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A financial side to addressing Non-Economic Loss and Damage: learning from autonomous responses in Bangladesh.

Abstract

Over the past decade, researchers and policymakers have made significant progress in exploring ways to finance and address loss and damage. However, people in the Global South still receive insufficient technical and financial support. Consequently, they are forced to cope with losses and damages autonomously. This gap in support to address loss and damage is particularly pertinent regarding non-economic losses and damages — such as the loss of mental health, biodiversity, or cultural heritage — as addressing these impacts is typically not included in existing disaster response mechanisms. In addition, the subjective and intangible nature of non-economic losses and damages makes them difficult to address.

In order to fill the knowledge gap on how to address these often subjective and intangible impacts, we examined response strategies that individuals or groups affected by climatic hazards formulated autonomously to cope with non-economic losses and damages. The research took place in two administrative regions of Bangladesh: the south-western Shyamnagar Upazila and the north-central Durgapur Upazila. People in both regions are increasingly exposed to hazards such as floods, droughts, erratic rainfall and rising temperatures. In addition, people in Shyamnagar Upazila face cyclones and increasing salinity.

We found that individuals and groups formulated their own responses to most of the non-economic losses and damages they face. For example, people visit local clinics when they contract water-borne diseases after floods, they replant forests when trees are lost to cyclones, and when droughts affect their ability to grow culturally relevant fruits, they buy them at markets. Responses often require items of monetary value, such as financial capital to buy medicines or seedlings, the presence of local clinics, and materials to repair roads so that people can visit religious buildings. This reliance on economic goods combined with the insufficient support also means that particularly vulnerable or marginalised groups — which experience disproportionate impacts— must spend their already scarce resources to cope with non-economic losses and damages, further eroding their well-being. However, it should be

noted that not all responses to non-economic loss and damage relies upon economic goods. For example, people rely on community relationships to receive food after flooding and religious beliefs in upholding their mental health. Moreover, certain non-economic losses can simply not be recovered. Moving forwards, policies and interventions to address non-economic losses and damages can learn from or reinforce the autonomous efforts we have observed. Moreover, the reliance on economic goods shows that substantial financial resources are needed to fully address non-economic loss and damage and its cascading effects.

Policy relevancy

This observed reliance on economic goods to address non-economic losses and damages on the local level is in stark contrast with the global discourse, where often a strict dichotomy is made between what is 'economic' and 'non-economic'. Leading up to the establishment of the loss and damage fund, developing countries have repeatedly proposed that a fund should focus on non-economic loss and damage, given the little attention is currently receives. A focus on non-economic loss and damage significantly downsizes the scope of the fund. However, our research shows the interconnected nature of loss and damage and how one cannot be addressed without the other. In addition, this financial perspective on non-economic losses and damages can also lead to more comprehensive assessments of the economic costs of climate change, as the cascading economic costs of non-economic damages are often not considered.