Accepted Manuscript

The Pros and Cons of Sick Pay Schemes: Testing for Contagious Presenteeism and Noncontagious Absenteeism Behavior

Stefan Pichler, Nicolas R. Ziebarth

PII: S0047-2727(17)30105-6
DOI: doi:10.1016/j.jpubeco.2017.07.003
Reference: PUBEC 3789

To appear in: *Journal of Public Economics*

Received date: 20 June 2016
Revised date: 13 April 2017
Accepted date: 12 July 2017

Please cite this article as: Pichler, Stefan, Ziebarth, Nicolas R., The Pros and Cons of Sick Pay Schemes: Testing for Contagious Presenteeism and Noncontagious Absenteeism Behavior, *Journal of Public Economics* (2017), doi:10.1016/j.jpubeco.2017.07.003

This is a PDF file of an unedited manuscript that has been accepted for publication. As a service to our customers we are providing this early version of the manuscript. The manuscript will undergo copyediting, typesetting, and review of the resulting proof before it is published in its final form. Please note that during the production process errors may be discovered which could affect the content, and all legal disclaimers that apply to the journal pertain.

ACCEPTED MANUSCRIPT

The Pros and Cons of Sick Pay Schemes: Testing for Contagious Presenteeism and Noncontagious Absenteeism Behavior‡

Stefan Pichler
ETH Zurich, KOF Swiss Economic Institute*

Nicolas R. Ziebarth
Cornell University†

July 18, 2017

Abstract

This paper provides an analytical framework and uses data from the U.S. and Germany to test for the existence of contagious presenteeism and negative externalities in sick leave insurance. The first part exploits high-frequency Google Flu data and the staggered implementation of U.S. sick pay mandates to show in a reduced-form framework that population-level influenza-like disease rates decrease after employees gain access to paid sick leave. Next, a simple theoretical framework provides evidence on the underlying behavioral mechanisms. The model theoretically decomposes overall labor supply adjustments ("moral hazard") into contagious presenteeism and noncontagious absenteeism behavior and derives testable conditions. The last part illustrates how to implement the model exploiting a German sick pay reform and administrative industry-level data on certified sick leave by diagnoses. It finds that the labor supply elasticity for contagious diseases is significantly smaller than for noncontagious diseases. Under the identifying assumptions of the model, this finding provides additional indirect evidence for the existence of contagious presenteeism.

Keywords: Sickness Insurance, Paid Sick Leave, Presenteeism, Contagious Diseases, Infections, Negative Externalities, Absenteeism, U.S., Germany

JEL classification: I12, I13, I18, J22, J28, J32

*ETH Zurich, KOF Swiss Economic Institute, Leonhardstrasse 21, 8092 Zurich, Switzerland, phone: +41-(44)632-2507, fax: +41-(44)632-1218, e-mail: pichler@kof.ethz.ch

†Cornell University, Department of Policy Analysis and Management (PAM), IZA Research Fellow, 106 Martha Van Rensselaer Hall, Ithaca, NY 14850, USA, phone: +1-(607)255-1180, fax: +1-(607)255-4071, e-mail: nrz2@cornell.edu

Download English Version:

https://daneshyari.com/en/article/7369681

Download Persian Version:

https://daneshyari.com/article/7369681

Daneshyari.com