



Motivations of the Tarantelli prize - Year 2011 – given to the paper “Monitoring vs. monetary incentives in addressing absenteeism: experimental evidence” by Francesco D’Amuri.

The paper written by Francesco D’Amuri concerns the impact of sickness absence policy in the Italian public sector. Sickness leave policy is a particularly sensitive policy area given that the public sector is characterized by higher absence rates, not only in Italy but in general in most countries. This is one of the very few studies on this important topic and the first study providing empirical evidence on this kind of policies in Italy. Given the scarcity of previous research and the importance of these programmes for performance and productivity in the public sector, the policy interest of this paper is very high.

Exploiting two unexpected variations in sickness absence policy for civil servants in Italy, this paper assesses the relative importance of monitoring and monetary incentives in determining a basic measure of effort: presence at work. When stricter monitoring was introduced together with an average 20% cut in replacement rates for civil servants on short sick leave, sickness absence decreased by 26.4%, eliminating the wedge in absence rates with comparable private sector workers. The impact substantially decreased when a subsequent policy change brought back monitoring to the pre-reform level, while leaving monetary incentives untouched.

All throughout the paper, D’Amuri shows a deep understanding of the techniques and the data he uses. The AIEL executive board feels that the paper is highly deserving of the Tarantelli Prize because of its skilful utilisation of the econometric techniques and the clean identification strategy for the purpose of addressing an issue of high policy relevance.

(on behalf of AIEL executive board)
THE PRESIDENT
Sergio Destefanis