

Vulnerability of Households to Disaster Risks: Evidence from Rural India

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Disaster risk is a major concern in India as people living in disaster-prone regions are subject to a variety of risks concerning their livelihood. This paper attempts to study vulnerability of rural households. Their income is affected due to climate-related natural disasters like droughts and floods. The analysis is carried out using a production function approach with alternative specifications. The findings suggest that shocks are significantly responsible for diminishing the income of these households and household specific characteristics are important in determining their income.

I Introduction

People living in developing countries are subject to a variety of risks to their livelihood. They arise mostly because of the dependence of the majority of the households on climate-sensitive factors for their livelihoods. A growing body of literature in the past two decades has examined climate-related natural disasters like droughts, floods and hurricanes. The poor are more vulnerable to them due to less favourable economic, social and institutional conditions. Further, findings of Intergovernmental Panel on Climate Change (IPCC 2001a, 2001b) indicate that a climate change imposes notable stress on resources. Specifically with respect to India, preliminary assessments reveal that the severity of droughts and intensity of floods might increase (NATCOM, 2004). Studies by Kavikumar and

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