



ORIGINAL ARTICLE

Natural Disasters and Informality: Are local labor markets impacted after an earthquake?

César Andrés Mendoza ✉, Benjamin Jara

First published: 06 November 2019

<https://doi.org/10.1111/rsp3.12258>

Citations: 5

 **Get access to the full version of this article.** View access options below.

Institutional Login

Readcube-Labtiva does not provide access to this content.



Log in with a different institution

Log in to Wiley Online Library

If you have previously obtained access with your personal account, please log in.

Log in

Purchase Instant Access

48-Hour online access

\$10.00

Details



Online-only access

\$18.00

[Details](#)



PDF download and online access

\$42.00

[Details](#)



[Check out](#)

Abstract

[EN](#) [ES](#) [JA](#)

This article studies the probability of being part of informal labor markets after a natural disaster. We consider different concepts of labor market informality and use empirical definitions for employment in the informal sector and informal employment. Since the Ecuadorian earthquake may be considered a natural experiment, we perform a two stage identification strategy using both coarsened exact matching (CEM), and nonlinear difference in differences (DD) using individual panel data. We use a fully exogenous measurement of intensity (Peak Ground Acceleration, PGA), which is continuous, and has not been subject to possible arbitrariness in its definition. We found that the earthquake had a positive effect in the likelihood of being part of informal sector if workers are located in the affected areas; we also identified significant gender differences, since a causal effect for men was found, but not for women. When we use the concept of informality based in jobs (informal employment) instead of companies (informal sector), no robust evidence of a causal effect was found. Our results suggest that the government's reconstruction efforts could had attenuated the effect of the disaster over informality in the most affected zones.

[Download PDF](#)



© 2022 Regional Science Association International

[About Wiley Online Library](#)

[Privacy Policy](#)

[Terms of Use](#)
[Cookies](#)
[Accessibility](#)
[Wiley Research DE&I Statement and Publishing Policies](#)

[Help & Support](#)

[Contact Us](#)
[Training and Support](#)
[DMCA & Reporting Piracy](#)

[Opportunities](#)

[Subscription Agents](#)
[Advertisers & Corporate Partners](#)

[Connect with Wiley](#)

[The Wiley Network](#)
[Wiley Press Room](#)