

The Analysis of Impact on Household Welfare from the Typhoon

Milenyo in the Philippines[‡]

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Abstract

This paper provides analysis of impact on households caused by one of natural disasters, typhoon in the Philippines. People suffer from natural disasters for many years all over the world. We are interested in how such shocks affected on household welfare. We focus on two main shocks. One is shock on household's consumption behaviour which is caused by changing price level and the other is income shock. Our results show that the impact of price change on food consumption is small, because prices of some food items dramatically decreased by the typhoon. Then, price shock changes not only household's consumptions but also their agricultural income. Moreover, income shock is much larger than shock on consumption. It means that agricultural households, in particular, got damages by *Milenyo*.

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[†]All errors are my own.