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RISK PERCEPTION AND ATTITUDES IN ALBANIA: AN EXPLORATORY STUDY

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Albi Zylfo[1], Elona Pojani[1,2]

[1]OTP Bank, Tirana, Albania
[2]University of Tirana, Department of Finance, Albania

ORCID iD:	Albi Zylfo	N/A
	Elona Pojani	https://orcid.org/0000-0001-9854-2382

Abstract. *This paper analyses risk perception and attitudes toward risk in Albanian society. It principally focuses on how age affects risk tolerance, even though also gender impact is taken into account. To particular interest is the shift in risk perception of the individuals before and after the fall of communism. The authors have embraced an exploratory research, using qualitative data from interviews. By considering two groups of participants, those older than 35 and younger than 35, the paper makes distinctions between risk attitude of both groups. In addition, the differences in responses between genders have been analyzed. The paper draws conclusions on the role of age and gender in relation to risk perception by aligning it with main conclusions of academic literature on these aspects. It further discusses the role of the social environment before and after the fall of communism and its effect on the risk tolerance profile of Albanians.*

Key words: *Risk perception, Albania, age effect, gender effect, financial risk, life-style risk*

JEL Classification: D81

1. Introduction

Research on risk attitude has sought to study how different factors affect risk perception and risk tolerance level of individuals. Demographic factors, such as gender, social status, age, and the social environment role have been particularly addressed in such literature. Findings define how these demographic factors affect the attitude of individuals toward risk. Especially economic risk attitude has been analyzed, as a particular aspect of the risk profile of individuals. While quantitative analysis has been on the spotlight of research in the area, most recent literature has been using qualitative tools to investigate the reasons of such differences.

Albania is a post-communist country situated in Eastern Europe. Its communist past has much affected the population safety culture. While the country is experiencing rapid development, the roots of its history are still affecting the way people make decisions, and their risk attitude in general. Research on risk attitude has been very limited in Albania. To the extent of the authors' knowledge, only two complete studies have touched upon this topic. In a study of the impact of culture and emotion on individuals' financial behaviour, Grabova (2013) concluded that social norms and tradition affect the way people use money. Employing a qualitative study, based on a Q-methodology, she argues that different regions of Albania, characterized by various cultures, have a different relationship to money. People from the northern area of Shkodra are more imprudent, while people living in the southern area of Korça are much more conservative when considering expenses and family budgets. While studying how Albanians organize their personal finance, Leka (2008) also finds similar differences between regions in Albania.

This paper embraces a qualitative approach for offering an exploratory study of the main factors that affect risk perception and attitudes toward risk in Albanian society. It focuses in particular on how age and gender affect risk tolerance. While the aim is not to make statistical implications, the results of the study can help orientate future research toward qualitative analysis of the relationship between our identified factors and risk attitude. Three types of risk are considered: financial risk, health risk, and decision-making risk. The first part of the paper offers a brief overview of the literature of risk behavior. The second part presents the study methodology and the final section discusses the research findings.

2. Literature Review

Risk is an inevitable part of an individual's life. Each decision he or she makes, even when it is not connected with economic benefits, carries a risk. The complexity of risky situations is also associated with the complexity of people's behaviours when confronted with them. In some situations, people might not understand what the consequences of a particular risk are, while in other cases, they are aware of the consequences but do not take any action to minimize the risks. This is a clear expression of contradictory behaviour, as is related to the concept of risk perception.

Two factors have been attributed to the way people perceive risk. The first is fear (Olsen, 2014; Slovic et al., 1985). The second is related to the conditions and characteristics of the society we live in, such as living in a particular cultural setting (Guiso et al., 2006), or living under the impact of discrimination events or violation of justice (Olsen, 2014). Further, Olsen (2014) argues that risk perceptions are multi attribute, environmentally influenced and personally oriented.

Economic risk attitude and risky behaviour are two aspects thoroughly addressed in risk research. Some researchers have treated the two categories separately from one another, implying that an individual can show risky behaviour (like driving fast), while being very cautious in regard to his economic decision. Zhong et al. (2008) for example, while studying the heritability of economic risk attitude in their experimental research, did not relate it to the other risk profile elements of the participants.

Other authors, while observing financial behaviour in relation to other risky behaviour of the participants, argue that the distinction of the two concepts is not so clear (Dohmen et al., 2011; Martins et al., 2004; Worthy et al., 2010). Even earlier, Jackson et al. (1972) have studied risk tolerance in four dimensions: financial risk tolerance, physical risk tolerance, social risk tolerance and finally ethical risk tolerance, arguing that between these levels there is some consistency. Some people are always upset and worried, no matter what kind of hazards they face, while others are usually more relaxed and this is reflected in the way they make their financial decisions or other decisions. Moreover, studies that have measured the correlations between different risk ratings, have found that if there is a correlation, this usually has been positive and strong (Callan & Johnson, 2003; Sjöberg 2000).

In terms of demographic factors, main influencers of risk tolerance have been found to be gender, marital status, age, wealth and education. Gender effects are the ones that have been thoroughly studied in literature and it has been generally universally accepted that that females are more risk averse than males (Barsky et al., 1997; Donkers et al., 2001; Grable, 2000; Grable & Joo, 2004, Guiso & Paiella, 2005; Guiso et al., 2002; Sung & Hanna, 1997; Yao & Hanna, 2005).

Research has usually been controversial in regards to the relationship between age and risk tolerance. Many researchers have found a negative relationship between risk tolerance and age (see for example Grable & Lytton, 1998; Morin & Suarez, 1983; Yao et al., 2011). However, in their empirical study on the effects of financial and demographic variables on risk tolerance, Sung & Hanna (1997), find no significant relationship between age and risk tolerance. Grable (2000) found a positive relationship between age and risk tolerance, arguing that as people age their finances become more stable, making them willing to take more risk. Interestingly, Hallahan et al. (2004) found an inverse, although nonlinear structure in the relationship between risk tolerance and age. In attempt to explore the full effect of age to risk tolerance, Yao et al., (2011) have decomposed the age effect into three components: "age effect" which is related to the process of getting old; "the generation effect" which is affected by socioeconomic environments that influence different generations and do not change with age; and the "period effect" which is related to those socioeconomic environments that influence individuals of all ages over time. They find that the main influencers of the relationship between age and risk tolerance are aging and period effects.

Other demographic factors studied in the literature are income, marital status, and education. Income and wealth are two related factors that are believed to have a positive relationship on the preferred level of risk (see Bernheim et al., 2001; Diaz-Serrano & O'Neil, 2004; Grable & Lytton, 1998; Schooley & Worden, 1996; Shaw, 1996). However, other researchers argue the opposite, finding that wealthy people may be more conservative with their money than low income people, which might see more risky investment as a way to get richer (see for example Bowman, 1982). In relation to marital status, literature finds that unmarried people are less risk tolerant than married individuals, except when substantial risk tolerance is considered, in which case there is no difference in risk tolerance between married and unmarried people (Hallahan et al., 2004; Yao & Hanna, 2005). Finally, education makes

people more tolerant to risk. The rationale is that education increases a person's capacity to evaluate risks inherent to the investment process and therefore endow them with a higher financial risk tolerance (Baker & Haslem, 1974; Haliassos & Bertaut, 1995; Sung & Hanna, 1997).

The methods used in the foregoing studies vary widely. Scholarly debates are ongoing as to which methodology is the most appropriate to study risk. Many researchers have employed surveys based on secondary data, such as census or Consumer Finances surveys, to access risky behaviour (Bajtelsmit et al., 1999; Hallanah et al., 2004; Hariharan et al., 2000; Sung and Hanna, 1997; Yao and Hanna, 2005; Yao et al., 2011). When quantitative surveys are used, risk tolerance level is assessed by modelling the responses of participants, who are asked to agree or disagree on particular statements related to risk perception or to make decisions based on hypothetic situations (Diacon, 2004; Grable & Joo, 2004; Olsen 2012; Zhong et al., 2009). However, this approach has been criticized because frequently questions are not well understood by respondents and because what people self-report is not always reliable (e.g., what people do in reality does not necessarily match what they say they will do in the artificial context of a study). Other researchers have attempted the experimental strategy, where the decision making of participants in financial markets have been accessed, and accordingly their risk profile has been compiled (Barr & Packard, 2002; Binswanger, 1980; Eckel & Grossman, 2008; Holt & Laury, 2002; Schubert et al., 1999). Experimental strategy enables the researcher to observe actual behaviour of participants in real situations, and consequently judge about their real level of risk tolerance. However, experimental strategy often compromises the external validity of the research, due to the sampling constrains, and ethical issues involved (Gliner et al., 2009; Saunders et al., 2002). Finally, most recent research has employed qualitative methods, such as interviews and focus groups in order to provide a more fine-grained analysis of risk perception and attitudes (Barsky et al., 1997; Diaz-Serrano & O'Neil, 2004; Donkers et al., 2001; Guiso & Paiella, 2005; Guiso et al., 2002). This shift is especially due to the rise of the field of behavioural finance. Researchers have argued that quantitative data and quantitative analysis alone are insufficient to determine the underlying reasons of individual's decisions in financial markets, and more thorough analysis is paramount to determine the way financial decisions are made. While the constraints in data quality, time, personnel, and other resources may not allow the use of a quantitative approach, often, qualitative methods are rather embraced in order to give a stronger meaning to the collected data (Coleman and Marks, 1999), by identifying themes and patterns within the data (Gliner et al., 2009; Saunders et al., 2002). In a study on risk behaviour among adolescents, qualitative methods were chosen for preventing response bias, which was often a problem when surveys with closed questions were used (Rodham et al., 2006). In other studies, the qualitative method is used to confirm the quantitative findings (Simões et al., 2008). Studies that use mixed methods combine the findings from both qualitative and quantitative analysis, in order to achieve the understanding of social processes and individual behaviours (Grappendorf et al., 2008; Wagner et al., 2012). However, ultimately, the choice of method is based on several combined factors, including data availability, complexity of the issue, and requirements of the analysis (Han & Weng, 2011).

In summary, while the literature in this field is rich, new research is constantly being produced. Generalization and universal truths have not been produced yet. Different settings, cultural environments and situations lead to different conclusions. These reasons, along with a lack of domestic research, motivated this exploratory study in Albania.

3. DATA AND METHOD

The research for this study was conducted in Tirana, the capital of Albania in 2016. Semi-structured personal interviews were the main data collection tool. Respondents were purposefully selected based on their age and gender, by inviting each one of them for an interview, with the aim to address the main question of the study. The emphasis was on observing and taking notes on the gender effect and the generation effect on risk attitude, as defined by Yao et al. (2011).

Albania is a post-communist country with two distinct generational worldviews. Gender roles tend to be patriarchal and traditional (Vullnetari & King, 2015). For about half a century the Albanian economy was centralized, organized with deeply bureaucratic structures where decision-making was subject only to traditional methods. Taking risk was a bold decision, as the consequences of failure could be fatal. Given this, any economic structure tended to see only certain short-term and not optimal benefits. Individuals who were in charge of decision-making preferred to avoid risk to protect themselves. In addition, the term risk was often misused or misunderstood. This was also due to the lack of information and knowledge in the risk field. The post-1990s society was exposed to a large amount of information and choices; however, it seems that the sense of danger still remains an integral part of the psychosis of the past. Even the explanation of the term risk in the Albanian dictionary is not related to economics or decision making. Specifically, in the dictionary of today's Albanian language, "luck" or "fate" are defined as synonyms for risk (Dictionary of Today's Albanian Language, 2016). The term "danger" was and is still usually used instead of the term risk, creating the psychosis that risk is something to be avoided in any case because it can cause harm. Under such circumstances, economic decision-making and risk-taking have been and still are deeply culturally oriented.

In light of these observations, this research builds upon the motivation to improve risk literacy in Albanian literature in the field. Forty interviewees participated in the study, 20 men and 20 women, 20 of which were over 35 and the rest in their 20ies. Respondent's answers were analysed both for the whole group and for two subgroup sets, namely: women and men, and individuals over 35 and under 35. The breakdown point was set at 35 in order to distinguish between those participants who received most of their education during the communist era (pre-1990s) and the transition period (1990-2000) and those who were raised and educated after 2000.

The interview questions aimed at investigating the tolerance towards financial risk, health risk and life-style risk. The questionnaire included 22 pre-defined question and follow-up questions as needed to extract the necessary information from the interviewees. Most questions were open-ended questions but a few rating questions using a Likert scale were included as well. The interviews were collected in a period of 3 months. Each interview was conducted in Albanian, lasted approximately 20-30 min and the data was recorded using an electronic device and later transcript for further analysis.

The interview was structured in three parts. The first part addressed general question related to the interviewee demographic profile and education choices. Demographic variables collected included age and gender, household type and size, and employment status. The second part of the interview investigated financial choices of the participant, such as saving modes, preferred investment alternatives, as well as self-reporting on economic risk tolerance. The third part of the interview addressed mostly personal aspects of everyday decision

making of the individuals. These included travel choices, health care, life style, family connections, touristic choices, as well as choice of romantic partners. Table 1 summarizes the conceptual framework of investigating on risk profiles, according to which the interview questions were conceived.

Table 1 Conceptualization of risk profiles and interview questions

Risk component	Subcomponents
Financial Risk	Predisposition to save
	Choice of investment
	Involvement in political and economic activities
Health risk	Choice of transport means
	Nutrition choice
	Medication choice
	Frequency of health check-ups
Decision-making risk (life-choices)	Choice of education
	Choice of place to live and lifestyle
	Choice of partner

Source: The authors

Under this conceptual framework, the following hypotheses were defined:

H1: Age significantly affects risk tolerance of the people in post-communist countries (or more specifically, in Albania).

H2: Gender significantly affects risk tolerance of the people in post-communist countries (or more specifically, in Albania).

These main hypotheses were further decomposed into more specific sub-hypotheses:

H1a: Age significantly affects the attitude towards financial risk of the people in post-communist countries (or more specifically, in Albania).

H1b: Age significantly affects the attitude towards health risk of the people in post-communist countries (or more specifically, in Albania).

H1c: Age significantly affects the attitude towards decision-making risk of people in the post-communist countries (or more specifically, in Albania).

H2a: Gender significantly affects the attitude towards financial risk of the people in post-communist countries (or more specifically, in Albania).

H2b: Gender significantly affects the attitude towards health risk of the people in post-communist countries (or more specifically, in Albania).

H2c: Gender significantly affects the attitude towards decision-making risk of people in the post-communist countries (or more specifically, in Albania).

The interview produced mainly qualitative data. The aim was to identify the main themes and patterns among respondents' answers, which can confirm the validity of the drawn hypothesis. For qualitative data, the analysis was conducted manually: first summaries of interviews were produced, key words were defined and the main patterns of responses were identified.

A small sample of respondents was purposefully selected to achieve this goal. Advanced statistical testing was not possible and is not the aim of the study. However, through the Likert rating questions, some quantitative data were also analysed. Based on the rating questions addressed through the interview, the interdependence or interaction between the risk

subcomponents have been investigated for the whole sample (Table 7). Moreover, mean values of Likers scale valuations are calculated and reported for each risk subcomponents (Tables 2 through 6). The consistency between financial risk behaviour and risky behaviour was assessed.

The study results discuss the consistency in these risk categories based on answers given by respondents. In addition, the factors, which cause differences in relation to risk perception per each category, are analysed. In particular, gender and age have been emphasized as possible causes of such differences.

4. Findings and Discussion

4.1. Financial risk

The interview responses show that men tend to be keener on risky investments, unlike women, who prefer forms of investments with a moderate level of risk. Men would rather invest on starting a new business, while women are prone to saving their money in a bank or investing in a pension fund. This is consistent with the findings of the literature on the gender effect ((Barsky et al., 1997; Donkers et al., 2001; Grable, 2000; Grable & Joo, 2004, Guiso & Paiella, 2005; Guiso et al., 2002; Sung & Hanna, 1997; Yao & Hanna, 2005).

Risk perceptions vary by age too. People under 35 state that they prefer to save money to face unexpected expenses, but they seem to have only a moderate tendency to save. Study participants in this age group who save the most are those whose expenses are covered by their family. People over 35 have an entirely different attitude toward savings. They see these as a vital component of their future. They tend to save money not only to cover the cost of their purchases in the short or medium-term, but also for a "nest egg for old age". This observation is in line with that part of literature that find a negative relationship between risk and age (Grable & Lytton, 1998; Morin & Suarez, 1983; Yao et al., 2011), arguing that Millennials are generally considered the "rent generation", more interested in traveling and having fun, rather than saving and settling down. However, some inconsistencies in the arguments of respondents are observed from the analysis of qualitative data. Younger are usually more risk tolerant, as they have time to recover from a bad financial choice. At the same time, as their finances are neither stable nor substantial, people of this age group declare to be more prudent in their spending, aiming at consolidating their savings before starting to embrace risky financial decisions. Older people show both behaviours as well, for different reasons. They are cautious when considering financial choices, as they need to feel secure in case they face sudden adversity, such as illness. On the other hand, given that their finances are consolidated, they find some level of risk acceptable. These observations are in line with that part of literature that has not established a clear relationship between age and risk tolerance (Sung & Hanna, 1997).

The main inverse relationship between risk attitude and age in our study can be further explored when considering circumstantial factors. Older respondents do not have the appropriate information or knowledge related to different types of investments, given the fact that financial markets are underdeveloped in Albania, and this group received their main education during communism and transition area, when financial education was not a solid part of school curricula. In addition, they seek investments that require less energy to undertake (time, innovation, market studies, etc.), thus choosing safer forms of investments (bank deposits, treasury bonds, etc.).

Some descriptive statistics on respondents answers in relation to the investment choice of respondents are shown in Table 2. As can be seen from the table, the average values show that the trend is towards safer forms of investment. Creating a new business, appears to be appealing, but the average value demonstrates mostly indifference rather than approval on this type of investment. Meanwhile, the most controversial form of investment, also the most risky one, represented by gambling, is mostly discarded by respondents. The triangulation of these data, with the qualitative one has highlighted two problems related to risk perception. Firstly, we observed that, even though some interviewees are oriented toward risky forms of investments, such as establishing a new business, their level of knowledge on entrepreneurship and portfolio management is questionable. This is especially true for the group-age over 35 – a generation who has received little financial education during their schooling. These observations contrast the findings of studies set in other countries and may make Albania's case special. Secondly, we concluded that saving money in a bank is the preferred form of investment. This can be the result of either the limited options that the financial market offers in Albania, or a risk aversion attitude among most respondents.

Table 2 Descriptive statistics on evaluation about the preferred type of investment

Type of investment	Mean value of Likert scale[1]
Investment fund in a second level bank	4.3
Investment in a new business	3.64
Gambling	1.15

Notes: [1]The respondents were asked to rank the different investments choices based on a Likert scale, where 1 is the value showing disregard to the respective investment option and 5 high interest in the investment option.
Source: The Authors

4.2. Health risk

This aspect of risk behaviour is crucial, because it analyses choices people make in relation to their wellbeing. Some descriptive statistics in relation to the main subcomponents of this risk category are shown in tables 3 and 4.

Table 3 Descriptive statistics on evaluation about safety attitude in travel

Safety measures	Mean value of Likert scale[1]
Speed limit	4.23
Vehicle safety	4.57
Cost of travel	4.06

Notes: [1]The respondents were asked to rank the most important factors related to the choice of a travel mean. The factors are evaluated on a Likert scale, where 1 is the value showing disregard of the factor, while 5 demonstrates a high relevance of the factor.
Source: The Authors

In relation to the first group of factors related to safety attitude in travel, responses show that individuals pay attention to the speed of travel, but vehicle safety is considered the most important. This means that despite the preference to shorten the arrival time to a certain destination, the importance of the safety of the means of transport dominates. The qualitative analysis of open-ended questions show that some individuals admit to having travelled by

unsafe means in order to reach their destination faster. The cost of transportation is important, but also conditioned by the safety of the trip.

Table 4 Descriptive statistics on evaluation about the factors that affect decisions about the health

Factors	Mean value of Likert scale[1]
Cost of medical visit	4.23
Time spent in queues	3.38
Precaution about health	4.85

Notes: [1]The respondents were asked to rank the most important factors related to their willingness to undertake medical check-ups. The factors are evaluated on a Likert scale, where 1 is the value showing disregard of the factor, while 5 demonstrates a high relevance of the factor.
Source: The Authors

The second group of answers related to decisions people take about their health in general, show very interesting patterns. For instance, a dual behaviour is observed. On the one hand, respondents pay attention to the concept of health, but on the other hand they are not willing to take concrete action to ensure its protection. This fact is well supported by the results of the qualitative data. Whether due to the high cost of visits or to some extent the time required to commit to health problems, individuals are reluctant to undergo medical examinations at set time intervals. Although it is important for them to treat the symptoms from the beginning, it does not seem that in practice this factor is given due importance.

Discussing gender differences, in line with the literature, we observe that women are generally more interested in taking care of their health compared to men. This is more visible when it comes to nutrition, medical care and medicine usage. However, the fact that someone is interested in wellbeing and a healthy lifestyle does not necessarily mean that they make an effort to achieve those goals. Both male and female respondents tend to neglect medical check-ups. In most cases, this is due to a low level of trust in the health care system in Albania. However, this can also be a sign of a risky behaviour, which, interestingly, contradicts the financial risk behaviour discussed earlier. Thus, while the interviewees are mostly risk adverse when it comes to financial choices, they are more risk tolerant when deciding about their health and self-care. This has a lot to do also with some aspects of Albanian culture towards safety in general. Albanians are reactive rather than pro-active when it comes to planning and this is reflected in many behaviours they show in different situation. For example, there is a very low culture of insurance in the country, even though communities are often faced with disaster events, like flooding, fires, landslides, etc., which leave many damages both in property and wellbeing. Usually individuals make decisions after a situation has occurred, rather than taking measures before to mitigate the consequences. This behaviour is consistent with the observations in relation to the way they treat their health issues, as our data show.

Some differences are also observed between age groups. The inverse relationship between age and risk attitude, discussed by some authors (Grable & Lytton, 1998; Morin & Suarez, 1983; Yao et al., 2011), is observed about the health factors. The data reveal a low concern about health-related risks among younger ages. Self-medicating is common in this group. In contrast, older people tend to show a moderate level of interest in health. They perceive health risks as important and as having a potentially large impact in their lives. In addition, they claim that they undergo medical check-ups more frequently. The

findings suggest a more rational relationship between age and risky behaviour, i.e. younger participants are more imprudent than older participants are, because they are in better health and have a lifetime ahead of them.

4.3. Life - choices risk

The mean values of the Likers scale evaluation for two categories of life choices components (education and choice of residency) are shown in tables 5 and 6.

Table 5 Descriptive statistics on evaluation about the factors that affect education choices

Factors	Mean value of Likert scale[1]
Future income	4.49
Future career	4.21
Possibility to find a job	4.76
Job stability	4.62

Notes: [1]The respondents were asked to rank the most important factors when considering education options. The factors are evaluated on a Likert scale, where 1 is the value showing disregard of the factor, while 5 demonstrates a high relevance of the factor.
Source: The Authors

Table 6 Descriptive statistics on evaluation about the factors that affect the choice of residency (living in a foreign country)

Factors	Mean value of Likert scale[1]
Economic stability	4.81
Family connections	4.7
Better chances for employment	4.62
Cultural and ethnic diversity	3.19
Better education options	4.6
Better conditions after retirement	3.72

Notes: [1]The respondents were asked to rank the most important factors when considering the decision live in a foreign country. The factors are evaluated on a Likert scale, where 1 is the value showing disregard of the factor, while 5 demonstrates a high relevance of the factor.
Source: The Authors

This category of risks was more difficult to analyse and interpret, as the factors were much more complex. Focusing on the choice of education profile, we see that this decision is greatly influenced by the consequences or benefits that it is expected to bring to the life of the individual. This is shown by the high levels of mean values which represent a very strong perception of these factors. Table 6 shows the high impact of several factors when a decision to live abroad is considered.

The qualitative data gave more inputs on the responses of the participants. From a gender perspective, we notice that men are more likely to make impulsive life choices compared to women. They state that they are ready for new experiences, even if they lack information on the risks and benefits involved. Women, on the other hand, are not prepared to make decisions without having a considerable level of certainty. This again is in line with the literature findings on the differences in risk attitude between men and women.

The study reveals important differences between age groups. In relation to the choice of a life partner for example, the following behaviours were observed. The younger

generation claims that romantic love is the most important factor in choosing a life partner, whereas the older generation reports to have considered other factors when choosing their life partner, such as family background, education level, and social status.

Other differences are evident too. The members of the new generation appear eager to try new experiences (e.g., new travel destinations or places to live) and claim to adapt more easily to a new lifestyle. Meanwhile, older people feel insecure when they face new circumstances in their lives. This finding must be understood in the context of Albania's brutal communist history and turbulent post-communist transition, which have left people traumatized and unwilling to experience further change.

Concluding this analysis, Table 7 presents the values of correlations between the average values of the Likert scale for each subcomponent of risk considered. Although there is some correlation between risks sub-components, most values are close to 0. However, some extreme values leave room for interpretation. The most meaningful value is the correlation between the factors that create perceptions of health and safety risks ($r = 0.42$) and the factors that create perceptions of the risks associated with lifestyle and safety ($r = 0.41$). These links are understandable due to the common risks associated with these subcomponents, i.e., the risks associated with lifestyle will necessarily be reflected in health or safety hazards.

Table 7 Variables that affect risk

Subcomponent	Education	Lifestyle	Investment choice	Safety	Health
Education	1				
Lifestyle	-0.11	1			
Investment choice	0.08	0.25	1		
Safety	0.21	0.41	0.30	1	
Health	0.29	0.06	0.34	0.42	1

CONCLUSIONS

Albanian culture, despite emphasizing negative connotations attached to risk, has not deprived individuals of seeking it. This shows that to some extent individuals come to understand the true philosophy of risk and are capable of expanding their decision-making alternatives in such a way as to manage the consequences of wrong choices. Lack of information and limited financial education are factors that have a deterrent effect on individual's decision making, as uncertainty is perceived as a risk even though it may not actually be related to it.

This study presents an exploratory analysis of different components of risk attitude, namely financial risk attitude, health risk attitude and life-style risk attitude, in a post-communist country context, aiming to observe the effect of age and gender to risk attitude. In Albania, economic and financial risks are often perceived merely as loss. This is confirmed by the persistent preference for safe forms of investments, rather than risky but more profitable activities. This is mostly due to the lack of financial education. The study showed that people tend to be more risk adverse when it comes to making choices that offer a high level of satisfaction to them. In these situations, the negative perception of risk is minimized. It should not be excluded though that such approaches may be fictitious or random.

Our study shows that, in the gender perspective, the tendency observed is that men are more risk tolerant than women. This observation is further confirmed by the fact that women are allegedly more cautious about their decisions and carefully analyse each situation. In the age-group perspective, greater freedom to take risks is observed in individuals of age 20-36. The older group of interviewees exhibited more moderate risk-taking behaviours. However, even this conclusion should be carefully considered in light of all other factors analysed in this study, which do not necessarily have to do with risk adverse behaviours, but nevertheless guide the process of decision-making.

Following its exploratory approach, the study serves as a starting point for future in-depth analyses using quantitative and qualitative methods. We deem the study as an important step in the development of risk literature about Albania for two main reasons. First, the topic is not very much addressed in Albanian literature. Studies on the perception and ability to take risks are limited, so this study, modestly, aims to shed some light on people's relationship with risk and to improve literacy in the risk field. Secondly, we consider the employment of a qualitative methodology as a strength of the study. The use of semi-structured interview allows more flexibility and higher ability to explore themes and to define patterns on individuals' perception of risk.

However, the study has its limitations. First, the lack in previous studies leads to a limited bibliographic basis. Consequently, this has prevented us in presenting the overall context of the issue. Second, the methodology used has its shortcomings. This can be evidenced in two aspects. Firstly, people during interviews may tend to display protective behaviour, by not expressing their true attitude, but hindering it with casual opinions, which do not completely reflect what they perceive. We have tried to prevent this issue by working upon trust and confidence with the participants. Secondly, as touched upon above, the qualitative study is limited to the extent of an exploratory analysis. The results cannot be generalized. However, the generalization of results was not our purpose. The main goal was to define the themes and patterns which can be used in designing future quantitative research in the field. The results of our study can serve as a basis for further research in the scientific fields of neuroeconomics and neurofinance in Albanian context. Interdisciplinary research is better suited to explain human decision-making. Studies of this level are still missing in Albanian literature; however, conditions are not lacking to be applicable in the future.

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PERCEPCIJA RIZIKA I STAVOVI O RIZIKU U ALBANIJI: ISTRAŽIVAČKA STUDIJA

Ovaj rad analizira precepciju rizika i stavove prema riziku u albanskom društvu. Pre svega se fokusira na to kako uzrast utiče na toleranciju rizika, iako se i pol uzima u obriz. Od naročitog je interesa promena u preceptiji rizika kod pojedinaca pre i nakon pada komunizma. Autori su se odlučili za istraživanje koristeći kvalitativne podatke dobijene intervjuima. Razmatrajući dve grupe učesnika, starije od 35 i mlađe od 35, rad pravi razliku među stavovioma ka riziku obe ove grupe. Osim toga, razlika u odgovorima među polovima je analizirana. Rad donosi zaključke o ulozi pola i starosti u odnosu na percepciju rizika koji su u skladu sa glavnim zaključcima akademske literature na tu temu. Dalje razmatra ulogu socijalnog okruženja pre i nakon pada komunizma i njegov uticaj na toleranciju rizika među Albancima.

Ključne reči: *percepcija rizika, Albanija, uticaj uzrasta, uticaj pola, finansijski rizik, rizik načina života*