

COMMENT to ‘Natural disaster and risk-sharing behavior: Evidence from rural Bangladesh’ [Journal of Risk and Uncertainty, (2020) 61: 67–99]

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We have identified a number of errors in some of our tables which we would like to rectify in this online comment. A number of errors have likely arisen during the preparation of the final version of the manuscript when copying-and-pasting Stata output into the manuscript. Rectifying these errors does not impact our results qualitatively and quantitatively.

In addition, a coding error occurred in Table 5. Specifically, this table estimates the group size of risk-sharing groups conditional on joining a group. The estimates presented in the original Table 5 includes respondents who have joined a group (coded as 0). When correcting this error the coefficient of our main variable, *Disaster Village* still has the same sign and similar magnitude but it is less precisely estimated (significance levels between 10-20% depending on the specification). Correcting for this error in the corresponding Table D2 that uses a balanced sample, does not impact the results and the coefficient estimates of *Disaster Village* remain statistically significant.

In all, the findings and conclusions of the original published article remain largely unchanged. Below we present the original and corrected tables (with relevant parts highlighted in yellow) and the instance in the main text that needed to be updated. We would like to apologize for any inconvenience caused.

The code and data required to replicate the results are available in this online repository.

1 Corrections to the text

Correcting the error in Table 5 (and corresponding Table D2) leads to the following change in the article text on p. 85, first paragraph:

(Original) *Although we did not find any significant effects of information treatments on group size, we found that group size was significantly smaller among the disaster-affected participants.*

(Corrected) *We did not find any significant effects of information treatments on group size. In addition, we found some indication that group size was smaller among the disaster-affected participants. The corresponding coefficient of Disaster Village is less precisely estimated in the full sample (Table 5), but statistically significant in the balanced sample (Table D2).*

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2 Comparison of Tables

Table 1 Descriptive statistics (Original)

Variable	Non-Disaster			Disaster			Diff.	Std. Error
	Obs.	Mean	Std. Dev.	Obs.	Mean	Std. Dev.		
Head Age	578	40.79	7.10	654	46.52	12.94	5.73***	(0.59)
Head Sex	578	0.01	0.11	654	0.02	0.15	0.01	(0.01)
Head Edu.	578	4.51	4.02	653	3.39	3.98	-1.11***	(0.23)
HH Size	578	4.82	1.29	654	5.00	1.44	0.18**	(0.08)
Housewife	575	0.02	0.12	653	0.01	0.12	-0.00	(0.01)
HH Income	578	7 287	2 980	654	5 894	3 185	-1 392***	(175)
Elevation	578	9.25	1.31	654	9.04	1.21	-0.21	(0.20)
Sim. Flood Area	578	0.62	0.21	654	0.66	0.03	0.04	(0.04)

Table 1 Descriptive statistics (Corrected)

Variable	Non-Disaster			Disaster			Diff.	Std. Error
	Obs.	Mean	Std. Dev.	Obs.	Mean	Std. Dev.		
Head Age	578	40.79	7.10	654	46.52	12.94	5.73***	(0.59)
Head Sex	578	0.01	0.11	654	0.02	0.15	0.01	(0.01)
Head Edu.	578	4.51	4.02	653	3.39	3.98	-1.11***	(0.23)
HH Size	578	4.82	1.29	654	5.00	1.44	0.18**	(0.08)
Housewife	575	0.02	0.12	653	0.01	0.13	-0.00	(0.01)
HH Income	578	7 287	2 980	654	5 894	3 185	-1 392***	(175)
Elevation	578	9.25	1.31	654	9.04	1.10	-0.21	(0.20)
Sim. Flood Area	578	0.61	0.17	654	0.66	0.03	0.05***	(0.007)

Table 2 Choice of gamble by treatment and control group (Original)

Lottery	Gamble/choice	Expected payoff	Standard deviation	Non-Disaster Group (I)	Disaster Group (II) N=656	Difference (II - I)
1)	100 for sure	100	0.00	0.123 (0.329)	0.122 (0.327)	-0.001 (0.019)
2)	200 vs. 80	140	84.85	0.137 (0.344)	0.136 (0.343)	-0.001 (0.020)
3)	250 vs. 70	160	127.28	0.185 (0.389)	0.123 (0.329)	-0.061*** (0.020)
4)	300 vs. 60	180	169.71	0.263 (0.441)	0.215 (0.411)	-0.049** (0.024)
5)	350 vs. 50	200	212.13	0.237 (0.426)	0.305 (0.461)	0.067*** (0.025)
6)	400 vs. 0	200	282.84	0.055 (0.229)	0.101 (0.299)	0.044*** (0.015)
<i>Risk loving</i>				0.292 (0.455)	0.404 (0.491)	0.11*** (0.027)

Table 2 Choice of gamble by treatment and control group (Corrected)

Lottery	Gamble/choice	Expected payoff	Standard deviation	Non-Disaster Group (I)	Disaster Group (II) N=654	Difference (II - I)
1)	100 for sure	100	0.00	0.123 (0.329)	0.122 (0.327)	-0.001 (0.019)
2)	200 vs. 80	140	84.85	0.137 (0.344)	0.136 (0.343)	-0.001 (0.020)
3)	250 vs. 70	160	127.28	0.185 (0.389)	0.124 (0.330)	-0.061*** (0.020)
4)	300 vs. 60	180	169.71	0.263 (0.441)	0.214 (0.410)	-0.049** (0.024)
5)	350 vs. 50	200	212.13	0.237 (0.426)	0.304 (0.460)	0.067*** (0.025)
6)	400 vs. 0	200	282.84	0.055 (0.229)	0.099 (0.299)	0.044*** (0.015)
<i>Risk loving</i>				0.292 (0.455)	0.404 (0.491)	0.11*** (0.027)

Table 3 Probability of risk-taking (Original)

	(1)	(2)	(3)	(4)
Disaster Village	0.110*** (0.038)	0.086** (0.038)	0.076* (0.044)	0.130** (0.053)
Age of Respondent	-0.000 (0.001)	-0.000 (0.001)	-0.000 (0.001)	-0.000 (0.001)
Female	-0.069** (0.034)	-0.069** (0.034)	-0.069** (0.034)	-0.071** (0.034)
Education	0.012*** (0.004)	0.012*** (0.004)	0.012*** (0.004)	0.012*** (0.004)
Household Size	0.0012 (0.011)	0.001 (0.011)	0.001 (0.011)	0.001 (0.011)
Log(HH Income)	-0.067** (0.034)	-0.067** (0.034)	-0.060* (0.034)	
District Dummy				-0.022 (0.042)
Disaster village \times Inundation above median				-0.090** (0.044)
N	1232	1221	1221	1221

Table 3 Probability of risk-taking (Corrected)

	(1)	(2)	(3)	(4)
Disaster Village	0.110*** (0.038)	0.086** (0.038)	0.076* (0.044)	0.130** (0.053)
Age of Respondent	-0.000 (0.001)	-0.000 (0.001)	-0.000 (0.001)	-0.000 (0.001)
Female	-0.069** (0.034)	-0.069** (0.034)	-0.069** (0.034)	-0.071** (0.034)
Education	0.012*** (0.004)	0.012*** (0.004)	0.012*** (0.004)	0.012*** (0.004)
Household Size	0.0012 (0.011)	0.001 (0.011)	0.001 (0.011)	0.001 (0.011)
Log(HH Income)	-0.067** (0.034)	-0.067** (0.034)	-0.060* (0.034)	
District Dummy				-0.020 (0.042)
Disaster village \times Inundation above median				-0.090** (0.044)
N	1232	1221	1221	1221

Table 5 Group size conditional on group formation (Original)

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Disaster Village	-0.650** (0.240)	-0.600** (0.250)	-0.550** (0.260)	-0.540** (0.260)	-0.540** (0.250)	-0.600** (0.250)	-0.530** (0.260)	-0.530** (0.260)
Age		0.005 (0.005)	0.005 (0.005)	0.005 (0.005)	0.005 (0.005)	0.006 (0.005)	0.006 (0.005)	0.006 (0.005)
Female		0.140 (0.140)	0.140 (0.140)	0.140 (0.140)	0.140 (0.140)	0.140 (0.130)	0.110 (0.120)	0.110 (0.120)
Education		0.014 (0.017)	0.013 (0.016)	0.0140 (0.016)	0.014 (0.016)	0.0140 (0.015)	0.013 (0.014)	0.0140 (0.014)
Household size		-0.016 (0.043)	-0.018 (0.044)	-0.018 (0.044)	-0.018 (0.044)	-0.020 (0.044)	-0.025 (0.042)	-0.025 (0.042)
Log (HH income)		0.081 (0.160)	0.079 (0.160)	0.074 (0.160)	0.074 (0.140)	0.036 (0.140)	0.051 (0.140)	0.050 (0.140)
Risk Love				-0.098 (0.110)	-0.098 (0.110)	-0.110 (0.120)	-0.051 (0.120)	0.071 (0.240)
Winner R1						-0.580*** (0.140)	-0.600*** (0.140)	0.580*** (0.160)
Private Defection							0.370 (0.330)	0.380 (0.340)
Public Defection							0.400 (0.340)	0.410 (0.340)
Risk love \times Winner R1								-0.190 (0.300)
District Dummy	No	No	No	No	Yes	Yes	Yes	Yes
N	948	939	939	939	939	939	939	939
Adj. R ²	0.041	0.038	0.037	0.037	0.037	0.067	0.076	0.076

Table 5 Group size conditional on group formation (Corrected)

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Disaster Village	-0.440*	-0.450*	-0.380	-0.370	-0.370	-0.420*	-0.350	-0.350
	(0.24)	(0.240)	(0.250)	(0.250)	(0.250)	(0.240)	(0.250)	(0.250)
Age		0.009**	0.009**	0.009**	0.009**	0.009**	0.009**	0.009**
		(0.004)	(0.004)	(0.004)	(0.004)	(0.004)	(0.004)	(0.004)
Female		0.070	0.070	0.069	0.069	0.076	0.041	0.041
		(0.14)	(0.14)	(0.13)	(0.13)	(0.13)	(0.12)	(0.12)
Education		0.0068	0.0059	0.0062	0.0062	0.0065	0.0058	0.0058
		(0.014)	(0.014)	(0.013)	(0.013)	(0.013)	(0.012)	(0.012)
Household size		-0.030	-0.034	-0.034	-0.034	-0.035	-0.038	-0.038
		(0.039)	(0.041)	(0.041)	(0.041)	(0.041)	(0.039)	(0.038)
Log (HH income)		0.034	0.035	0.034	0.034	0.0097	0.021	0.020
		(0.11)	(0.11)	(0.11)	(0.11)	(0.11)	(0.098)	(0.098)
Risk Love				-0.026	-0.026	-0.034	0.011	0.091
				(0.10)	(0.10)	(0.10)	(0.11)	(0.24)
Winner R1						-0.360***	-0.380***	-0.330**
						(0.120)	(0.120)	(0.160)
Private Defection							0.320	0.330
							(0.290)	(0.300)
Public Defection							0.380	0.380
							(0.300)	(0.310)
Risk love \times Winner R1								-0.130
								(0.290)
District Dummy	No	No	No	No	Yes	Yes	Yes	Yes
N	890	881	881	881	881	881	881	881
Adj. R ²	0.026	0.024	0.024	0.023	0.023	0.039	0.048	0.048

Table D2 Group Size conditional on Group Formation - Balanced Sample (Original)

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Disaster Village	-0.77*** (0.23)	-0.76*** (0.24)	-0.80*** (0.25)	-0.80*** (0.26)	-0.80*** (0.26)	-0.81*** (0.24)	-0.76** (0.30)	-0.76** (0.31)
Age		0.0046 (0.0067)	0.0046 (0.0067)	0.0044 (0.0067)	0.0044 (0.0067)	0.0059 (0.0067)	0.0036 (0.0064)	0.0033 (0.0063)
Female		0.15 (0.16)	0.16 (0.16)	0.16 (0.16)	0.16 (0.16)	0.14 (0.16)	0.13 (0.16)	0.13 (0.15)
Education		0.027 (0.020)	0.028 (0.020)	0.028 (0.020)	0.028 (0.020)	0.027 (0.019)	0.026 (0.017)	0.026 (0.017)
Household Size		0.0084 (0.051)	0.0089 (0.051)	0.0097 (0.051)	0.0097 (0.051)	0.00067 (0.048)	-0.0000031 (0.048)	0.00012 (0.047)
Log (household income)		-0.014 (0.16)	-0.011 (0.15)	-0.015 (0.15)	-0.015 (0.15)	-0.068 (0.14)	-0.031 (0.13)	-0.030 (0.13)
Risk Love				-0.086 (0.11)	-0.086 (0.11)	-0.076 (0.11)	0.015 (0.11)	0.23 (0.20)
Winner R1						-0.62*** (0.15)	-0.63*** (0.15)	-0.50** (0.18)
Private Defection							0.28 (0.26)	0.29 (0.26)
Public Defection							0.62* (0.32)	0.63* (0.32)
Risk Love \times Winner R1								-0.34 (0.31)
N	677	670	670	670	670	670	670	670
Adj. R ²	0.054	0.052	0.051	0.050	0.050	0.081	0.097	0.098

Table D2 Group Size conditional on Group Formation - Balanced Sample (Corrected)

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Disaster Village	-0.77*** (0.23)	-0.65*** (0.22)	-0.66*** (0.21)	-0.66*** (0.22)	-0.66*** (0.22)	-0.67*** (0.21)	-0.61** (0.26)	-0.61** (0.26)
Age		0.0075 (0.0049)	0.0075 (0.0050)	0.0075 (0.0050)	0.0075 (0.0050)	0.0085* (0.0049)	0.0061 (0.0047)	0.0058 (0.0046)
Female		0.087 (0.15)	0.091 (0.16)	0.089 (0.16)	0.089 (0.16)	0.081 (0.16)	0.066 (0.15)	0.067 (0.15)
Education		0.014 (0.017)	0.014 (0.017)	0.014 (0.017)	0.014 (0.017)	0.014 (0.017)	0.014 (0.016)	0.014 (0.015)
Household Size		-0.023 (0.049)	-0.022 (0.049)	-0.022 (0.049)	-0.022 (0.049)	-0.027 (0.048)	-0.026 (0.046)	-0.026 (0.045)
Log (household income)		-0.088 (0.11)	-0.087 (0.11)	-0.089 (0.11)	-0.089 (0.11)	-0.12 (0.11)	-0.088 (0.097)	-0.085 (0.095)
Risk Love				-0.036 (0.11)	-0.036 (0.11)	-0.029 (0.11)	0.050 (0.097)	0.24 (0.20)
Winner R1						-0.38*** (0.14)	-0.39*** (0.13)	-0.28 (0.18)
Private Defection							0.23 (0.23)	0.24 (0.24)
Public Defection							0.62** (0.30)	0.63** (0.30)
Risk Love \times Winner R1								-0.31 (0.30)
N	677	623	623	623	623	623	623	623
Adj. R ²	0.054	0.044	0.042	0.041	0.041	0.057	0.078	0.079

Table 6 Differences in risk-sharing and risk-taking behaviour between disaster and non-disaster group (Original)

Variable	No Defection Disaster – No Disaster	Private Defection Disaster – No Disaster	Public Defection Disaster – No Disaster
Group Formation	–0.054** (0.024) N=424	–0.072** (0.027) N=262	–0.064** (0.029) N=282
Group Size	–1.040*** (0.140) N=387	–0.270* (0.160) N=245	0.190 (0.160) N=260
Choose Risky Bet	0.076** (0.038) N=424	0.015*** (0.042) N=262	0.088* (0.046) N=282
Defection		–0.230*** (0.048) N=249	–0.210*** (0.038) N=264
Have Near Neighbour in Group	–0.110*** (0.041) N=387	–0.100* (0.054) N=245	–0.120** (0.049) N=260
Have Distant Neighbour in Group	0.041 (0.046) N=387	0.110** (0.047) N=245	0.012 (0.025) N=260
Difference in Avg. Individ. Payoff Before Pooling	14.3 (13.9) N=424	7.67 (17.1) N=262	0.074 (16.9) N=282
Differences in Avg. Payoff on Risk-Sharing	8.66 (7.83) N=393	49.6*** (11.6) N=198	9.74 (9.57) N=231

Table 6 Differences in risk-sharing and risk-taking behaviour between disaster and non-disaster group (Corrected)

Variable	No Defection Disaster – No Disaster	Private Defection Disaster – No Disaster	Public Defection Disaster – No Disaster
Group Formation	–0.055** (0.024) N=422	–0.072** (0.027) N=262	–0.064** (0.029) N=282
Group Size	–1.030*** (0.140) N=385	–0.270* (0.160) N=245	0.190 (0.160) N=260
Choose Risky Bet	0.078** (0.038) N=422	0.015*** (0.042) N=262	0.088* (0.046) N=282
Defection		–0.230*** (0.048) N=249	–0.210*** (0.038) N=264
Have Near Neighbour in Group	–0.110*** (0.041) N=385	–0.100* (0.054) N=245	–0.120** (0.049) N=260
Have Distant Neighbour in Group	0.042 (0.026) N=385	0.110** (0.047) N=245	0.012 (0.025) N=260
Difference in Avg. Indiv. Payoff Before Pooling	14.5 (14.0) N=422	7.67 (17.1) N=262	0.074 (16.9) N=282
Differences in Avg. Payoff on Risk-Sharing	9.42 (7.85) N=391	49.6*** (11.6) N=198	9.74 (9.57) N=231

Table 7 Probability of defection in risk-sharing commitments (Original)

	(1)	(2)	(3)	(4)	(5) Round 2 Winners only
Disaster	-0.210*** (0.050)	-0.220*** (0.053)	-0.210*** (0.054)	-0.210*** (0.054)	-0.280*** (0.056)
Age	-0.001 (0.001)	-0.001 (0.001)	-0.001 (0.001)	-0.001 (0.001)	-0.003** (0.001)
Female	-0.004 (0.029)	-0.005 (0.030)	-0.005 (0.030)	-0.008 (0.029)	-0.001 (0.045)
Education	0.003 (0.003)	0.003 (0.003)	0.003 (0.003)	0.002 (0.003)	0.003 (0.006)
Household Size	0.022 (0.014)	0.021 (0.015)	0.021 (0.015)	0.021 (0.015)	0.027 (0.023)
Log (HH income)	-0.082** (0.034)	-0.082** (0.034)	-0.082** (0.034)	-0.084** (0.033)	-0.130* (0.073)
Risk Loving	0.021 (0.027)	0.018 (0.024)	0.020 (0.026)	0.100 (0.071)	0.098 (0.091)
Risk Loving \times Winner R1				-0.110 (0.095)	0.030 (0.120)
Winner R2	0.150*** (0.030)	0.150*** (0.030)	0.150*** (0.030)	0.150*** (0.030)	
Private Defection	0.083 (0.053)	0.078 (0.053)	0.061 (0.064)	0.056 (0.061)	0.054 (0.065)
District Dummy	No	No	Yes	Yes	Yes
N	513	509	509	509	283

Table 7 Probability of defection in risk-sharing commitments (Corrected)

	(1)	(2)	(3)	(4)	(5) Round 2 Winners only
Disaster	-0.210*** (0.050)	-0.220*** (0.053)	-0.210*** (0.054)	-0.210*** (0.054)	-0.280*** (0.056)
Age	-0.001 (0.001)	-0.001 (0.001)	-0.001 (0.001)	-0.001 (0.001)	-0.003** (0.001)
Female	-0.004 (0.029)	-0.005 (0.030)	-0.005 (0.030)	-0.008 (0.029)	-0.001 (0.045)
Education	0.003 (0.003)	0.003 (0.003)	0.003 (0.003)	0.002 (0.003)	0.003 (0.006)
Household Size	0.022 (0.014)	0.021 (0.015)	0.021 (0.015)	0.021 (0.015)	0.027 (0.023)
Log (HH income)	-0.082** (0.034)	-0.082** (0.034)	-0.082** (0.034)	-0.084** (0.033)	-0.130* (0.073)
Risk Loving	0.021 (0.027)	0.018 (0.024)	0.020 (0.026)	0.100 (0.071)	0.098 (0.091)
Winner R1	0.130*** (0.028)	0.130*** (0.027)	0.130*** (0.027)	0.160*** (0.044)	0.150*** (0.053)
Risk Loving \times Winner R1				-0.110 (0.095)	0.030 (0.120)
Winner R2	0.150*** (0.030)	0.150*** (0.030)	0.150*** (0.030)	0.150*** (0.030)	
Private Defection	0.083 (0.053)	0.078 (0.053)	0.061 (0.064)	0.056 (0.061)	0.054 (0.065)
District Dummy	No	No	Yes	Yes	Yes
N	513	509	509	509	283

Table D3 Probability of Defection in Risk Sharing Commitment - Balanced Sample (Original)

	(1)	(2)	(3)	(4)	(5) Round 2 Winners only
Disaster	-0.19*** (0.029)	-0.23*** (0.034)	-0.22*** (0.042)	-0.22*** (0.041)	-0.28*** (0.061)
Age	-0.001 (0.001)	-0.001 (0.001)	-0.001 (0.001)	-0.001 (0.001)	-0.001 (0.001)
Female	0.021 (0.033)	0.014 (0.043)	0.044 (0.042)	-0.004 (0.058)	
Education	0.005 (0.003)	0.005 (0.003)	0.004 (0.003)	0.001 (0.007)	
Household Size	0.014 (0.014)	0.015 (0.014)	0.016 (0.013)	0.030 (0.020)	
Log (HH income)	-0.082** (0.034)	-0.082** (0.034)	-0.084** (0.033)	-0.13* (0.073)	
Risk love	0.070** (0.031)	0.018 (0.024)	0.020 (0.026)	0.10 (0.071)	0.098 (0.091)
Risk love \times Winner R1				-0.12 (0.010)	0.043 (0.14)
Winner R2	0.12*** (0.04)	0.12*** (0.03)	0.12*** (0.03)	0.15*** (0.04)	
Private Defection	0.053* (0.031)	0.067 (0.043)	0.056 (0.054)	0.053 (0.055)	0.075 (0.071)
District Dummy	No	No	Yes	Yes	Yes
N	326	323	323	323	181

Table D3 Probability of Defection in Risk Sharing Commitment - Balanced Sample (Corrected)

	(1)	(2)	(3)	(4)	(5) Round 2 Winners only
Disaster	-0.19*** (0.029)	-0.23*** (0.034)	-0.22*** (0.042)	-0.22*** (0.041)	-0.28*** (0.061)
Age	-0.001 (0.001)	-0.001 (0.001)	-0.001 (0.001)	-0.001 (0.001)	-0.001 (0.001)
Female	0.021 (0.033)	0.014 (0.043)	0.044 (0.042)	-0.004 (0.058)	
Education	0.005 (0.003)	0.005 (0.003)	0.004 (0.003)	0.001 (0.007)	
Household Size	0.014 (0.014)	0.015 (0.014)	0.016 (0.013)	0.030 (0.020)	
Log (HH income)	-0.082** (0.034)	-0.082** (0.034)	-0.084** (0.033)	-0.13* (0.073)	
Winner R1	0.120*** (0.037)	0.120*** (0.035)	0.110*** (0.035)	0.150*** (0.042)	0.170*** (0.058)
Risk love	0.070** (0.031)	0.067** (0.029)	0.069** (0.028)	0.16* (0.084)	0.014 (0.011)
Risk love \times Winner R1				-0.12 (0.010)	0.043 (0.14)
Winner R2	0.14*** (0.04)	0.14*** (0.03)	0.14*** (0.03)	0.15*** (0.04)	
Private Defection	0.076* (0.045)	0.067 (0.043)	0.056 (0.054)	0.053 (0.055)	0.075 (0.071)
District Dummy	No	No	Yes	Yes	Yes
N	326	323	323	323	181