

The Effects of the Introduction of a One-day Waiting Period on Absences for Ordinary Illness of Public Employees

Authors : Mohamed Ali Ben Halima, Malik Koubi, Joseph Lanfranchi, Yohan Wloczysiak

Abstract : This article assesses the consequences on the frequency and duration of ordinary sick leave of the January 2012 and 2018 reforms modifying the scope of sick leave reimbursement in the French civil service. These reforms introduce a one-day waiting period which removes the compensation for the first day of ordinary sick leave. In order to evaluate these reforms, we use an administrative database from the National Pension Fund for local public employees (FPT). The first important result of our data analysis is that the one-day waiting period was not introduced at the same time in the French Local Public Service establishments, or even never in some. This peculiarity allows for an identification strategy using a difference-in-differences method based on the definition at each date of groups of employees treated and not treated by the reform, since establishments that apply the one-day waiting period coexist with establishments that do not apply it. Two types of estimators are used for this evaluation: individual and time fixed effects estimators and DIDM estimators which correct for the biases of the Two Way Fixed Effects one. The results confirm that the change in the sick pay system decreases the probability of having at least one ordinary sick leave as well as the number and duration of these episodes. On the other hand, the estimates show that longer leave episodes are not less affected than shorter ones. Finally, the validity tests of the estimators support the results obtained for the second period of 2018-2019, but suggest estimation biases for the period 2012-2013. The extent to which the endogeneity of the choices of implementation of the reform at the local level impact these estimates needs to be further tested.

Keywords : sick leave, one-day waiting period, territorial civil service, public policy evaluation

Conference Title : ICABE 2023 : International Conference on Accounting, Business and Economics

Conference Location : Istanbul, Türkiye

Conference Dates : April 24-25, 2023