

## The Inequality Effects of Natural Disasters: Evidence from Thailand

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**Abstract :** This study explores the relationship between natural disasters and inequalities -both income and expenditure inequality- at a micro-level of Thailand as the first study of this nature for this country. The analysis uses a unique panel and remote-sensing dataset constructed for the purpose of this research. It contains provincial inequality measures and other economic and social indicators based on the Thailand Household Survey during the period between 1992 and 2019. Meanwhile, the data on natural disasters, which are remote-sensing data, are received from several official geophysical or meteorological databases. Employing a panel fixed effects, the results show that natural disasters significantly reduce household income and expenditure inequality as measured by the Gini index, implying that rich people in Thailand bear a higher cost of natural disasters when compared to poor people. The effect on income inequality is mainly driven by droughts, while the effect on expenditure inequality is mainly driven by flood events. The results are robust across heterogeneity of the samples, lagged effects, outliers, and an alternative inequality measure.

**Keywords :** inequality, natural disasters, remote-sensing data, Thailand

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