

Shaking Things Up

Arnaud Dupuy (Professor at Université du Luxembourg,
Fellow at IZA and former ROA colleague)

3 March 2020

We conduct a survey and incentivized lab-in-the-field experimental tasks in Tirana, Albania. While the original purpose of our study was to examine whether and how deep parameters such as time and risk preferences affect the intention to migrate, our study was transformed into a natural experiment owing to two large earthquakes that shook the Tirana area during our data-collection period, providing us with a rare opportunity to gather evidence (including a pre-earthquake control) on the effect of natural disasters on time and risk preferences. We find unambiguous effects towards more risk aversion and impatience for affected individuals. Moreover, as it turns out, the second earthquake had an even larger affect than the first one did, suggesting that experiences cumulate in their influence on these preferences.