

## **Abstract**

The uneven distribution of climate change impacts across developed and developing countries suggest that the former are more vulnerable. Climate vulnerability could similarly differ within a country. The differential nature of impacts is attributed to climate change adaptation and growth convergence. Focusing on this strand of literature, this study examines the relationship between the climate and income in a sub-national context. The study finds that increases in temperature are associated with lower levels and growth rate of economic production. Significantly high growth consequences are associated with temperature increases and result in reduced long-run income. The study further examines the relationship between short-run and long-run effects of climate on economic production. The study finds that for a given level of adaptation, the impacts could be significantly different owing to difference in the rate of convergence. This suggests that a more equitable growth process could partially offset the adverse impacts due to climate change.