

CLIMATE VARIABILITY AND HOUSEHOLD VULNERABILITY TO POVERTY IN INDIA

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ABSTRACT

Poverty assessments typically entail static measurement of welfare outcomes, *ex-post*, without accounting for the *ex-ante* risks that the household faces. Thinking about household consumption within a dynamic framework paves the way for a forward-looking measure, namely, Vulnerability. This paper defines vulnerability as the probability that a household will find itself poor in the near future. Following the procedure outlined in Chaudhuri et al. (2002), the paper attempts to assess household vulnerability to poverty in India, partially testing the hypothesis that climate variability significantly increases the risk of poverty. This paper finds the relationship between expected mean of consumption and climate variability to be negative and statistically significant.

