaries more likely to express (ex-post) pro-market beliefs—for example, that money is important for happiness or that one can be successful without the support of a large group. Our paper shows that individual beliefs can also change after (random assignment) of information. We also find strong evidence that individual beliefs are not just—or even mainly—a reflection of endowments. In particular, in our survey, people whose endowments and other individual characteristics (e.g., labor market outsiders)

should make them more likely to hold pro-reform beliefs do not turn out to be more supportive of EPL reform than other groups (e.g., insiders) in practice.

III. Methodology, Questionnaire and Descriptive Statistics

3.1. Questionnaire Structure and Content

Our questionnaire consists of four sections. The first two sections aim to collect detailed information about individual characteristics (“socio-economic background”) and general opinions (“other background”) that capture key endowments and beliefs of relevance in our context, because they are related to existing political economy theories of EPL. The third section focuses on the respondent’s opinions about EPL, and the fourth section covers the randomized information treatment that half of the sample in each country receives. Below is a description of each section’s key features.²

First section: socio-economic background. The socio-economic background part of our questionnaire collects information on the individual’s gender, age, income, country of birth (domestic or foreign), marital status, number of children, educational attainment, (self-declared) social class, (current or previous) employment status, (current or previous) industry and type of occupation.³ This information captures various individual characteristics and endowments—for example, being a highly-educated native prime-age male—that should affect one’s own expected economic payoff from EPL, and thereby one’s opinions about EPL deregulation.

Second section: other background. Other background questions include: i) political opinions (political affiliation, support for a strong versus weak role of government in regulating the economy); ii) perceived importance and self-assessed knowledge of economic policy issues; iii) degree of support for stronger product market competition and—if currently or previously employed—perceived degree of competition in one’s industry; iv) trust in others, institutions and government, respectively (which we take the average of the three variables on trust in people, institutions and government whose values range from 1 (trust) to 4 (little trust), resulting in a “lack of trust” indicator on a 1-4 scale). These questions capture both various individual endowments (e.g., degree of competition in one’s industry) and beliefs (e.g., views regarding the role of

² We refer the reader to Appendix IV for the full details of the questionnaire.

³ For details, see Section A, Questions 1-12b in Appendix IV.

government in regulating the economy) that have been highlighted by the two strands of political economy literature that put emphasis on own economic interests and beliefs, respectively.⁴

Third section: opinions about EPL. This section begins by explaining to the survey respondents that “*Labor laws govern layoff procedures for workers. Different procedures may apply for different groups of workers, for example those with permanent contracts and those with temporary contracts*”, followed by a question aimed at assessing their objective knowledge of what EPL does in practice, namely whether they think that making it easier for employers to lay off workers for economic reasons would increase, reduce or have no effects on: i) layoffs; ii) hires; iii) how often workers change jobs; iv) the time it takes for an unemployed person to find a job; v) chances that a worker with a temporary contract finds a permanent contract job; vi) chances that an unemployed person finds a permanent contract job; vii) the economy’s GDP.⁵ There is broad consensus in the academic literature that “increase” is the correct answer to all questions except for iv), for which “reduce” would be expected. Note that we left out controversial questions, such as whether loosening EPL would also lower unemployment—this effect is theoretically ambiguous and empirically unsettled (e.g., Pissarides, 2000; 2001). The number of good answers to these 7 questions gives us an indicator of the participant’s objective knowledge of EPL on a 0-7 scale.

The respondent is then asked whether and to what extent (s)he supports or opposes making it easy for employers to lay off permanent workers for economic motives, and about the reason(s) for the answer (questions 24-26). Possible reasons for favoring strict EPL listed in the questionnaire include both general/societal considerations (e.g., concerns that the economy would not benefit, one’s community would be hurt, and/or inequality would rise) and individual considerations (e.g., that one might lose personally, or may or may not benefit but would rather not take the chance).⁶

Next, each opponent is asked whether (s)he would become more supportive if compensatory measures were provided to address the reason(s) why (s)he opposed EPL deregulation (e.g., compensatory measures to ensure that one would gain personally if one’s concern was that (s)he

⁴ See Section B, Questions 13a-21 in Appendix IV.

⁵ See Section B, Question 22 in Appendix IV.

⁶ The option (that easing EPL) “might benefit me personally but, on balance, there is a higher chance it will hurt me” relates to Fernandez and Rodrik’s (1991) conjecture that, if deregulation yields unknown winners and losers *ex ante* and also has a negative expected pay-off, it will be opposed by everyone *ex ante*—even those that would have benefitted *ex post*. In principle, participants who express such concerns should also be more likely to change their opinion about EPL reform if offered compensatory measures that remove uncertainty and turn the expected reform pay-off positive (see the questions on compensatory measures below).

might lose from reform, or that everyone would gain if one's concern was that society might lose). If still opposing reform, the respondent is then asked about why (e.g. because they don't trust the government's compensatory measures, because these are not enough, or other reasons that are more ideological in nature—see Question 33) (Questions 27-33).

Fourth section: randomized information treatment. The final section of our questionnaire consists of a randomized information treatment that enables us to test for the causal impact of one type of beliefs, namely (mis)information regarding the impact of looser EPL on the economy (Section D, Questions 34-36). Specifically, after filling out Sections A-C of our questionnaire, half of the respondents are randomly selected and treated with the following new piece of information: “Economists have found that making it easy for employers to lay off permanent workers when they feel the economic need to do so is beneficial for the overall economy (productivity goes up, GDP and average income go up; many workers on temporary contracts and the unemployed can get permanent jobs; and unemployed people can find new jobs more quickly).” All participants are then asked again about whether they favor strict EPL, and those treated participants who still favor strict EPL after the treatment are also asked about why (e.g., they don't trust the experts' conclusions, still think deregulation might hurt them personally, or would rather not take the chance even if they might benefit).

Estimating the impact of this information treatment will complement our simple regression analysis of how one's opinion about EPL deregulation relates to information-related variables—objective information about what EPL does to the labor market in practice (our EPL knowledge indicator mentioned above), and subjective information regarding the participant's (self-declared) interest in and knowledge of economic policy issues.

3.2. Data Collection Process

Our survey on opinions about EPL (de)regulation is run on a large scale across 7000 individuals in 14 advanced countries, with 500 individuals being interviewed in each country. Specifically, these countries include: i) 4 English-speaking countries—Australia, New Zealand, the United Kingdom, and the United States; ii) 4 Nordic European countries—Denmark, Finland, Norway, and Sweden; iii) 4 Mediterranean European countries—France, Italy, Portugal, and Spain; iv) 2 Asian countries—Japan and South Korea. The 14 countries show a diverse set of values, norms and institutions, including those pertaining to the labor market (e.g., Sapir, 2006).

The survey was conducted on our behalf by NielsenIQ, a global leader in measurement and data analytics, in partnership with their long-standing panel partner, Dynata, a global online market research firm in April 2021. To select/recruit respondents, NielsenIQ and Dynata drew from the pool of pre-profiled panelists (email lists) they had in each country, contacting each potential participant by email and—after receiving acceptances and rejections—trying to collect a representative sample of the country’s population along each of the age-gender, education, employment status, income, region and socio-economic status dimensions. For each country, the final survey—translated from English to local language by NielsenIQ—was run online on 500 residents aged between 18 and 65. Participants were paid to complete the full survey, which enabled Dynata to obtain 500 full questionnaires in each country. Remuneration varied across countries; being proprietary information, the exact monetary compensation was not shared with us. It took about 9 minutes for participants to complete the survey, on average. NielsenIQ also applied its standard procedures to further ensure data quality and integrity, including, in particular: testing the questionnaire on small numbers of participants in each country before it was rolled out; asking each participant to select a specific response from a list to ensure that survey responses were not automatic/answered by a robot; having digital fingerprinting done on the customer dialed account recording wherein personal identification and IP address checks were performed; discarding all surveys that were filled out in less than one minute.

3.3. Final Sample and Selected Descriptive Statistics

Our final sample consists of 500 individuals who filled out the questionnaire in full in each of the 14 countries covered, or a total of 7,000 individuals. Table 1 shows a few key moments of the distribution of our final sample and compares them to their counterparts in the full population. While our final sample appears to be well representative of the 18-65 years-old population along the gender and, to a lesser extent, age dimensions, it tends to over-estimate the share of the population with a job and an advanced education degree. While NielsenIQ’s put in much effort to ensure representativeness, the way—through the internet—the survey was conducted still ended up over-representing higher-educated employed workers.

Table 1. Sample representativeness

Country	Nielson Survey Sample					World Bank Development Indicators		
	# of respondents	Average age	Female % of population	% with advanced degree	Employment rate	Female % of population	% with advanced degree	Employment rate
Australia	500	40.6	51%	63%	71%	50%	47%	63%
Denmark	500	41.1	49%	51%	66%	50%	40%	59%
Finland	500	40.3	50%	55%	66%	51%	46%	55%
France	500	42.3	50%	60%	67%	52%	38%	50%
Italy	500	43.1	50%	43%	70%	51%	20%	45%
Japan	500	42.9	50%	63%	70%	51%	53%	61%
New Zealand	500	42.0	51%	62%	72%	51%	39%	67%
Norway	500	39.6	48%	59%	70%	49%	44%	62%
Portugal	500	40.1	51%	35%	69%	53%	26%	55%
South Korea	500	40.6	46%	70%	73%	50%	50%	61%
Spain	500	41.8	50%	66%	72%	51%	39%	50%
Sweden	500	41.3	49%	64%	71%	50%	44%	60%
United Kingdom	500	41.7	50%	64%	70%	51%	47%	61%
United States	500	41.5	49%	68%	71%	51%	48%	60%
Total	7000	41.4	50%	59%	70%	51%	42%	58%

Sources: Calculations based on authors' questionnaire, OECD's *Employment and Education Databases*, World Bank's *World Development Indicators*.

In our empirical analysis, this issue can be addressed through sampling weights, as will be done in robustness checks; our results do not change in any significant way. By contrast, we do not re-weight each country according to its population size, as this would give the United States—which also happens to be an outlier in terms of both its EPL regulatory stance (with the “employment at will” doctrine) and residents’ opinions about EPL, see below—about 40 percent weight, which is its share in the total population of the countries covered by our study.

Table 2 provides selected descriptive statistics regarding support for strict EPL. On average, about half (47%) of respondents strongly or somewhat favor strict EPL, with the other half (not shown here) being equally split between those who strongly or somewhat favor looser EPL and those who are indifferent. In line with theories discussed in the introduction, there is stronger support for strict EPL in Southern European (and Asian) countries than in northern-European and English-speaking countries, as well as—most strikingly—the United States.

This confirms the need to account for such country fixed effects in our empirical analysis. Further, while formal multivariate regression analysis is needed and will be carried out further below, a look at the basic statistics in Table 2 points preliminary insights regarding which individual characteristics/endowments and beliefs seem to be associated with above- or below-average support for looser EPL.

Table 2. Selected descriptive statistics

Variable	Share of Favoring Strict EPL	Share of Population
Average	47.0	100.0
Female	50.9	49.6
Prime age (36-55)	36.6	37.3
Senior (55-64)	56.8	28.8
Have one or more children	42.4	44.2
Low skilled	48.4	41.2
Upper class	31.7	13.2
Unemployed	50.5	9.4
Not worked previously	34.9	5.0
Major role of gov. regulating economy	60.1	34.4
Politically right	37.9	14.1
Lack of trust	54.5	39.9
Competition is good	48.1	60.0
Competition is high	47.1	26.2
Knowledgeable in EPL	30.7	5.7
Economic policy is important	50.3	83.5
Knowledgeable in economic policy	46.4	64.8
US	25.6	7.1
English Speaking (excl. US)	44.5	21.4
Asian	55.0	14.3
Northern Europe	42.6	28.6
Southern Europe	54.6	28.6

Sources: Calculations are based on authors' questionnaire.

Individual characteristics. Prime-age workers support strict EPL less than the average respondent does (36.6% versus 47%), while women and the unemployed favor strict EPL slightly more (50.9% and 50.5%, respectively). These numbers are at odds with an insider-outsider approach to the political economy of EPL reform, according to which insiders such as prime-age employed males should be most fiercely favor stronger protection for permanent contracts.

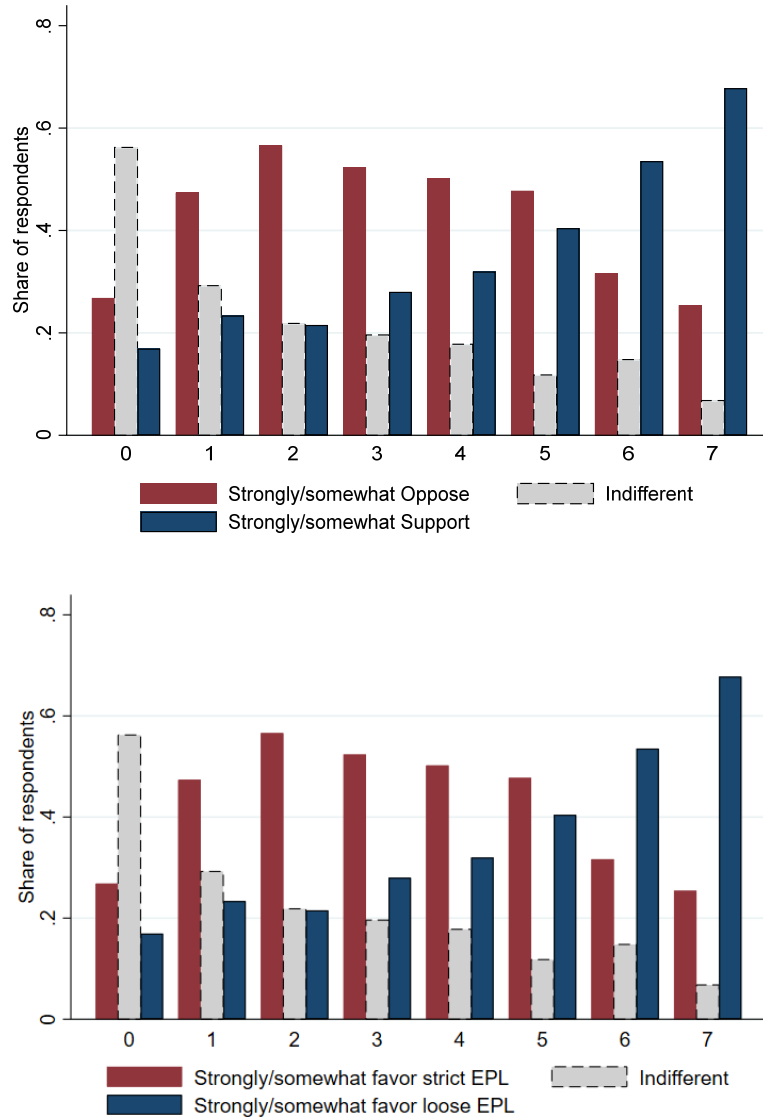
Below-average opposition from temporary workers and respondents who have not worked previously lines up a bit better with an insider-outsider approach, however. The (self-declared) upper class is more supportive of looser EPL than lower classes, seemingly consistent with the fact that they are more likely not to be subject to EPL (e.g., high-skilled self-employed workers, CEOs ... etc), or to be subject to it but productive enough that they differ from the less productive marginal worker at risk of being laid off if firing costs were cut.

Beliefs. Many beliefs seem to shape individual opinion about EPL reform. Political views likely matter—leftwing respondents and those who support a major government role in the economy favor stricter EPL than the average respondent.⁷ Participants who don't trust institutions and others also more strongly support strict EPL. By contrast, those who know more about the economics of EPL tend to favor looser EPL. They are also less likely to be indifferent about the issue (Figure 1).

Turning to respondents' stated reasons for favoring strict EPL, "societal" concerns turn out to be far more cited than individual concerns regarding one's own exposure to the consequences of reform, as shown in Figure 2. About 60% of those who support strict EPL flag their concerns that deregulation could worsen the economy's situation, fail to create jobs and/or increase inequality in society. 38% are concerned that loose EPL could damage their community. Only 26% are concerned that it could hurt them personally. As stated, opponents' views do not seem to be much motivated by other factors put forward in the literature, such as *ex ante* uncertainty about winners and losers—the argument put forward by Fernandez and Rodrik (1991), which only 15% of respondents highlight as a concern—and/or risk aversion.

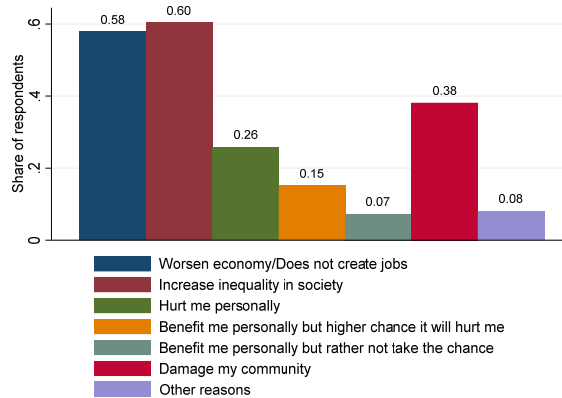
⁷ Note that although only 14 percent of respondents in the sample declare themselves as rightwing, self-declaration regarding political affiliation may not necessarily fully line up with actual voting behavior in elections, and may also differ depending on how it is interpreted in different countries.

Figure 1. Objective knowledge of EPL (on a 0-7 scale) and support for strict EPL



Notes: The figure shows the shares of respondents who favor strict EPL, favor loose EPL, and are indifferent (y-axis) for each of seven bins of respondents classified according to their objective knowledge of the economics of EPL on a 0-7 scale (x-axis). For details see Section C, Q. 22 of Appendix IV.

Figure 2. Reasons for supporting strict EPL



Notes: This chart shows, for the sub-sample of respondents who (moderately or strongly) support strict EPL, the stated reasons for opposing deregulation. Multiple choices are allowed. See Q. 25 in Appendix IV.

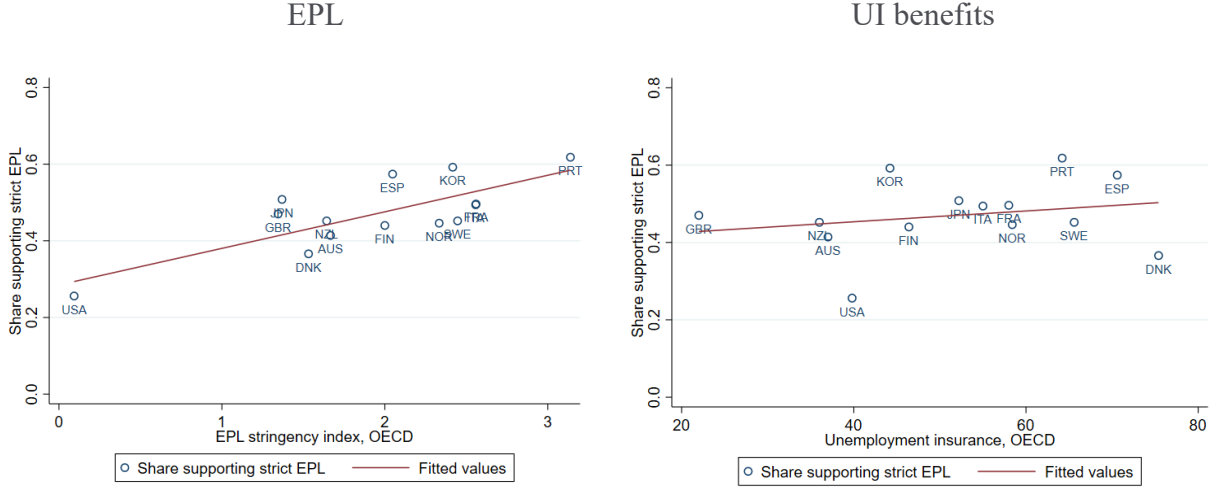
3.4 Country characteristics

The stated reasons for supporting strict EPL are broadly comparable across country groups, but there are a few interesting specificities. Concerns that loose EPL is not good for the economy, increases inequality, and damages one’s community consistently predominate across the various country groups (See Figure A1 in Appendix I), but weights appear to vary in some cases; specifically, among those US respondents who favor strict EPL, concern about inequality is comparatively weaker, while concern about damages to local communities is comparatively stronger (as it is also in other English-speaking countries).

Countries also have very different institutional characteristics that could foster some heterogeneity in people’s opinions about EPL. The political economy literature has identified two institutional features that could be particularly influential: 1) the stringency of EPL itself, and 2) the generosity of unemployment insurance (UI). Once in place, stringent EPL could create its own constituency, namely protected workers with permanent contracts (Saint-Paul, 2000). By contrast, an extensive unemployment insurance system provides alternative income loss insurance to laid-off workers and, as such, may weaken political support for stringent EPL. The figure below shows scatter plots of the share of survey respondents supporting strict EPL against (i) the stringency of EPL and (ii) average UI benefit replacement rates, both from OECD databases. In line with theory, countries with more stringent EPL show a higher share of respondents who support stringent EPL, and this

correlation is statistically significant. However, the correlation between the share of respondents supporting stringent EPL and the generosity of UI benefits is not statistically significant.

Figure 3: Share of supporting strict EPL and employment protection legislation/unemployment insurance benefits.



IV. Empirical Analysis

The main empirical analysis on who supports strict/loose EPL is based on the following linear probability model specification:

$$(1) \quad y_{ijoc} = \alpha + \beta X_{ijoc}^{Indiv} + \gamma X_{ijoc}^{Work} + \delta X_{ijoc}^{Ideology} + \omega_c + \phi_j + \eta_o + \epsilon_{ijoc}$$

where i, j, o, c represents individual, industry, occupation, and country, respectively. y_{ijoc} is the survey respondents' opinion on EPL. In the baseline specification, we use a dummy equal to 1 if an individual i supports or strongly supports strict EPL and 0 otherwise. X_{ijoc}^{Indiv} is a set of individual characteristics, X_{ijoc}^{Work} is a set of variables on work status—which is another set of individual characteristics, and $X_{ijoc}^{Ideology}$ is a set of variables related to ideology and beliefs.⁸ Lastly, ω_c , ϕ_j , and η_o are country, industry, and occupation fixed effects, respectively. Controlling for country fixed effects is crucial as EPL tightness differs across countries, and unobserved country-specific characteristics might also affect societal attitudes towards EPL—such as the generosity of

⁸ Note that over half of all the bivariate correlations between individual belief- and endowment-related variables are statistically significant, although they are typically small, with none of them exceeding 0.17.

unemployment benefits as an alternative way to protect workers against the risk of income loss, the quality of labor relations (Aghion et al., 2011), and society's care for the male breadwinner (Algan and Cahuc, 2003), among others. We use as baseline group prime-age single high-skilled American-born middle-class men without children employed on permanent contracts.

Coefficient estimates from our linear probability model can be interpreted as the change in the likelihood of supporting strict EPL in response to a unit change in the independent variable. Recognizing that the linear probability model is subject to predicting values that could be above one or below zero, we also examine robustness of our results to alternative methods, including logit/probit and ordered logit models.

We follow Sterck (2019) to formally examine the relative contributions of sets of variables (individual characteristics, work status, and ideology), to the variation of opinions on EPL. We also assess why people oppose reforms, including the possible role of (mis)information through a randomized information treatment. These results are scrutinized under different estimation techniques, weighting schemes and dependent variables.

4.1. *Who Supports Strict EPL?*

Table 3 presents our baseline results from regressing support for strict EPL (a dummy variable taking value 1 if the respondent supports or strongly supports strict EPL) on three groups of variables: a) *Individual Characteristics*; b) *Work Status*; c) *Ideology*. Individual characteristics include gender (female), age (young, senior), nationality (foreign born), married, having children, education (low-skilled), and social class (upper or lower class). For work status, we include employment status (unemployed, out of labor force, temporary contract, self-employed, not worked previously).

Ideology variables include beliefs on the role of government in regulating economy (little or major role of government in regulating economy), politically inclined to the right or left, lack of trust, view on competition (good or bad) in general and in the respondent's own industry (competition in your own industry is high or not), objective knowledge of EPL, beliefs regarding the importance of economic policy, and self-declared knowledge of economic policy.

Columns 1-4 in Table 3 present results incorporating various fixed effects. For this discussion let us focus on Column 4, which includes the most complete set—country, industry, and occupation fixed effects. Most *Ideology* variables are statistically significant – indeed out of a total of 10 variables 9 are statistically significant (of which 7 at the 1% level). This contrasts with the *Individual Characteristics* variables, of which only 4 out of 9 are statistically significant (of which 2 at 1% level); and further contrasts to the *Work Status* variables – only 1 out of 5 are found to be significant and only at the 10% level.

Table 3: Baseline results: support for strict EPL

	(1)	(2)	(3)	(4)
<i>Individual Characteristics</i>				
Female	5.7*** (1.06)	5.8*** (1.16)	4.3*** (1.29)	3.9** (1.32)
Young	-12.0*** (1.60)	-11.6*** (1.62)	-11.6*** (1.84)	-11.8*** (1.82)
Senior	3.3* (1.86)	4.4** (1.82)	2.4 (1.66)	2.6 (1.64)
Foreign born	-2.7 (2.48)	-1.2 (2.70)	-0.6 (2.47)	-0.9 (2.46)
Married	-1.4 (1.45)	-1.2 (1.37)	-1.3 (1.41)	-1.0 (1.41)
Have one or more children	-4.8** (2.10)	-5.1** (2.03)	-5.7** (2.32)	-5.3** (2.36)
Low skilled	0.2 (1.63)	-0.3 (1.27)	0.5 (1.26)	-0.1 (1.22)
Lower class	-1.6 (2.26)	-0.5 (2.35)	-1.8 (2.37)	-1.9 (2.32)
Upper class	-11.5*** (1.84)	-9.7*** (1.51)	-9.2*** (1.77)	-8.0*** (1.79)
<i>Work Status</i>				
Unemployed	-0.2 (1.91)	-1.2 (1.81)	0.2 (1.83)	-0.4 (1.75)
Out of labor force	0.6 (2.16)	0.2 (1.92)	1.1 (2.53)	0.8 (2.52)
Temporary contract	-2.4 (2.12)	-3.4 (1.99)	-3.1 (2.07)	-3.7* (2.03)
Self employed	-3.7 (2.55)	-4.0 (2.42)	-2.6 (2.47)	-2.2 (2.47)
Not worked previously	-12.8*** (2.82)	-10.9*** (2.56)		
<i>Ideology</i>				
Little role of gov. regulating economy	-5.1** (1.75)	-5.4** (1.91)	-6.6*** (2.08)	-6.7*** (2.03)
Major role of gov. regulating economy	14.9*** (1.86)	14.1*** (1.50)	13.6*** (1.53)	13.8*** (1.54)
Politically right	-7.7*** (2.29)	-7.2*** (2.13)	-6.4** (2.29)	-6.2** (2.30)
Politically left	12.2*** (2.29)	12.3*** (1.81)	12.6*** (1.81)	12.5*** (1.78)
Lack of trust	8.6***	7.2***	7.1***	6.9***

	(0.87)	(0.93)	(0.97)	(0.97)
Competition is good	3.8**	3.5**	3.4*	3.5*
	(1.55)	(1.48)	(1.73)	(1.73)
Competition is high	1.6	1.3	2.3	2.5
	(1.68)	(1.57)	(1.69)	(1.75)
Objective knowledge of EPL	-17.6***	-17.6***	-18.6***	-18.4***
	(1.59)	(1.56)	(1.46)	(1.45)
Economic policy is important	16.1***	15.2***	14.0***	14.0***
	(1.86)	(1.71)	(1.76)	(1.69)
Self-declared knowledge of economics	-3.7***	-4.6***	-4.5***	-4.2***
	(0.88)	(1.03)	(1.27)	(1.27)
Country FE	No	Yes	Yes	Yes
Industry FE	No	No	Yes	Yes
Occupation FE	No	No	No	Yes
Observations	7000	7000	6216	6216
R-squared	0.13	0.14	0.15	0.15

Note: Dependent variable equals 1 if respondent supports strict EPL (somewhat or strongly opposed to looser EPL), and 0 if respondent is indifferent or supports looser EPL. Number of observations in column (3) and (4) drop due to occupation/industry fixed effects because those who did not work previously do not have occupation/industry information. Standard errors are clustered at country level. * $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$.

The *Ideology* variables deserve a closer look. For interpretation, it is useful to divide them into three subgroups: first, standard ideological variables which refer to the role of the state and the preference for redistribution (role of the government, self-reported placement in the political spectrum); second, trust, which has been identified as a key variable in the literature; third, information—objective knowledge of EPL, and self-declared knowledge of, and degree of importance attached to, economic issues.

Coefficient estimates of variables which reflect a respondent's perception of the role of government in regulation (big/small) and political orientation (left/right) have the expected signs, large magnitudes, and high statistical significance. Rightwing-oriented respondents and those who believe in a smaller role of government favor loose EPL. Interestingly, individuals who lack trust (in others and/or institutions) are more likely to favor strict EPL; this might reflect their greater skepticism vis-à-vis measures that often feature prominently in political debates and platforms, or their greater fear of being arbitrarily fired making them more supportive of (even possibly inefficient) rules.⁹

⁹ When re-running our baseline regression with all three trust variables (trust in people, the government and institutions, respectively), lack of trust in people comes out as having the largest and most significant effect. Lack of trust in government stays positive and significant at the 10% confidence level, while lack of trust in institutions becomes insignificant.

The results also point to some role for (mis)information in shaping people’s opinions about EPL, as shown by the large and highly significant coefficient estimates of the three variables capturing information. As expected, all else equal, respondents with greater objective knowledge of EPL and self-assessed knowledge of economic issues are more likely to favor loose EPL. However, respondents who think economic policy issues are important tend to be more supportive of strict EPL; this suggests that, unlike actual knowledge of economic issues, their perceived importance does not necessarily translate into greater support for—and might even harden ideological opposition to—measures advocated by mainstream economists.

Turning to the variables related to individual endowments, there is very limited support to the “insider-outsider” approach to the political economy of EPL in the data. As such approach would predict, young people are more likely to support loose EPL, but the opposite holds true for women, while foreign-born individuals’ opinions do not statistically differ from those of natives; yet all three groups—youth, women, immigrants—are typically seen as labor market outsiders. Likewise, work status plays only a limited role; the unemployed and non-labor-force participants are not more likely to support loose EPL, while the opinion of temporary workers—yet another group of outsiders—differs from that of other respondents only at the 10% confidence level. The upper class is more likely to support loose EPL even though it consists predominantly of labor market insiders—prime-age males on permanent contracts.

Finally, the estimated fixed effects (not shown here but available upon request) appear to be plausible and in line with insights from some of the earlier literature. Specifically, there is greater country-wide support for strict EPL in Southern European and, to a lesser extent, Asian economies (Japan and Korea) than there is in English-speaking and Northern European countries. Likewise, there is more support for loose EPL by professions (such as managers and farmers) and workers in industries (such as mining and construction) for which EPL typically does not apply.

4.2. *Relative Importance of Ideology and Individual Characteristics*

To compare more formally the relative importance of individual characteristics, work status, and ideology in explaining the variations in respondents’ opinions on EPL, we follow Sterck (2019). Sterck (2019) calculates the relative contributions in the unit of the dependent variable by multiplying the absolute values of estimated coefficients by the dispersion measures of their corresponding independent variables, using the following formula:

$$(2) \quad \alpha_i = \frac{|\widehat{\beta}_i| \widehat{\delta}_i}{\sum_{i=1}^k |\widehat{\beta}_i| \widehat{\delta}_i + \frac{\delta_\varepsilon^2}{(1/k) \sum_{j=1}^k |\widehat{\beta}_j| \widehat{\delta}_j}}$$

where α_i measures the relative importance of variable $i \in \{1, \dots, k\}$, $|\widehat{\beta}_i|$ is the absolute value of the estimated coefficient of variable i , and $\widehat{\delta}_i$ is the dispersion measured by either the standard deviation or the mean absolute deviation of variable i . $\widehat{\delta}_\epsilon$ is the standard deviation of the error term, which accounts for the contribution of the error term to the dispersion of the dependent variable.

Table 4. Contributions of independent variables in explaining variation in support for strict EPL

	Method account significant observables only	1: Method for account observables error terms	2: Method for + alternative error terms	3: Method account for observables + alternative error terms	4: Method account for all observables incl. insignificant variables	5: Method regress only on significant variables
Individual Characteristics	12.3%	8.6%		1.7%	9.7%	9.1%
Work Status	5.9%	4.1%		0.8%	6.6%	4.3%
Ideology	31.9%	22.2%		4.4%	21.1%	22.1%
Country Fixed Effects	49.9%	34.8%		6.9%	33.0%	34.4%
Error terms	-	30.3%		86.2%	29.6%	30.1%

Note: Contributions of different sets of variables are calculated following Sterck (2019). Variables under Individual Characteristics, Work Status, and Ideology are those presented in Table 1. Industry and Occupation fixed effects are included as work status variables.

Table 4 reports the relative contributions of different sets of variables to respondents’ opinions on EPL reform. The set of ideology and belief variables plays a greater role in explaining variations in opinions about EPL than individual characteristics and work status combined. Specifically, our baseline results shown in Column 3 suggest that ideology and beliefs (e.g., political orientation, trust, and variables that capture information about EPL and economic issues) explain the dispersion in opinions about EPL almost three times more (2.60~4.4/1.7) than individual characteristics (e.g., gender, age group, education, or social status), and five times more (5.4~4.4/0.8) than work status (employment status and contract types). The results are robust to calculating the statistics excluding error terms (Column 1), assigning the average contribution weights of other variables instead of a contribution weight of 1 to error terms (Column 2), incorporating the statistically insignificant variables (Column 4), or using the coefficients from a regression featuring only the statistically significant variables (Column 5). In Appendix I Table A1, we show the contributions of *each* individual variable in explaining the variation in support for strict EPL. Leaving aside country fixed effects, four out of the top five individual variables with the largest contributions belong to the group of ideology variables (“major role of gov. regulating economy”, “economic policy is important”, “lack of trust”, and “politically left”), further supporting our claim that ideology predominates.

Finally, the country fixed effects make the largest contribution to explaining the dispersion of opinions about EPL reform. Country fixed effects account *inter alia* for differences in EPL regimes, other labor market institutions—such as unemployment insurance—that protect workers against the risk of income loss, the quality of labor relations, political systems, country-level economic conditions, or differences in cultural norms and beliefs.

While disentangling the respective roles of various country-specific factors is beyond the scope of this paper, which focuses on the roles of “individual-level” differences in ideology and characteristics, we note that ideology dominates endowments in people’s opinion about EPL in all five country groups—Asian, US, English Speaking excluding the US, Northern European Countries, Southern European Countries. While ideology consistently dominates endowments, the relative importance of ideology appears to be highest among southern European countries (see Appendix I Table A2).

In summary, our empirical analysis so far points to beliefs being more significant correlates of support for strict EPL than individual characteristics.

4.3. *Why Do People Support Strict EPL?*

As discussed earlier, many papers analyze how prevailing trust and beliefs among society shape, and are themselves shaped by, policy (e.g., Aghion et al., 2010; Alesina and Angeletos, 2005; Alesina and Fuchs-Schundeln, 2007; Benabou and Tirole, 2006; Tabellini, 2008) while some other papers show that endowments can shape individual beliefs (Di Tella et al., 2007). To dig deeper into the factors affecting perceptions about EPL, we delve into the question of why people support strict EPL. Specifically, we investigate what factors drive the differences between personal and societal reasons for supporting strict EPL. To this end, we run an OLS regression on the subsample of those respondents who (moderately or strongly) support strict EPL, in which the dependent variable now reflects whether people support strict EPL for personal rather than societal reasons, and the regressors are those same variables used in the baseline framework in Section III.1. Specifically, the dependent variable is a dummy variable equals 1 if the respondents answered “personal reasons” —(i) “hurt me personally”, (ii) “benefit me personally but higher chance it will hurt me” or (iii) “benefit me personally but rather not take the chance” —and 0 if the respondents answered “societal reasons”—(i) “worsen economy/does not create jobs”, (ii) “increase inequality in society”, or (iii) “damage my community”.

Table 5 presents coefficient estimates only for selected variables that obtain significant results.¹⁰ Individuals who could personally benefit from loose EPL due to their individual characteristics

¹⁰ A full set of results is available in Appendix I Table A.3.

and endowments (e.g., unemployed, out-of-the-labor-force, self-employed), are not only just as likely to support strict EPL as others—as shown in Table 3—but they are also more likely to support it on societal (rather than personal) grounds. This is again consistent with a key role of beliefs based on ideology in driving people’s opinion about EPL.

Table 5. Personal vs. societal reasons for supporting strict EPL

Dependent Variable: 1 if favoring strict EPL for personal reasons, 0 if for societal reasons.		
	(1)	(2)
Senior	-6.3** (1.87)	-5.9** (2.12)
Unemployed	-7.2** (2.88)	-8.2** (3.09)
Out of labor force	-10.2*** (1.81)	-11.9*** (2.03)
Self employed	-11.5*** (2.57)	-11.3*** (2.48)
Major role of gov.	-2.3** (0.91)	-1.5 (1.12)
Politically left	-3.5* (1.92)	-3.9* (1.86)
Lack of trust	2.1* (1.05)	2.4* (1.16)
Country FE	Yes	Yes
Industry FE	No	Yes
Occupation FE	No	Yes
Observations	3175	2901
R-squared	0.05	0.05

Notes: Dependent variable equals 1 if respondent favors strict EPL due to personal reasons, 0 if due to societal reasons. Standard errors are clustered at country level. * p < 0.1, ** p < 0.05, *** p < 0.01.

Another question worth looking into is whether supporters of strict EPL change their mind if appropriate compensatory measures are taken to address their concerns. Depending on the stated nature of these concerns, respondents were asked whether they would change their mind if appropriate compensatory measures were offered—to ensure everyone gains, if the concern was that reform might increase inequality, or to ensure the respondent would end up benefitting for sure, if the concern was that reform might hurt her personally, might benefit her but with a greater chance it might hurt, or might benefit her but she would rather not take the chance (see Appendix IV, Questions 27, 29, 31 and 32). In all cases, only about one third of supporters of strict EPL changed their position when offered adequate compensation (31.8% to 35.7% depending on the

stated reason for their original opposition). This means that, even if compensatory measures were to be implemented to fully address their concerns, a solid majority of two-thirds of supporters of strict EPL would not change their mind.¹¹ This result is again consistent with a predominant role of ideology and beliefs, rather than pecuniary gains and losses alone, in shaping people’s opinions about EPL.

4.4. Randomized Evidence on the Role of Beliefs

The previous section showed that, even when using appropriate corrective measures that affect personal gains, only one third of respondents changed their opinion to favor loose EPL. How else could people change their perceptions? As shown above, ideology and beliefs, including (mis)information about EPL, play an important role in explaining people’s perceptions. In this section, we provide more causal evidence about the role of (mis)information by examining how new information changes respondents’ opinion. We do this by providing a randomly chosen subset of survey respondents with expert information on EPL that could change their perceptions.

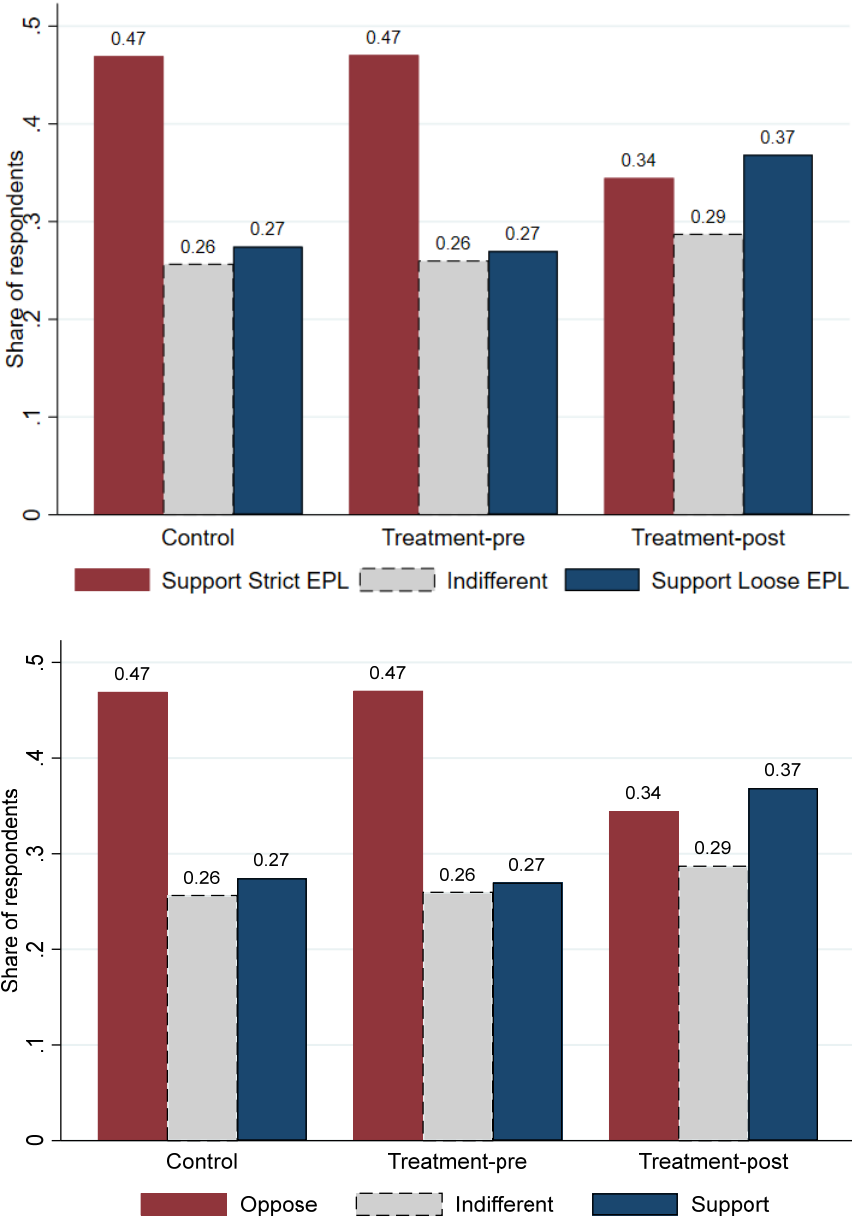
Specifically, we randomly select half of the (treated) respondents to provide them with information on EPL and then test whether those who receive such information treatment subsequently change their views about EPL vis-à-vis respondents who do not receive such information. The information treatment randomly provided to half of the respondents is described in Appendix IV: “Economists have found that making it easy for employers to lay off permanent workers when they feel the economic need to do so is beneficial for the overall economy (productivity goes up, GDP and average income go up; many workers on temporary contracts and the unemployed can get permanent jobs; and unemployed people can find new jobs more quickly).”

Figure 3 shows the fraction of respondents opposing/being indifferent/supporting loose EPL for the control group, the treated group prior to treatment, and the treated group after treatment. The opinions of treatment and control groups do not differ prior to treatment—by design given the randomization of our treatment, but they do after treatment. We find that a large, highly significant fraction of the treated respondents change their views. Specifically, the fraction of respondents in the treatment group who support strict EPL declines by roughly 13 percentage points (from 47% to 34%), while the fraction of respondents who support loose EPL increases by 10 percentage points (27% to 37%). These numbers imply that, among those respondents in the treatment group

¹¹ Only few individual characteristics are found to correlate significantly with the likelihood of changing opinion if offered a certain type of compensation. Two interesting exceptions are: i) the fact that (self-declared) left-of-center respondents are less likely to change their mind, consistent with a dominant role for ideology in shaping opinions about EPL; ii) lower-class (upper-class) people are more (less) likely to change opinion if offered compensation for the risk from loose EPL, in line with the notion that they may have more (less) at stake and/or are more (less) risk averse.

who initially support strict EPL, around 1/3 (36.5%) of them change their position from strict to loose EPL.

Figure 3. Information treatment: control and treatment groups



Note: Respondents are divided into control and treatment groups, calculating in each group the shares of those who oppose and those who support loose EPL. The chart shows how opinions in the treated group differ before and after the information treatment.

To formally test for this, we regress the change in a dummy variable capturing a change in opinion from being opposed to being supportive of looser EPL between the pre-treatment and post-treatment observations on the information treatment dummy. We find that those who received the information treatment are significantly more likely to switch to supporting loose EPL (Table 6, Column 1).¹² This also holds true when the dependent variable is computed using differences in raw scores between pre-treatment and post-treatment (Table 6, Column 2). This finding is again consistent with a major role of beliefs/ideology in driving people’s opinions on EPL, and also indicates that beliefs can be fickle.

Table 6. EPL information treatment: estimated impact on likelihood of being more supportive of looser EPL

	(1) Scale of change [-1,1] (from opposed to supportive of looser EPL)	(2) Scale of change [-4,4] (from more opposed to more supportive of looser EPL)
Information Treatment	12.6*** (1.16)	30.3*** (2.47)
Observations	7000	7000
R-squared	0.038	0.049

Note: In column (1), the dependent variable takes value 1 if the respondent changes opinion away from being opposed to becoming supportive of looser EPL after receiving the information treatment. In column (2), the dependent variable is calculated as the difference in raw scores ranging from -4 (strongly opposed) to 4 (strongly supportive) between pre-treatment and post-treatment.

Next, we investigate the individual characteristics of those who are more likely to change their attitude towards EPL (i.e. to become more supportive of loose EPL) after receiving the information treatment. To this end, we regress the change in an individual’s opinion about EPL on all individual characteristics controlling for same set of fixed effects as in the baseline, with the sample restricted to the treated sample. Results, which are shown in Table 7 for selected significant variables,¹³ do not suggest that individuals generally update their beliefs and policy preferences rationally: those who would benefit most from loose rather than tight EPL (e.g. temporary workers, the unemployed, people out of the labor force) are not significantly more likely than others to change their opinion after the treatment. Women are more likely to become supportive of loose EPL after treatment, which would seem consistent with their “outsider” labor market status (women are often considered as outsiders, being more likely to move in and out of the labor market if only because

¹² Note that all the independent variables in our baseline regression (Table 3) drop out when we take the difference between pre- and post-treatment observations, as they do not change.

¹³ The full results are available upon request.

of maternity), but the opposite holds true for the young, another group of outsiders, and for the low skilled. The two most statistically significant variables in these regressions suggest that an individual’s own interest in, and views about economic issues matter for whether (s)he is likely to change opinion after treatment. Specifically, those who believe that (i) the government should play a major role in regulating the economy, and that (ii) staying informed about economic policy is important, are more likely to become supportive of loose EPL after treatment, while those who think they have high self-knowledge of economics are less likely to change their mind.

**Table 7. EPL Information treatment effectiveness:
the role of selected individual characteristics**

	(1) Change opinion with info treatment: -1 more opposing to 1 more supportive of EPL	(2) Change opinion with info treatment: -4 more opposing to 4 more supportive of EPL
Major role of gov. regulating economy	3.3* (1.31)	9.0* (3.60)
Economic policy is important	10.8*** (2.19)	21.2*** (4.15)
Self-declared knowledge of economics	-6.9*** (1.59)	-8.9* (3.63)
Female	4.4* (1.58)	12.9** (4.05)
Young	-5.5* (2.05)	-10.5* (3.91)
Low skilled	-5.3** (1.70)	-8.5* (3.56)
Observations	3520	3520

Moreover, our preliminary findings suggest cross-country heterogeneity in the effectiveness of treatment. Specifically, the information treatment seems to be more effective among Asian respondents and less effective among US respondents. In other words, survey respondents in Asian countries are more likely to change their opinions to favor looser EPL after receiving information treatment (see Appendix II Table A4). We also explore whether the key institutions mentioned

earlier—including the prevailing strictness of EPL and generosity of unemployment benefits—relate to the effectiveness of information treatment (see Appendix II Table A5). The corresponding results indicate that: (i) in countries with tighter EPL, a greater share of respondents switches to support looser EPL after receiving the information treatment ; (ii) temporary workers are less likely to change their opinion to become more supportive of looser EPL where EPL is tight even after receiving the information treatment, which suggests that at least this particular endowment seems to be playing a *relatively* stronger role in shaping labor regulation preferences in countries where EPL is more stringent; (iii) likewise, lack of trust is associated with a smaller information treatment effect in countries where EPL is stricter and/or where more generous UI benefits offer a substitute to EPL for income-loss insurance. A thorough analysis of underlying factors affecting the different degrees of effectiveness of treatment is beyond the scope of this paper. Lastly, the stated reasons for favoring stricter or looser EPL do not appear to change after the treatment.

4.5. Sensitivity Analysis

We subject our baseline results to a battery of robustness checks. The results are robust to i) alternative estimation techniques, ii) different weighting schemes, and iii) changes in the definition of the dependent variable. First, we show that our baseline results are robust to using logit and probit models instead of a linear probability model (see Appendix III Table A6, Columns 1-2).

Second, the results are also robust to various weighting schemes that ensure sample representativeness. Due to the online survey design by Nielsen, survey respondents tend to be more highly educated and younger than in each country’s population. To ensure the representativeness of our sample along the demographic and skill dimensions, we rescale the weights in our sample by gender, age groups (16-24, 25-34, 35-44, 45-54, and 55-65 years old), and skill groups (high or low) to match the population samples in each cell. By doing so, we assign more weight to groups that are under-represented (older and less educated individuals) in our survey. Moreover, we consider two alternative cases: i) sample weights summing up to one within each country so that we treat equally an individual in one country vis-à-vis another in a different country; and ii) sample weights summing up to each country’s population share so that an individual in a more populated country receives greater weight in the regression (see Appendix III Table A6, Columns 3-4).

Lastly, the results are also robust to different dependent variable definitions. These include: i) switching the dependent variable to a dummy variable equal to one if a respondent supports (instead of opposes) loose EPL and zero otherwise—that is, re-estimating our baseline regression focusing on correlates of support for loose EPL, rather than on correlates of opposition to loose EPL; ii) using a dependent variable based on raw scores, that varies between -2 and 2 (taking values -2, -1, 0, +1 and +2 for “strongly oppose”, “oppose”, “indifferent”, “support” and “strongly support”), instead of the simple dummy variable used in the baseline regression; and iii) running

an ordered logit model on this alternative dependent variable using the raw scores (see Appendix III Table A3, Columns 5-6, and Table A4). The complete set of robustness results with full controls (including occupation and industry fixed effects) are shown in Appendix III Tables A8-A13.

V. Conclusion

The COVID-19 pandemic had a deep impact on labor markets and rekindled the debate on policy reforms, such as job protection deregulation, that would facilitate labor reallocation away from hard-hit industries and firms towards benefitting ones. The political economy of reform is once again coming back to the fore. Yet, despite much investigation, a key question remains unanswered. What drives public opposition to reforms? Self-interest, or ideology and beliefs? And can the latter be changed, and if so, how? This paper answers these questions by looking at people's preferences for employment protection legislation in 14 countries. The response is clear: ideology trumps self-interest in explaining attitude towards reform, and ideology can change with new (expert) information.

Ideologies are lenses through which people interpret events and policies. With lenses, the same facts or policies can be seen or interpreted in a different way; as also, just like lenses can be modified to improve focus, ideology can be modified with new information. Of course, the strength of ideology is neither unexpected nor limited to labor market reforms. The recent experience of Covid vaccination and strong ideologically charged antivax movements in many countries is a reminder that ideology can be stronger than individual self-interest.

What does the dominance of ideology mean for reform strategies? Politicians need to forge a political consensus within the existing ideologies or try to alter these; merely appealing to self-interest is not enough. In times when the ideological divide is rapidly growing, achieving consensus can prove difficult. Altering ideology through appropriate communication strategies might offer a hopeful alternative, as the large and significant impact of expert opinion uncovered by our research suggests.

What should future research focus on? Our research points to at least three promising avenues. First, while we focused on employment legislation because this is a salient policy area in which most of the population has direct self-interest and holds strong opinions, there are many other policy areas that concern only a few sectors and yet are very important for the economy and society—examples include domestic product market regulation or international trade protection, which are often sectoral in nature. Does ideology also play a key role in these cases, or is its impact much greater for broader economy-wide policy issues? More generally, are some fields more

ideologically charged than others? A second issue for future investigation is the role of new information. This paper focused on expert opinion (which we show matters), but new information could come in different forms. For instance, the COVID-19 pandemic increased public opinion's sensitivity to climate change (see e.g. Mohommad and Pugacheva, 2021). Third, there are important ideological differences across countries, as the dispersion of country fixed effects in our analysis suggests, that would be worth exploring. Does ideology play a larger role in some countries, and if so why? While the literature that motivated our paper has provided some insights into this question, much remains to be uncovered.

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Appendix I: Additional Figures and Tables

Figure A.1. Reasons for supporting strict EPL by country groups

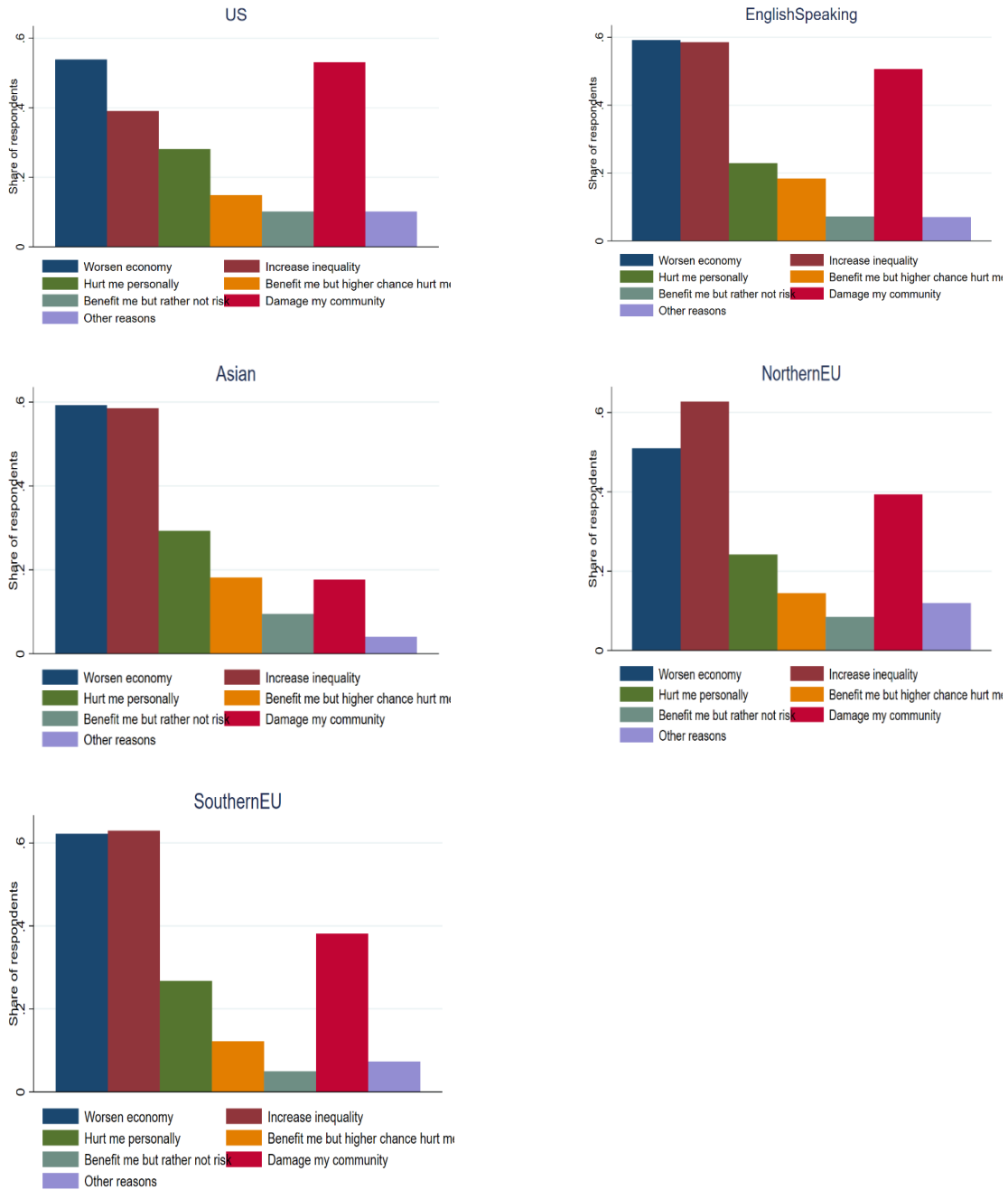


Table A.1: Contributions of individual variables to the dispersion in opinions about EPL

	Method 3
<i>Individual Characteristics</i>	
Female	0.25%
Young	0.74%
Have one or more children	0.34%
Upper class	0.35%
<i>Work Status</i>	
Industry FE	0.33%
Occupation FE	0.48%
<i>Ideology</i>	
Little role of gov. regulating economy	0.29%
Major role of gov. regulating economy	0.85%
Politically right	0.28%
Politically left	0.60%
Lack of trust	0.64%
Competition is good	0.22%
Competition is high	
Knowledgeable in EPL	0.55%
Economic policy is important	0.68%
Knowledgeable in economic policy	0.26%
<i>Country FE</i>	6.87%
<i>Error Terms</i>	86.27%

Note: This table shows the contributions of each significant individual variable from Table 3 in the main text. Contributions of Industry, Occupation and Country FEs show the sum of each dummy variable within the group.

Table A.2: Relative importance of ideology vs endowments (individual characteristics and work status) for different country groups

		Method 3
Asian	Ideology/(Individual+Work)	2.1
English Speaking (excl. the U.S.)	Ideology/(Individual+Work)	2.3
Northern EU	Ideology/(Individual+Work)	1.3
Southern EU	Ideology/(Individual+Work)	4.3
US	Ideology/(Individual+Work)	1.7

Note: This table shows the contributions of significant variables from Table 3 in the main text. Contributions of Industry, Occupation and Country FEs show the sum of each dummy variable within the group.

Table A.3: Personal vs. societal reasons for supporting strict EPL, full results

	(1)	(2)
Individual Characteristics		
Female	-2.1*	-1.0
	(1.10)	(1.33)
Young	0.2	-0.8
	(1.93)	(1.84)
Senior	-6.3***	-5.9**
	(1.87)	(2.12)
Foreign born	4.7	5.1
	(3.67)	(3.81)
Married	1.2	1.5
	(1.53)	(1.79)
Have one or more children	-0.2	-0.5
	(1.91)	(2.01)
Low skilled	2.5	0.8
	(1.69)	(1.96)
Lower class	-1.6	-1.6
	(3.04)	(4.00)
Upper class	-2.1	-3.4
	(2.21)	(2.07)
Work Status		
Unemployed	-7.2**	-8.2**
	(2.88)	(3.09)
Out of labor force	-10.2***	-11.9***
	(1.81)	(2.03)
Temporary contract	-1.1	-0.8
	(3.35)	(3.35)
Self employed	-11.5***	-11.3***
	(2.57)	(2.48)
Not worked previously	-1.4	0.0
	(4.14)	(.)
Ideology		
Little role of gov. regulating economy	4.9	4.7
	(2.96)	(3.23)
Major role of gov. regulating economy	-2.3**	-1.5
	(0.91)	(1.12)
Politically right	3.8	2.7
	(2.49)	(2.37)
Politically left	-3.5*	-3.9*
	(1.92)	(1.86)
Lack of trust	2.1*	2.4*
	(1.05)	(1.16)
Competition is good	1.7	1.8
	(2.47)	(2.30)
Competition is high	-0.3	-0.6
	(1.75)	(1.74)
Objective knowledge of EPL	8.0*	7.9
	(4.10)	(4.92)
Economic policy is important	-3.5	-3.4
	(2.41)	(3.18)
Self-declared knowledge of economics	-1.6	-2.5
	(1.52)	(1.74)
Country FE	Yes	Yes
Industry FE	No	Yes
Occupation FE	No	Yes
Observations	3175	2901
R-squared	0.05	0.05

Note: Dependent variable equals 1 if respondent favors strict EPL due to personal reasons, 0 if due to societal reasons. Standard errors are clustered at country level. * $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$.

Appendix II: Cross-country heterogeneity in information treatment effect

To explore whether the treatment is more effective in certain countries than in others, we regress the change in an individual's opinion about EPL on country group dummies (excluding the constant), with the sample restricted to the treated sample (Table A.4). Results from these regressions are shown in columns 1 and 2, which use two alternative definitions of a change in opinion (in column 1, the dependent variable takes value 1 if the respondent changes opinion from being opposed to being supportive of loose EPL after the treatment; in column 2, the dependent variable is calculated as the difference in raw scores ranging from -4 (strongly supportive of tight EPL) to 4 (strongly supportive of loose EPL) between pre-treatment and post-treatment). In both cases, it appears that the treatment is more effective among Asian respondents and less effective among US respondents. A formal F test that all country group dummies are equal rejects the null hypothesis at conventional confidence levels, confirming some cross-country-group variation in the effectiveness of the treatment.

We also tested whether the stringency of a country's EPL and generosity of UI affect the impact of the information treatment on respondents' preferences regarding EPL. Specifically, we regressed a dummy of whether respondents changed their preference to favor looser EPL after the information treatment (taking value 1 if they did change their opinion towards looser EPL, and 0 otherwise) on the same set of controls as in our baseline regression, but adding a country's OECD EPL indicator and all of its interactions with all the (endowment and belief) explanatory variables, and we also did the same with the generosity of UI benefits. Columns 1 & 2 in Table A.5 below show the results for EPL with country fixed effects (Column 1) and without country fixed effects (Column 2, in which case the country's EPL indicator can be featured in levels in addition to the interaction terms with explanatory variables) for selected variables with significant coefficients, while columns 3 and 4 show corresponding regression results for the generosity of UI benefits (for convenience, we only report here the significant interaction results). The key insights from these regression results are discussed in the main text.

Table A.4 Changes in opinion about EPL after information treatment: estimated effect of country group

Change from opposed to supportive of loser EPL after information treatment		
	(1)	(2)
	Change opinion with info treatment: -1 more opposing to 1 more supportive of loser EPL	Change opinion with info treatment: -4 more opposing to 4 more supportive of loser EPL
Asian	18.8*** (2.00)	43.0*** (4.23)
English Speaking	15.9*** (1.61)	35.1*** (3.40)
Northern EU	10.8*** (1.42)	24.4*** (3.00)
Southern EU	9.9*** (1.41)	28.7*** (2.98)
US	8.0** (2.83)	20.0*** (5.97)
Observations	3520	3520
R-squared	0.03	0.03

Note: Standard errors are clustered at country level. * p < 0.1, ** p < 0.05, *** p < 0.01.

Table A.5 Change in opinion about EPL after information treatment: estimated effect of EPL and unemployment insurance (UI)

Change from opposed to supportive of looser EPL after information treatment

	(1)	(2)		(3)	(4)
EPL OECD		11.5** (5.13)	UI OECD		0.1 (0.23)
EPL*Temporary contract	-6.5* (3.09)	-7.1** (3.05)			
EPL*Lack of trust	-2.7** (1.06)	-3.0*** (0.93)	UI*Lack of trust	-0.1*** (0.04)	-0.1** (0.04)
Country FE	Yes	No	Country FE	Yes	No
Industry FE	Yes	Yes	Industry FE	Yes	Yes
Occupation FE	Yes	Yes	Occupation FE	Yes	Yes
Observations	3132	3132	Observations	3132	3132
R-squared	0.05	0.05	R-squared	0.06	0.05
Adjusted R-squared	0.03	0.03	Adjusted R-squared	0.04	0.03

Note: Standard errors are clustered at country level. * $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$.

Appendix III: Baseline regression results: Robustness checks

Table A6: Alternative estimation techniques, weights and dependent variables

	(1)	(2)	(3)	(4)	(5)	(6)
	Logit	Probit	Weight 1	Weight 2	Loose	Raw
<i>Individual Characteristics</i>						
Female	3.8*** (1.32)	3.8*** (1.32)	4.7*** (1.50)	4.2** (1.51)	-2.3* (1.14)	-8.7** (3.34)
Young	-11.6*** (1.68)	-11.7*** (1.76)	-12.7*** (1.76)	-7.4* (3.57)	6.4*** (1.54)	24.7*** (3.57)
Senior	2.4 (1.63)	2.5 (1.63)	2.4 (1.57)	6.3*** (1.68)	1.2 (1.93)	-3.5 (4.69)
Foreign born	-0.7 (2.38)	-0.7 (2.39)	-0.9 (2.49)	-3.6 (3.45)	-1.2 (2.35)	-2.0 (5.57)
Married	-0.8 (1.40)	-1.0 (1.40)	-1.1 (1.71)	-0.3 (1.81)	1.0 (1.10)	0.5 (3.79)
Have one or more children	-5.3** (2.29)	-5.2** (2.30)	-4.8 (2.74)	-4.1 (2.35)	5.6*** (1.47)	15.3*** (4.70)
Low skilled	-0.1 (1.19)	-0.2 (1.19)	-0.7 (1.53)	-2.1 (1.25)	-2.4** (0.93)	-2.4 (2.66)
Lower class	-1.9 (2.26)	-1.9 (2.22)	-0.2 (3.06)	1.5 (3.06)	5.0 (2.88)	9.2 (6.11)
Upper class	-8.0*** (1.89)	-7.8*** (1.83)	-6.3*** (1.99)	-6.8*** (1.89)	7.5*** (2.02)	24.8*** (4.41)
<i>Work Status</i>						
Unemployed	-0.5 (1.73)	-0.5 (1.64)	-0.8 (1.65)	-3.0 (1.95)	-0.3 (1.68)	1.3 (4.76)
Out of labor force	0.7 (2.51)	0.6 (2.44)	0.1 (2.25)	4.1 (4.16)	-0.3 (1.45)	-3.2 (4.84)
Temporary contract	-4.1** (2.07)	-4.1* (2.10)	-3.8 (2.52)	-0.5 (2.98)	0.8 (1.79)	7.3 (4.28)
Self employed	-2.2 (2.46)	-2.0 (2.47)	-3.3 (2.97)	3.4 (3.44)	3.8 (2.16)	13.9** (5.54)
<i>Ideology</i>						
Little role of gov. regulating economy	-6.6*** (2.03)	-6.6*** (2.03)	-5.6** (2.34)	-5.1** (2.06)	4.7** (1.80)	13.3** (4.72)
Major role of gov. regulating economy	13.1*** (1.48)	13.2*** (1.50)	13.4*** (1.70)	16.6*** (2.03)	-6.6*** (1.02)	-31.6*** (3.51)
Politically right	-6.3*** (2.26)	-6.0*** (2.27)	-6.7** (2.46)	-1.2 (5.57)	7.2*** (2.02)	19.2*** (4.97)
Politically left	12.3***	12.4***	11.7***	7.5**	-5.3***	-30.8***

	(1.77)	(1.75)	(2.33)	(2.76)	(1.73)	(4.29)
Lack of trust	7.0***	7.0***	7.1***	7.3***	-7.5***	-24.0***
	(1.01)	(0.97)	(0.95)	(1.18)	(1.49)	(3.60)
Competition is good	3.4**	3.4*	3.2	6.1**	8.3***	7.0
	(1.75)	(1.76)	(2.24)	(2.05)	(1.54)	(4.18)
Competition is high	2.3	2.2	3.1*	2.8*	7.0***	4.8
	(1.76)	(1.75)	(1.73)	(1.42)	(1.21)	(4.16)
Knowledgeable in EPL	-19.2***	-18.9***	-18.1***	-16.4***	25.5***	69.6***
	(1.64)	(1.72)	(1.42)	(1.23)	(2.59)	(4.99)
Economic policy is important	14.1***	13.8***	13.1***	13.4***	-0.7	-17.6***
	(1.71)	(1.70)	(1.45)	(1.41)	(1.57)	(3.91)
Knowledgeable in economic policy	-4.1***	-4.1***	-3.2**	-4.5***	7.1***	13.1***
	(1.20)	(1.22)	(1.40)	(1.28)	(1.62)	(3.38)
Country FE	Yes	Yes	Yes	Yes	Yes	Yes
Industry FE	Yes	Yes	Yes	Yes	Yes	Yes
Occupation FE	Yes	Yes	Yes	Yes	Yes	Yes
Observations	6216	6216	6216	6216	6216	6216
R-squared			0.14	0.19	0.13	0.18

Note: In column “Weight 1”, sample weights sum up to one within each country, so that each individual in each country is treated equally. In column “Weight 2”, sample weights sum up to each country’s population share, so that an individual in a more populated country receives greater weight in the regression. In column “Loose”, the dependent variable switches to a dummy variable equal to one if a respondent supports (instead of opposes) loose EPL and zero otherwise. In column “Raw”, the dependent variable uses raw scores (rather than being a simple dummy variable as in the baseline), and thereby varies between -2 and 2 (taking values -2, -1, 0, +1 and +2 for “strongly oppose”, “oppose”, “indifferent”, “support” and “strongly support”). Standard errors are clustered at country level. * p < 0.1, ** p < 0.05, *** p < 0.01.

Table A7: Ordered Logit - Support for strict/loose EPL

	(1)	(2)	(3)	(4)	(5)
	-2 Strongly support strict EPL	-1 Support strict EPL	0 Indifferent	1 Support loose EPL	2 Strongly support loose EPL
<i>Individual Characteristics</i>					
Female	2.1** (0.82)	0.9** (0.38)	-0.6** (0.23)	-1.8** (0.69)	-0.7** (0.28)
Young	-5.9*** (0.81)	-2.7*** (0.41)	1.6*** (0.28)	5.0*** (0.72)	2.0*** (0.25)
Senior	1.2 (1.21)	0.6 (0.54)	-0.3 (0.33)	-1.0 (1.02)	-0.4 (0.41)
Foreign born	0.7 (1.33)	0.3 (0.60)	-0.2 (0.36)	-0.6 (1.13)	-0.2 (0.44)
Married	-0.1 (0.96)	-0.0 (0.43)	0.0 (0.26)	0.0 (0.82)	0.0 (0.32)
Have one or more children	-3.9*** (1.19)	-1.8*** (0.56)	1.1*** (0.35)	3.4*** (1.04)	1.3*** (0.37)
Low skilled	0.6 (0.65)	0.3 (0.29)	-0.2 (0.17)	-0.5 (0.55)	-0.2 (0.21)
Lower class	-2.1 (1.51)	-1.0 (0.65)	0.6 (0.39)	1.8 (1.28)	0.7 (0.49)
Upper class	-6.5*** (1.21)	-2.9*** (0.53)	1.8*** (0.33)	5.5*** (1.04)	2.2*** (0.41)
<i>Work Status</i>					
Unemployed	0.2 (1.30)	0.1 (0.58)	-0.1 (0.35)	-0.2 (1.10)	-0.1 (0.43)
Out of labor force	1.0 (1.27)	0.4 (0.58)	-0.3 (0.35)	-0.8 (1.07)	-0.3 (0.43)
Temporary contract	-1.6 (1.06)	-0.7 (0.49)	0.4 (0.29)	1.4 (0.91)	0.5 (0.36)
Self employed	-3.3** (1.37)	-1.5** (0.62)	0.9** (0.37)	2.8** (1.19)	1.1** (0.44)
<i>Ideology</i>					
Little role of gov. regulating economy	-3.0** (1.18)	-1.4** (0.55)	0.8*** (0.29)	2.6** (1.06)	1.0*** (0.38)
Major role of gov. regulating economy	8.3*** (0.88)	3.7*** (0.48)	-2.2*** (0.28)	-7.0*** (0.83)	-2.7*** (0.31)

Politically right	-5.1*** (1.21)	-2.3*** (0.49)	1.4*** (0.27)	4.4*** (1.06)	1.7*** (0.38)
Politically left	7.9*** (1.14)	3.6*** (0.51)	-2.1*** (0.28)	-6.7*** (1.08)	-2.6*** (0.34)
Lack of trust	6.1*** (1.05)	2.8*** (0.50)	-1.7*** (0.38)	-5.2*** (0.81)	-2.0*** (0.37)
Competition is good	-1.8* (1.08)	-0.8* (0.48)	0.5* (0.29)	1.6* (0.91)	0.6* (0.35)
Competition is high	-0.9 (1.08)	-0.4 (0.49)	0.2 (0.30)	0.8 (0.91)	0.3 (0.36)
Knowledgeable in EPL	-19.1*** (1.54)	-8.6*** (0.72)	5.1*** (0.58)	16.2*** (1.22)	6.3*** (0.65)
Economic policy is important	4.1*** (0.96)	1.8*** (0.43)	-1.1*** (0.27)	-3.5*** (0.83)	-1.4*** (0.31)
Knowledgeable in economic policy	-2.8*** (0.76)	-1.3*** (0.33)	0.8*** (0.21)	2.4*** (0.64)	0.9*** (0.26)
Country FE	Yes	Yes	Yes	Yes	Yes
Industry FE	Yes	Yes	Yes	Yes	Yes
Occupation FE	Yes	Yes	Yes	Yes	Yes
Observations	6216	6216	6216	6216	6216

Note: Estimated with ordered logit regression. Dependent variable is raw score ranging from -2 to 2, with -2 meaning strongly opposed to looser EPL and 2 meaning strongly supportive of looser EPL. Standard errors are clustered at country level. * $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$.

Table A8: Individual characteristics, work status and ideology: Re-weighting based on demographics, with weights summing up to one within each country

	(1)	(2)	(3)	(4)
<i>Individual Characteristics</i>				
Female	6.3*** (1.19)	6.2*** (1.21)	5.1*** (1.49)	4.7*** (1.50)
Young	-12.4*** (1.58)	-11.9*** (1.66)	-12.6*** (1.80)	-12.7*** (1.76)
Senior	3.6* (1.90)	4.0** (1.84)	2.3 (1.61)	2.4 (1.57)
Foreign born	-3.0 (2.41)	-1.5 (2.70)	-0.7 (2.46)	-0.9 (2.49)
Married	-1.1 (1.68)	-0.8 (1.60)	-1.4 (1.69)	-1.1 (1.71)
Have one or more children	-4.2 (2.40)	-4.5* (2.33)	-5.2* (2.68)	-4.8 (2.74)
Low skilled	0.1 (1.54)	-0.3 (1.45)	0.2 (1.56)	-0.7 (1.53)
Lower class	-0.3 (2.50)	0.5 (2.65)	-0.0 (3.08)	-0.2 (3.06)
Upper class	-10.4*** (2.14)	-8.9*** (1.76)	-7.6*** (1.99)	-6.3*** (1.99)
<i>Work Status</i>				
Unemployed	-0.2 (1.96)	-1.2 (1.86)	-0.0 (1.77)	-0.8 (1.65)
Out of labor force	1.1 (2.07)	0.6 (1.80)	0.6 (2.30)	0.1 (2.25)
Temporary contract	-2.1 (2.83)	-3.4 (2.66)	-3.1 (2.63)	-3.8 (2.52)
Self employed	-4.8 (3.01)	-5.0 (2.88)	-3.8 (2.91)	-3.3 (2.97)
Not worked previously	-13.6*** (2.71)	-11.4*** (2.74)	0.0 (.)	0.0 (.)
<i>Ideology</i>				
Little role of gov. regulating economy	-4.0* (2.04)	-4.4** (2.02)	-5.6** (2.42)	-5.6** (2.34)
Major role of gov. regulating economy	14.9*** (2.07)	14.0*** (1.57)	13.3*** (1.68)	13.4*** (1.70)
Politically right	-7.6** (2.61)	-7.5*** (2.43)	-6.9** (2.48)	-6.7** (2.46)
Politically left	11.5*** (2.82)	11.3*** (2.49)	11.8*** (2.37)	11.7*** (2.33)
Lack of trust	8.4*** (0.94)	7.5*** (0.93)	7.3*** (0.95)	7.1*** (0.95)
Competition is good	3.5 (2.07)	3.2 (2.07)	3.0 (2.27)	3.2 (2.24)
Competition is high	2.4 (1.65)	2.1 (1.59)	2.9 (1.70)	3.1* (1.73)
Knowledgeable in EPL	-17.4*** (1.83)	-16.9*** (1.80)	-18.3*** (1.46)	-18.1*** (1.42)
Economic policy is important	15.2*** (1.85)	14.3*** (1.67)	13.0*** (1.52)	13.1*** (1.45)
Knowledgeable in economic policy	-3.2** (1.23)	-3.7*** (1.19)	-3.6** (1.44)	-3.2** (1.40)
Country FE	No	Yes	Yes	Yes
Industry FE	No	No	Yes	Yes
Occupation FE	No	No	No	Yes
Observations	7000	7000	6216	6216
R-squared	0.13	0.14	0.14	0.14
Adjusted R-squared	0.12	0.13	0.13	0.14

Note: Dependent variable equals 1 if respondent supports strict EPL (somewhat or strongly opposed to looser EPL), and 0 if respondent is indifferent or supports looser EPL. Number of observations in columns (3) and (4) drop due to occupation/industry fixed effects because those who did not work previously do not have occupation/industry information. Standard errors are clustered at country level. Standard errors are clustered at country level. * p < 0.1, ** p < 0.05, *** p < 0.01.

Table A9: Individual characteristics, work status and ideology: Re-weighting based on demographics, with weights summing up to each country's population share

	(1)	(2)	(3)	(4)
<i>Individual Characteristics</i>				
Female	7.0*** (1.61)	7.1*** (1.56)	5.3*** (1.56)	4.2** (1.51)
Young	-7.3* (3.44)	-6.2 (3.83)	-7.1* (3.68)	-7.4* (3.57)
Senior	8.2*** (2.02)	8.7*** (1.92)	6.4*** (1.83)	6.3*** (1.68)
Foreign born	-2.2 (1.92)	0.4 (1.20)	-2.8 (3.08)	-3.6 (3.45)
Married	-1.2 (1.62)	-1.1 (1.67)	-0.5 (1.76)	-0.3 (1.81)
Have one or more children	-2.3 (2.14)	-3.4* (1.90)	-4.4* (2.31)	-4.1 (2.35)
Low skilled	-1.0 (1.07)	-1.5 (1.00)	-1.5 (1.16)	-2.1 (1.25)
Lower class	4.9 (5.57)	6.1 (5.56)	2.1 (3.23)	1.5 (3.06)
Upper class	-14.3*** (1.51)	-11.0*** (1.11)	-8.3*** (1.62)	-6.8*** (1.89)
<i>Work Status</i>				
Unemployed	-1.3 (2.53)	-2.3 (2.01)	-1.2 (1.94)	-3.0 (1.95)
Out of labor force	5.5 (4.46)	3.9 (4.24)	5.0 (4.84)	4.1 (4.16)
Temporary contract	3.2 (3.97)	-0.1 (3.24)	0.4 (3.23)	-0.5 (2.98)
Self employed	1.9 (3.65)	1.9 (3.73)	3.6 (3.70)	3.4 (3.44)
Not worked previously	-12.6*** (2.17)	-8.5*** (1.97)	0.0 (.)	0.0 (.)
<i>Ideology</i>				
Little role of gov. regulating economy	-3.0 (2.34)	-3.4 (2.59)	-4.6* (2.51)	-5.1** (2.06)
Major role of gov. regulating economy	20.6*** (3.67)	16.6*** (2.16)	16.3*** (2.05)	16.6*** (2.03)
Politically right	-6.0 (4.62)	-4.2 (4.48)	-1.4 (5.58)	-1.2 (5.57)
Politically left	5.5 (3.95)	6.0* (3.14)	7.6** (2.73)	7.5** (2.76)
Lack of trust	7.7*** (0.74)	6.5*** (0.85)	7.5*** (1.21)	7.3*** (1.18)
Competition is good	6.8*** (2.13)	6.5*** (1.87)	5.9** (2.08)	6.1** (2.05)
Competition is high	1.2 (1.90)	1.4 (1.52)	2.6* (1.39)	2.8* (1.42)
Knowledgeable in EPL	-14.1*** (1.09)	-14.1*** (1.04)	-16.6*** (1.17)	-16.4*** (1.23)
Economic policy is important	18.9*** (1.73)	16.4*** (1.48)	13.4*** (1.52)	13.4*** (1.41)
Knowledgeable in economic policy	-5.3*** (1.70)	-4.4*** (1.19)	-5.2*** (1.43)	-4.5*** (1.28)
Country FE	No	Yes	Yes	Yes
Industry FE	No	No	Yes	Yes
Occupation FE	No	No	No	Yes
Observations	7000	7000	6216	6216
R-squared	0.15	0.17	0.19	0.19
Adjusted R-squared	0.14	0.17	0.18	0.19

Note: Dependent variable equals 1 if respondent supports strict EPL (somewhat or strongly opposed to looser EPL), and 0 if respondent is indifferent or supports looser EPL. Number of observations in columns (3) and (4) drop due to occupation/industry fixed effects because those who did not work previously do not have occupation/industry information. Standard errors are clustered at country level. Standard errors are clustered at country level. * $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$.

Table A10: Individual characteristics, work status and ideology: Logit with same baseline regression

	(1)	(2)	(3)	(4)
<i>Individual Characteristics</i>				
Female	5.6*** (1.05)	5.6*** (1.15)	4.2*** (1.28)	3.8*** (1.32)
Young	-11.9*** (1.54)	-11.4*** (1.48)	-11.5*** (1.71)	-11.6*** (1.68)
Senior	3.1* (1.80)	4.1** (1.80)	2.2 (1.65)	2.4 (1.63)
Foreign born	-2.6 (2.46)	-1.0 (2.67)	-0.4 (2.41)	-0.7 (2.38)
Married	-1.2 (1.43)	-1.0 (1.35)	-1.1 (1.40)	-0.8 (1.40)
Have one or more children	-4.8** (2.08)	-5.1** (1.98)	-5.7** (2.24)	-5.3** (2.29)
Low skilled	0.1 (1.62)	-0.3 (1.25)	0.4 (1.23)	-0.1 (1.19)
Lower class	-1.5 (2.29)	-0.5 (2.34)	-1.8 (2.31)	-1.9 (2.26)
Upper class	-11.6*** (1.92)	-9.8*** (1.59)	-9.2*** (1.88)	-8.0*** (1.89)
<i>Work Status</i>				
Unemployed	-0.3 (1.85)	-1.3 (1.76)	0.2 (1.81)	-0.5 (1.73)
Out of labor force	0.6 (2.16)	0.3 (1.92)	1.0 (2.50)	0.7 (2.51)
Temporary contract	-2.6 (2.12)	-3.6* (2.01)	-3.5 (2.11)	-4.1** (2.07)
Self employed	-3.8 (2.52)	-3.9* (2.39)	-2.5 (2.45)	-2.2 (2.46)
Not worked previously	-12.9*** (2.92)	-11.0*** (2.64)	0.0 (.)	0.0 (.)
<i>Ideology</i>				
Little role of gov. regulating economy	-5.2*** (1.75)	-5.5*** (1.91)	-6.6*** (2.07)	-6.6*** (2.03)
Major role of gov. regulating economy	14.3*** (1.73)	13.4*** (1.43)	13.0*** (1.46)	13.1*** (1.48)
Politically right	-7.8*** (2.32)	-7.3*** (2.08)	-6.6*** (2.26)	-6.3*** (2.26)
Politically left	12.1*** (2.29)	12.1*** (1.80)	12.5*** (1.80)	12.3*** (1.77)
Lack of trust	8.6*** (0.85)	7.2*** (0.94)	7.1*** (1.00)	7.0*** (1.01)
Competition is good	3.7** (1.56)	3.4** (1.49)	3.4* (1.75)	3.4** (1.75)
Competition is high	1.5 (1.70)	1.1 (1.58)	2.1 (1.70)	2.3 (1.76)
Knowledgeable in EPL	-18.4*** (1.76)	-18.3*** (1.76)	-19.5*** (1.65)	-19.2*** (1.64)
Economic policy is important	16.4*** (1.93)	15.4*** (1.79)	14.1*** (1.79)	14.1*** (1.71)
Knowledgeable in economic policy	-3.7*** (0.87)	-4.6*** (0.98)	-4.4*** (1.20)	-4.1*** (1.20)
Country FE	No	Yes	Yes	Yes
Industry FE	No	No	Yes	Yes
Occupation FE	No	No	No	Yes
Observations	7000	7000	6216	6216

Note: Dependent variable equals 1 if respondent supports strict EPL (somewhat or strongly opposed to looser EPL), and 0 if respondent is indifferent or supports looser EPL. Number of observations in columns (3) and (4) drop due to occupation/industry fixed effects because those who did not work previously do not have occupation/industry information. Standard errors are clustered at country level. Standard errors are clustered at country level. * $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$.

Table A11: Individual characteristics, work status and ideology: Probit with same baseline regression

	(1)	(2)	(3)	(4)
<i>Individual Characteristics</i>				
Female	5.6*** (1.06)	5.6*** (1.16)	4.2*** (1.29)	3.8*** (1.32)
Young	-12.0*** (1.57)	-11.5*** (1.55)	-11.5*** (1.79)	-11.7*** (1.76)
Senior	3.2* (1.82)	4.2** (1.81)	2.3 (1.65)	2.5 (1.63)
Foreign born	-2.5 (2.47)	-1.0 (2.69)	-0.4 (2.40)	-0.7 (2.39)
Married	-1.3 (1.45)	-1.2 (1.37)	-1.3 (1.41)	-1.0 (1.40)
Have one or more children	-4.7** (2.10)	-5.0** (2.00)	-5.6** (2.25)	-5.2** (2.30)
Low skilled	0.1 (1.62)	-0.4 (1.25)	0.4 (1.23)	-0.2 (1.19)
Lower class	-1.6 (2.28)	-0.4 (2.37)	-1.8 (2.27)	-1.9 (2.22)
Upper class	-11.4*** (1.88)	-9.6*** (1.57)	-9.0*** (1.83)	-7.8*** (1.83)
<i>Work Status</i>				
Unemployed	-0.3 (1.82)	-1.3 (1.71)	0.2 (1.73)	-0.5 (1.64)
Out of labor force	0.6 (2.13)	0.2 (1.89)	0.9 (2.44)	0.6 (2.44)
Temporary contract	-2.5 (2.15)	-3.6* (2.05)	-3.4 (2.14)	-4.1* (2.10)
Self employed	-3.6 (2.53)	-3.8 (2.40)	-2.5 (2.46)	-2.0 (2.47)
Not worked previously	-12.9*** (2.83)	-11.0*** (2.58)	0.0 (.)	0.0 (.)
<i>Ideology</i>				
Little role of gov. regulating economy	-5.1*** (1.74)	-5.5*** (1.90)	-6.6*** (2.07)	-6.6*** (2.03)
Major role of gov. regulating economy	14.4*** (1.77)	13.5*** (1.46)	13.1*** (1.49)	13.2*** (1.50)
Politically right	-7.6*** (2.31)	-7.0*** (2.08)	-6.3*** (2.27)	-6.0*** (2.27)
Politically left	12.2*** (2.30)	12.1*** (1.81)	12.5*** (1.80)	12.4*** (1.75)
Lack of trust	8.6*** (0.84)	7.2*** (0.91)	7.1*** (0.97)	7.0*** (0.97)
Competition is good	3.6** (1.55)	3.4** (1.50)	3.3* (1.76)	3.4* (1.76)
Competition is high	1.4 (1.69)	1.0 (1.59)	2.0 (1.70)	2.2 (1.75)
Knowledgeable in EPL	-17.9*** (1.73)	-17.9*** (1.74)	-19.0*** (1.73)	-18.9*** (1.72)
Economic policy is important	16.1*** (1.89)	15.2*** (1.75)	13.8*** (1.78)	13.8*** (1.70)
Knowledgeable in economic policy	-3.7*** (0.88)	-4.5*** (1.00)	-4.4*** (1.22)	-4.1*** (1.22)
Country FE	No	Yes	Yes	Yes
Industry FE	No	No	Yes	Yes
Occupation FE	No	No	No	Yes
Observations	7000	7000	6216	6216

Note: Dependent variable equals 1 if respondent supports strict EPL (somewhat or strongly opposed to looser EPL), and 0 if respondent is indifferent or supports looser EPL. Number of observations in columns (3) and (4) drop due to occupation/industry fixed effects because those who did not work previously do not have occupation/industry information. Standard errors are clustered at country level. Standard errors are clustered at country level. * $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$.

Table A12: Individual characteristics, work status and ideology: Support for loose EPL (switching the dependent variable to “support looser EPL”)

	(1)	(2)	(3)	(4)
<i>Individual Characteristics</i>				
Female	-3.3*** (1.07)	-3.3** (1.11)	-2.7** (1.18)	-2.3* (1.14)
Young	6.2*** (1.53)	6.2*** (1.56)	6.3*** (1.56)	6.4*** (1.54)
Senior	0.8 (1.91)	0.5 (1.93)	1.4 (1.91)	1.2 (1.93)
Foreign born	-2.0 (1.97)	-1.5 (1.94)	-1.4 (2.35)	-1.2 (2.35)
Married	1.2 (1.01)	1.2 (0.99)	1.2 (1.07)	1.0 (1.10)
Have one or more children	6.1*** (1.41)	6.1*** (1.42)	5.9*** (1.46)	5.6*** (1.47)
Low skilled	-2.5** (0.89)	-2.6** (0.98)	-2.9** (0.99)	-2.4** (0.93)
Lower class	3.8* (2.05)	3.7* (2.08)	4.9 (2.84)	5.0 (2.88)
Upper class	9.2*** (1.88)	8.4*** (1.72)	8.5*** (1.99)	7.5*** (2.02)
<i>Work Status</i>				
Unemployed	0.3 (1.89)	0.3 (1.82)	-0.8 (1.66)	-0.3 (1.68)
Out of labor force	-0.1 (1.07)	-0.2 (0.98)	-0.5 (1.45)	-0.3 (1.45)
Temporary contract	0.5 (1.68)	0.4 (1.73)	0.2 (1.78)	0.8 (1.79)
Self employed	4.8* (2.28)	4.7* (2.24)	4.1* (2.28)	3.8 (2.16)
Not worked previously	-2.3 (2.10)	-2.6 (2.09)	0.0 (.)	0.0 (.)
<i>Ideology</i>				
Little role of gov. regulating economy	4.8** (1.64)	4.7** (1.71)	4.8** (1.82)	4.7** (1.80)
Major role of gov. regulating economy	-6.6*** (0.87)	-6.2*** (0.95)	-6.5*** (1.00)	-6.6*** (1.02)
Politically right	8.1*** (2.22)	8.2*** (2.10)	7.3*** (2.06)	7.2*** (2.02)
Politically left	-4.3** (1.84)	-4.3** (1.80)	-5.4*** (1.73)	-5.3*** (1.73)
Lack of trust	-8.1*** (1.18)	-7.6*** (1.41)	-7.6*** (1.50)	-7.5*** (1.49)
Competition is good	8.7*** (1.26)	8.8*** (1.19)	8.4*** (1.51)	8.3*** (1.54)
Competition is high	7.7*** (1.27)	7.9*** (1.24)	7.3*** (1.20)	7.0*** (1.21)
Knowledgeable in EPL	24.7*** (2.47)	24.8*** (2.53)	25.7*** (2.60)	25.5*** (2.59)
Economic policy is important	-2.6* (1.42)	-2.1 (1.50)	-0.6 (1.61)	-0.7 (1.57)
Knowledgeable in economic policy	7.0*** (1.30)	7.5*** (1.35)	7.4*** (1.60)	7.1*** (1.62)
Country FE	No	Yes	Yes	Yes
Industry FE	No	No	Yes	Yes
Occupation FE	No	No	No	Yes
Observations	7000	7000	6216	6216
R-squared	0.12	0.12	0.13	0.13
Adjusted R-squared	0.12	0.12	0.12	0.12

Note: Dependent variable equals 1 if respondent supports looser EPL, 0 if indifferent or supports strict EPL. Number of observations in columns (3) and (4) drop due to occupation/industry fixed effects because those who did not work previously do not have occupation/industry information. Standard errors are clustered at country level. * p < 0.1, ** p < 0.05, *** p < 0.01.

Table A13: Individual characteristics, work status and ideology: Support for Strict/Loose EPL, baseline linear probability model using raw scores (ranging from -2 (more opposed to looser EPL) to 2 (more supportive of looser EPL))

	(1)	(2)	(3)	(4)
<i>Individual Characteristics</i>				
Female	-13.3*** (2.45)	-13.2*** (2.72)	-9.9*** (3.26)	-8.7** (3.34)
Young	25.5*** (3.32)	24.9*** (3.32)	24.3*** (3.69)	24.7*** (3.57)
Senior	-6.0 (4.86)	-8.0 (4.81)	-3.0 (4.72)	-3.5 (4.69)
Foreign born	-0.3 (4.98)	-2.0 (5.33)	-2.8 (5.58)	-2.0 (5.57)
Married	1.8 (3.56)	1.3 (3.49)	1.3 (3.79)	0.5 (3.79)
Have one or more children	14.0*** (4.09)	14.8*** (4.08)	16.4*** (4.61)	15.3*** (4.70)
Low skilled	-4.0 (3.13)	-2.6 (2.83)	-4.4 (2.76)	-2.4 (2.66)
Lower class	7.7 (4.70)	4.9 (5.04)	8.8 (6.07)	9.2 (6.11)
Upper class	34.0*** (5.17)	30.0*** (4.24)	28.4*** (4.36)	24.8*** (4.41)
<i>Work Status</i>				
Unemployed	0.4 (5.07)	2.8 (4.60)	-0.6 (4.60)	1.3 (4.76)
Out of labor force	-0.6 (4.01)	0.0 (3.53)	-4.1 (4.87)	-3.2 (4.84)
Temporary contract	3.8 (4.20)	5.9 (4.14)	5.6 (4.24)	7.3 (4.28)
Self employed	17.2** (6.04)	17.8*** (5.82)	14.9** (5.76)	13.9** (5.54)
Not worked previously	19.7*** (6.13)	15.8** (6.63)	0.0 (.)	0.0 (.)
<i>Ideology</i>				
Little role of gov. regulating economy	12.6*** (4.12)	12.7** (4.63)	13.3** (4.84)	13.3** (4.72)
Major role of gov. regulating economy	-33.7*** (3.47)	-31.7*** (3.45)	-31.3*** (3.49)	-31.6*** (3.51)
Politically right	22.2*** (5.34)	21.8*** (4.89)	19.7*** (5.07)	19.2*** (4.97)
Politically left	-28.0*** (5.32)	-27.5*** (4.52)	-31.2*** (4.37)	-30.8*** (4.29)
Lack of trust	-27.1*** (2.70)	-24.4*** (3.25)	-24.4*** (3.62)	-24.0*** (3.60)
Competition is good	6.7* (3.74)	7.7** (3.54)	7.2 (4.14)	7.0 (4.18)
Competition is high	7.0 (4.38)	7.5* (4.03)	5.5 (4.07)	4.8 (4.16)
Knowledgeable in EPL	66.7*** (4.77)	66.5*** (4.88)	70.2*** (5.15)	69.6*** (4.99)
Economic policy is important	-24.1*** (4.16)	-22.1*** (4.15)	-17.5*** (4.08)	-17.6*** (3.91)
Knowledgeable in economic policy	12.0*** (2.40)	14.3*** (2.55)	14.0*** (3.29)	13.1*** (3.38)
Country FE	No	Yes	Yes	Yes
Industry FE	No	No	Yes	Yes
Occupation FE	No	No	No	Yes
Observations	7000	7000	6216	6216
R-squared	0.15	0.16	0.17	0.18
Adjusted R-squared	0.15	0.16	0.17	0.17

Note: Dependent variable is raw score ranging from -2 to 2, with -2 meaning strongly opposed to looser EPL and 2 meaning strongly supportive of looser EPL. Number of observations in columns (3) and (4) drop due to occupation/industry fixed effects because those who did not work previously do not have occupation/industry information. Standard errors are clustered at country level. * $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$.

Appendix IV: Survey Questionnaire

A: SOCIO-ECONOMIC BACKGROUND QUESTIONS

Q1. What is your gender?

ASK ALL

1	Male
2	Female
3	Other/nonbinary

Q2. What is your age?

ASK ALL

1	Less than 18 years	TERMINATE AND CLOSE
2	18-21 years	
3	22-29 years	
4	30-39 years	
5	40-49 years	
6	50-59 years	
7	60-65 years	
8	More than 65 years	TERMINATE AND CLOSE

Q3. What was your TOTAL household income, before taxes, last year. Please add the income from all sources by all earning members in your household (living with you)? (NB: below are brackets used for the US; in each country, country-specific brackets were used)

ASK ALL

1	Below \$20,000	
2	\$20,001-\$40,000	
3	\$40,001-\$50,000	
4	\$50,000-\$75,000	
5	\$75,001-\$100,000	
6	\$100,000-\$150,000	
7	More than \$150,000	

Q4. Were you born in “INSERT SURVEY COUNTRY”?

ASK ALL

1	Yes
2	No

Q5. Please indicate your marital status

ASK ALL

1	Single
2	Married
3	Legally separated or divorced
4	Widowed

Q6. How many children (aged 18 years or younger) live with you in your household?

ASK ALL

1	One
2	Two
3	Three
4	Four
5	Five or more
6	I do not have any children living with me

Q7. What is your highest level of education?

ASK ALL; SINGLE ANSWER

1	High school not completed
2	High school completed
3	College degree
4	Graduate school degree
5	Prefer not to answer

Q8. If you had to use one of these five commonly-used names to describe your social class, which one would it be?

ASK ALL; SINGLE ANSWER

1	Lower Class or Poor
2	Working Class
3	Middle Class
4	Upper-middle Class
5	Upper Class

Q9. What is currently your primary employment status?

ASK ALL; SINGLE ANSWER

1	Student	
2	Full-time, permanent/contract employee	SKIP TO Q12a
3	Full-time, temporary/contract employee	
4	Part-time, permanent/contract employee	
5	Part-time, temporary/contract employee	
6	Self-employed or small business owner	
7	Unemployed and looking for work	ASK Q10
8	Not currently working and not looking for work	
9	Retiree	

Q10. And if you worked previously, how would you describe your previous employment status?

ASK IF CODED 7/8/9 AT Q9; SINGLE ANSWER

1	Full-time, permanent/contract employee
2	Full-time, temporary/contract employee
3	Part-time, permanent/contract employee
4	Part-time, temporary/contract employee
5	Self-employed or small business owner
6	Did not work previously

Q11a. Which category best describes your main occupation?

Check the one that applies. If you have multiple jobs, check the one that describes your main occupation.

ASK IF CODED 2/3/4/5/6 AT Q9; SINGLE ANSWER

1	Managers
2	Professionals
3	Technicians and associate professionals
4	Clerical support workers
5	Service and sales workers
6	Agricultural workers
7	Craft and related trades workers
8	Plant and machine operators, and assemblers
9	Elementary occupations
10	Armed forces occupations

Q11b. If you are not currently working, which category best describes your latest occupation (of your previous job)?

Check the one that applies. If you had multiple jobs, check the one that describes your main occupation.

ASK IF CODED Q10 \neq 6; SINGLE ANSWER

1	Managers
2	Professionals
3	Technicians and associate professionals
4	Clerical support workers
5	Service and sales workers
6	Agricultural workers
7	Craft and related trades workers
8	Plant and machine operators, and assemblers
9	Elementary occupations
10	Armed forces occupations

Q12a. Which sector of the economy best describes your main job?

Check the one that applies. If you have multiple jobs, check the sector that describes your main sector.

ASK IF CODED 2/3/4/5/6 AT Q9; SINGLE ANSWER

1	Agriculture, Forestry and Fishing
2	Mining and Quarrying
3	Manufacturing
4	Electricity, Gas, Water Supply
5	Construction
6	Wholesale Trade
7	Retail Trade (including, among others, stores and retailers)
8	Transportation and Storage (including, among others, air, rail and road transport, and postal and courier activities)
9	Accommodation and Food Activities (including, among others, hotels and restaurants)
10	Information and Communication (including, among others, IT, telecommunications, publishing and broadcasting activities)
11	Finance and Insurance
12	Real Estate
13	Professional, Scientific, Technical, Administrative and Support Service Activities (including, among others, lawyers, accountants, architects, notaries...etc)
14	Community, Social and Personal Services (including, among others, public administration, education health, social services)
15	Arts and Entertainment

Q12b. If you are not currently working, which sector of the economy best describes your latest job you had?

Check the one that applies. If you had multiple jobs, check the sector that describes your main sector.

ASK IF CODED Q10 \neq 6; SINGLE ANSWER

1	Agriculture, Forestry and Fishing
2	Mining and Quarrying
3	Manufacturing
4	Electricity, Gas, Water Supply
5	Construction
6	Wholesale Trade
7	Retail Trade (including, among others, stores and retailers)
8	Transportation and Storage (including, among others, air, rail and road transport, and postal and courier activities)
9	Accommodation and Food Activities (including, among others, hotels and restaurants)
10	Information and Communication (including, among others, IT, telecommunications, publishing and broadcasting activities)
11	Finance and Insurance
12	Real Estate
13	Professional, Scientific, Technical, Administrative and Support Service Activities (including, among others, lawyers, accountants, architects, notaries...etc)
14	Community, Social and Personal Services (including, among others, public administration, education health, social services)
15	Arts and Entertainment

B: OTHER BACKGROUND QUESTIONS

Q13a. According to you, how much role should the government have in regulating the economy?

ASK ALL; SINGLE ANSWER

1	Little/some role
2	Moderate role
3	Huge/major role

Q13b. Politically, do you position yourself as left of center, center, or right of center?

ASK ALL; SINGLE ANSWER

1	Left
2	Center-Left
3	Center-Right
4	Right

Q14. In general, how important do you think it is to stay informed about economic policy?

Economic policy refers to the actions that governments take in the economic field. It covers the systems for setting interest rates and government budget as well as the labor market, national ownership, and many other areas of government interventions into the economy.

ASK ALL; SINGLE ANSWER

1	Not important at all	ASK Q16
2	Not very important	
3	Somewhat important	SKIP TO Q15
4	Very important	

Q15. What would you say are the main reasons why you wish to be well informed about economic policy? Please select all that apply

ASK IF CODED 3/4 AT Q14; MULTIPLE RESPONSE; RANDOMIZE OPTIONS

1	Affects personal finance	
2	Affects business or profession	
3	Economic issues are important politically and might affect my vote	
4	To be a responsible citizen, I like to keep informed	
5	Other reasons	

Q16. How knowledgeable do you consider yourself on economic policies and issues?

ASK ALL; SINGLE RESPONSE

1	Not knowledgeable at all
2	Not very knowledgeable
3	Somewhat knowledgeable
4	Highly knowledgeable

Q17. In general, do you think that higher competition among firms is a good thing or a bad thing?

ASK ALL; SINGLE RESPONSE

1	Good thing
2	Bad thing
3	Neither good nor bad

Q18. In the industry sector of your main job (**INSERT OPTION Q11a**) /previous job (**INSERT OPTION Q11b**) do you think competition among firms is currently high or low compared with other industries?

ASK Q8= 2/3/4/5/6/7/8/9 AND Q9=/= Did not work previously; SINGLE RESPONSE

1	Higher
2	About the same
3	Lower

Q19. Would you say that most people can be trusted or not?

ASK ALL; SINGLE RESPONSE

1	People <u>can</u> be trusted
2	Most people <u>can</u> be trusted
3	Most people <u>cannot</u> be trusted
4	People <u>cannot</u> be trusted

Q20. Would you say that key institutions in your country (courts, army, police) can be trusted or not?

ASK ALL; SINGLE RESPONSE

1	Institutions <u>can</u> be trusted
2	Most Institutions <u>can</u> be trusted
3	Most Institutions <u>cannot</u> be trusted
4	Institutions <u>cannot</u> be trusted

Q21. Would you say that governments in your country can be trusted or not?

ASK ALL; SINGLE RESPONSE

1	Governments in my country <u>can</u> be trusted
2	Most governments in my country <u>can</u> be trusted
3	Most governments in my country <u>cannot</u> be trusted
4	Governments in my country <u>cannot</u> be trusted

C: OPINIONS ABOUT EMPLOYMENT PROTECTION LAWS

Introduction: Labor laws govern layoff procedures for workers. Different procedures may apply for different groups of workers, for example those with permanent contracts and those with temporary contracts. We would now like to ask you a few questions regarding labor laws in your country.

Q22. In your opinion, how is each of the below aspects impacted if it becomes easy for employers to lay off permanent workers. When it becomes **easy for employers to layoff permanent workers**, does this reduce, increase or has no effect on the following aspects:

ASK ALL; SHOW GRID – SLIDING ARROW; SINGLE RESPONSE PER ROW

	ROWS; RANDOMIZE OPTIONS
1	Layoffs
2	Hires
3	How often workers change jobs
4	Time it takes for an unemployed person to find a job
5	Chances that a worker with a temporary contract finds a permanent contract job
6	Chances that an unemployed person find a permanent contract job
7	Economy's GDP (“increases” means economy is richer)

	COLUMNS
1	Reduces
2	No effect
3	Increases
4	Don't Know

Q23. Overall, do you support making it easy for employers to lay off permanent workers for economic reasons (this does NOT include discriminatory layoffs for personal reasons—such as race, gender or religion—which are prohibited)

ASK ALL; SLIDING SCALE; SINGLE RESPONSE

INSERT SLIDING SCALE – 1 TO 5

1	Strongly oppose
2	Somewhat oppose
3	Indifferent
4	Somewhat support
5	Strongly support

Q24. Which of the following are the reasons for **your support** to making it easy for employers to lay off permanent workers? Please select all that apply

ASK IF Q23 = 4/5; MUTIPLE RESPONSE; RANDOMIZE OPTIONS

1	Makes the economy richer and/or creates jobs
2	Reduces inequality in society
3	Benefits me personally
88	Other reasons

Q25. Which of the following are the reasons for **your opposition** to making it easy for employers to lay off permanent workers? Please select all that apply.

ASK IF Q23 = 1/2; MUTIPLE RESPONSE; RANDOMIZE OPTIONS

1	Makes the economy poorer and/or does not create jobs	
2	Increases inequality in society	
3	Hurts me personally	
4	Might benefit me personally but, on balance, there is a higher chance it will hurt me	
5	Is more likely to benefit me personally rather than hurt me, but even so I would rather not take the chance	
6	Damages the community I live in	
88	Other reasons	

Q26. You selected the below reasons as to why you oppose making it easy for employers to lay off permanent workers.

IF ONLINE/DESKTOP, SHOW:

Please drag and drop to **rank the reasons** mentioned in order of importance, where “1” is the most important reason. Each ranking response may only be selected once.

RANDOMIZE OPTIONS, DRAG AND DROP

IF MOBILE, SHOW: Please **rank all these** reasons in the order of importance, where “1” is the most important reason. Each ranking response may only be selected once.

RANDOMIZE OPTIONS, DROPDOWN

ASK IF MORE THAN 1 OPTION IS SELECTED AT Q25; RANK ORDER; SHOW ALL OPTIONS (1-6) SELECTED AT Q25; AUTOCODE AS RANK 1 IF ONLY 1 OPTION IS SELECTED AT Q25

Q27. You mentioned that making it easy for employers to lay off permanent workers **increases inequality in the society**. If the government committed to compensatory measures, for those who lose their jobs or have to accept wage cuts, to ensure that losers become winners, and everyone gains, **would you then support** making it easy for firms to layoff permanent workers?.

Possible compensatory measures can include higher social benefits (for example).

ASK IF Q25 = 2; SINGLE RESPONSE

1	Yes
2	No

Q28. You mentioned that you would **not support** making it easy for firms to layoff permanent workers, even if the government committed to compensatory measures.

Is it because you do not trust any government commitment to such compensatory measures, or these measures would not be enough for you to support easy layoff procedures for permanent workers?

ASK IF Q27 = 2; SINGLE RESPONSE

1	Do not trust government	
2	Measures are not enough	
88	Others- Please specify	

Q29. You mentioned that making it easy for employers to lay off permanent workers **hurts you personally**. If the government committed to compensatory measures **for you** (for example, higher social benefits) to ensure that you also gain, **would you then support** making it easy for firms to layoff permanent workers?

ASK IF Q25 = 3; SINGLE RESPONSE

1	Yes
2	No

Q30. You mentioned that you **would not support** making it easy for firms to layoff permanent workers, even if the government committed to compensatory measures **for you**.

Is it because you do not trust any government commitment to such compensatory measures, or these measures would not be enough for you to support easy layoff procedures for permanent workers?

ASK IF Q29 = 2; SINGLE RESPONSE

1	Do not trust government	
2	Measures are not enough	
88	Others- Please specify	

Q31. You mentioned that making it easy for employers to lay off permanent workers **might benefit you personally but on balance, there is a higher chance it will hurt you**. If you knew for sure that you would benefit, **would you then support** making it easy for firms to layoff permanent workers?

ASK IF Q25 = 4; SINGLE RESPONSE

1	Yes
2	No

Q32. You mentioned that making it easy for employers to lay off permanent workers **is more likely to benefit you personally rather than hurt you, but even so you would rather not take the chance**. If you knew for sure that you would benefit, **would you then support** making it easy for firms to layoff permanent workers?

ASK IF Q25 = 5 AND Q25≠4; SINGLE RESPONSE

1	Yes
2	No.

Q33. You mentioned that there are **'other reasons'** for why you oppose making it easier for employers to lay off permanent workers. What are these other reasons? Please select all that apply

ASK IF Q25 = 88; MULTIPLE RESPONSE; RANDOMIZE OPTIONS

1	Employers have no right to lay off workers freely, even for economic reasons	
2	Free-market (“neo-liberal”) policies are bad	
3	The quest for economic growth is bad	
4	This would be disruptive for the community	
88	Other – Please Specify	

D: RANDOMIZED INFORMATION TREATMENT

GIVE ONE OUT OF TWO (RANDOMLY CHOSEN) PARTICIPANTS THE FOLLOWING INFORMATION: Economists have found that making it easy for employers to lay off permanent workers when they feel the economic need to do so is beneficial for the overall economy (productivity goes up, GDP and average income go up; many workers on temporary contracts and the unemployed can get permanent jobs; and unemployed people can find new jobs more quickly).

Q34. **Do you support** making it easy for employers to lay off permanent workers for economic reasons (not for discriminatory layoffs for personal reasons, e.g. due to race, gender or religion)?

ASK ALL; SLIDING SCALE; SINGLE RESPONSE

	INSERT SLIDING SCALE – 1 TO 5	
1	Strongly oppose	
2	Somewhat oppose	
3	Indifferent	
4	Somewhat support	
5	Strongly support	

Q35. You **still oppose** making it easy for employers to lay off permanent workers because.....

Please select all that apply.

ASK IF TREATED AND Q34 = 1/2 AND Q23 = 1/2; MUTIPLE RESPONSE; RANDOMIZE OPTIONS

1	I don't trust the experts' conclusions.	
2	It still hurts me personally.	

3	It might benefit me personally but, on balance, there is a higher chance it will hurt me.	
4	It is more likely to benefit me personally rather than hurt me, but even so I would rather not take the chance.	
88	Other reasons	

Q36. You selected the below reasons as to why you **still oppose** making it easy for employers to lay off permanent workers.

IF ONLINE/DESKTOP, SHOW:

Please drag and drop to **rank the reasons** mentioned in order of importance, where “1” is the most important reason. Each ranking response may only be selected once.

RANDOMIZE OPTIONS, DRAG AND DROP

IF MOBILE, SHOW: Please **rank all these** reasons in the order of importance, where “1” is the most important reason. Each ranking response may only be selected once.

RANDOMIZE OPTIONS, DROPDOWN

ASK IF MORE THAN 1 OPTION IS SELECTED AT Q35; RANK ORDER; SHOW ALL OPTIONS SELECTED AT Q35; AUTOCODE AS RANK 1 IF ONLY 1 OPTION IS SELECTED AT Q35