

Hysteresis in post-covid addictive consumptions is contingent upon time preferences

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Abstract

How can agents who have experienced a shock in addictive consumption trajectories return to their habitual use? In the course of a behavioral economics online survey, we asked the respondents to quantify their consumption of tobacco, alcohol and use of screens at three moments: a few months before the first Covid-19 lockdown, during the lockdown and a few months after. Using a methodology that controls for inter-individual heterogeneity, we test for the presence of a hysteresis effect, i.e. whether the shocks in use that occurred during lockdown last beyond the end of it and the return to normal life. We find that hysteresis exists for the three addictive goods under consideration, but varies according to time preferences as revealed by the Andreoni-Sprenger task. Interestingly, present-biased agents exhibit hysteresis most often, while future-biased individuals tend to evade it. This notion of hysteresis, and its link to time-preferences, is a novel point, relevant for scientists who want to better understand the addiction behavior, and for the policymaker who is interested in hysteresis, which is the reverse-side of the 'resilience' of populations to shocks.