

Economics
Webinar
Series
2021



SOUTH ASIAN UNIVERSITY
FACULTY OF ECONOMICS

Webinar

***Frequency of Shocks, Resilience and Shock Persistence:
Evidence from Natural Disasters***

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Date: April 9, 2021
Friday, 2.30 pm

Meet id: meet.google.com/ikt-fxsa-pra

All are Welcome

Abstract: Volatility persistence has important welfare consequences. In this paper, we investigate the effect on volatility persistence of the frequency of shocks for which we consider exogenous natural disasters. We find that, on average, volatility persistence is about 5 percent lower in countries that have experienced one more natural disasters per year. However, there is a non-linearity in that the marginal effects on volatility persistence vary across the frequency of natural disasters. The results are explained in terms of disaster resilience—countries that experience natural disasters frequently develop resilience that shields the economy from the destruction of natural disasters and/or expedites economic recovery. Among the factors that potentially create resilience, we find significance of its structural component.