

Do Natural Disasters Enhance Societal Trust?

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April, 2012

ABSTRACT

In this paper we investigate the long-run relationships between disasters and social trust. There is now a significant body research suggesting a strong positive relationship between economic growth and the presence of social capital. Other related research has sought to understand the underlying determinants of social capital. This body of work suggests that factors such as income inequality, ethnic fractionalization, and religious heritage are important determinants of social capital in general, and trust in particular. We present new cross-country evidence of another important determinant of trust—the frequency of severe storms. We hypothesize that frequent naturally occurring events such as storms require (and provide opportunity for) societies to work closely together to meet their challenges. The spillover benefit from higher levels of storm exposure may very well be a more tightly knit society.

Key words: Natural Disasters, Economic Development, Social Capital, Trust

JEL Classifications: O1, Q54

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