



Tropentag, October 6-8, 2009, Hamburg

“Biophysical and Socio-economic Frame Conditions  
for the Sustainable Management  
of Natural Resources”

## Experimentally Validated Survey Evidence on Individual Risk Attitudes in Rural Thailand

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### Abstract

There is a wealth of experimental studies on individual risk attitudes of farmers in developing countries which provide a comprehensive picture. However evidence on risk behaviour is mostly based on experiments. These smaller samples often do not have enough variation (and scope) in their socio-economic variables to be useful in broader micro-econometric analyses. There is thus an urgent need to generate information about individual risk attitudes in a simpler way so that it can be implemented for example in the increasingly popular large panel studies. In a sample of over 900 respondents in the province of Ubon Ratchathani in Thailand we combined questionnaire based measures and an experiment as part of the DFG research project “Impact of Shocks on the Vulnerability to poverty: Consequences for Development of Emerging Southeast Asian Economies” (DFG FOR 756).

In this novel research, the stability of the fit between survey and experimental evidence has been investigated. The survey shows that a simple self-evaluation of the respondents' risk attitudes could be validated by an experiment as shown by appealing correlates. Results also show that the fit between survey and experiment is closer for better educated respondents raising the question, if less educated respondents find it more difficult to fully understand the experiment. Thus less educated people do state their preferences less consistently than others and make experimental results noisier. Therefore, while it seems possible to integrate risk assessment questions in larger surveys in developing countries, experiment and survey instrument have to be adjusted to meet the respondents' capabilities.

**Keywords:** Experiment, risk attitude, survey technique