Global Disaster Preparedness Center

EXECUTIVE SUMMARY

Unlocking Climate Resilience:

Assessing the Socio-Economic Benefits of Resilience Incentives for Informal Sector Households in Disaster-Prone Indian Cities

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Executive Summary

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This study examines how climate resilience incentives support informal sector households in Idukki District, Kerala, one of India's most disaster-prone regions. Based on surveys of 312 disaster-affected households, the research finds that repeated floods and landslides continue to have severe economic consequences for low-income families, many of whom remain highly vulnerable despite government recovery programs.

The most significant finding is the disconnect between disaster losses and recovery assistance. Nearly two-thirds of respondents reported receiving no resilience-related financial support after disasters, while almost 70% expressed dissatisfaction with available assistance. Many households indicated that compensation either never arrived or was insufficient to cover rebuilding costs, leaving families to rely on personal loans and savings to recover.

The economic impacts are substantial. Average annual household income declined significantly following disaster events, while income inequality increased across affected communities. The study estimates that the average household loss was more than twice the average financial support received, creating a large recovery gap that prolongs hardship and slows rebuilding efforts.

Poverty emerged as a major driver of vulnerability. Lower-income households were more likely to live close to high-risk areas, suffer greater land and livelihood losses, and have fewer resources available for recovery. Many families remained in disaster-prone locations because safer land and housing were financially out of reach.

The research also identifies several barriers that limit the effectiveness of resilience incentives, including weak program implementation, lack of awareness, bureaucratic delays, insufficient transparency, and poor coordination between authorities and affected communities. These challenges often prevent assistance from reaching the households most in need.

Overall, the study concludes that current disaster resilience programs are not adequately protecting vulnerable informal sector households from the long-term impacts of climate-related disasters. It recommends more transparent and targeted financial assistance, expanded livelihood restoration programs, affordable insurance options, improved beneficiary identification, and stronger support for relocation and resilient housing. Without these measures, disaster-affected households are likely to remain trapped in recurring cycles of loss, debt, and poverty.