

Evaluating the impact of direct incentives policy measures on occupational safety and health in Italy: a difference-in-difference design approach

Angelo Castaldo^{}, Alessia Marrocco⁺, Anna Rita Germani^Ω, Marco Forti[\], Andrea Salustri^Δ*

Abstract

Improving working conditions is a longstanding goal of the European Union. This purpose was early established in the Treaty on the Functioning of the European Union and it has been pursued since the adoption of the Occupational Safety and Health (OSH) Framework Directive (89/391/EEC) and now relaunched through the EC communication “Strategic framework on health and safety at work 2021-2027”. In Italy, on the ground of the Legislative Decree n. 81/2008, the National Institute for Insurance against Accidents at Work (INAIL) has launched the ISI initiative that provides economic incentives (in the form of a grant) for promoting investments to improve the health and safety of the workers, especially for SMEs. The aim of this paper is to evaluate the impact of the Inail ISI OSH state aid scheme through a difference-in-difference design approach, using a unique microdata from a broad set of treated and untreated firms. The paper is oriented to contribute to the policy maker awareness on the direct (occupational accidents rates) and indirect (profitability and business resilience) impacts that are generated by the ISI initiative.

^{*} Angelo Castaldo, Associate Professor of Public Finance, Dept. of Juridical and Economic Studies, Sapienza University of Rome, angelo.castaldo@uniroma1.it

⁺ Alessia Marrocco, Ph.d candidate in Economics, Sapienza University of Rome, alessia.marrocco@uniroma1.it

^Ω Anna Rita Germani, Dept. of Juridical and Economic Studies, Sapienza University of Rome, annarita.germani@uniroma1.it

[\] Marco Forti, post-doc position, Dept. of Juridical and Economic Studies, Sapienza University of Rome, marco.forti@uniroma1.it

^Δ Andrea Salustri, Dept. of Juridical and Economic Studies, Sapienza University of Rome, andrea.salustri@uniroma1.it