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Because actual climate and disaster spending by the government and international bodies in Bangladesh is lower than what is needed, rural households are having to divert money from basic necessities, including food, education and healthcare in order to finance many climate and disaster management actions themselves.

This includes the costs of defensive measures, such as raising their houses above flood levels, precautionary saving for emergencies having to replace destroyed livestock and switching to



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crops that are more suitable to a wetter climate after disasters and moving to urban areas either temporarily or permanently. Other effects on rural communities includes having to sell agricultural lands, a rise in the number of children and adults seeking non-agricultural work, children dropping out of school and a rise in early marriage for girls.

According to our research, because disaster-affected households do not have enough access to formal sources of finance, they are more likely to borrow large amounts of money from informal sources, such as loan sharks. Given these charge significantly higher interest rates compared to banks and microfinance NGOs, this can mean that households get stuck in a credit trap while trying to overcome the risks of climate-induced disasters.

Women spend a larger amount of their income on climate and disaster impacts

Although rural female-headed households spend similar amounts on addressing climate and disaster impacts as male-headed rural households,

because their average income is much lower, as a share proportionately they actually spend three times more. This means that climate change and climate-induced disasters have a bigger effect on female-headed rural households, so it is vital they are involved in developing solutions that work for them.

What needs to change

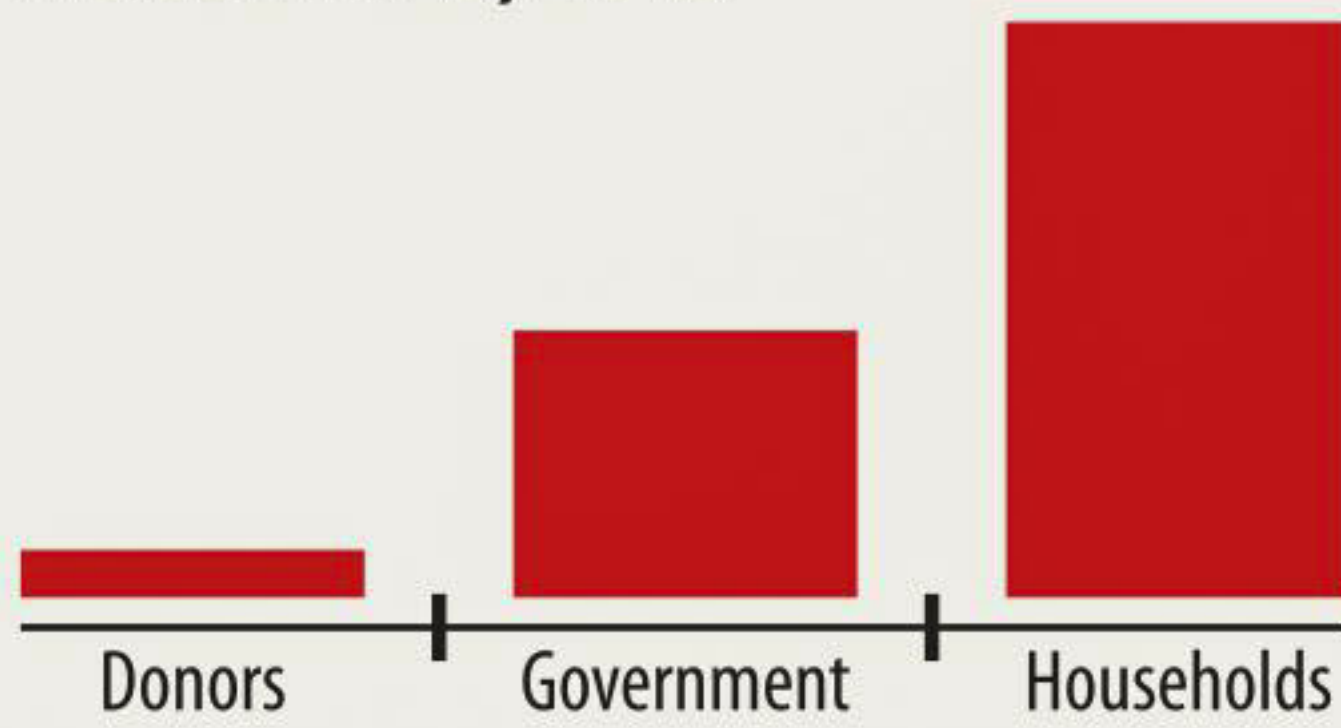
Government and international agencies need to commit more money that is designated for climate adaptation and disaster risk reduction money to the local level to ensure they meet poor households' priorities in how to address climate change. This includes preparing for disasters and rebuilding houses—for example, by raising household compounds with earthen foundations.

As female-headed households give climate and disaster management higher priority than male headed households, government support must specifically involve women in designing programmes that reflect their priorities.

It is also important the government gathers more data on how much households are spending on climate and disasters. Statistical offices, such as the Bangladesh Bureau of Statistics, need to include more questions on the subject in their annual and periodical household expenditure surveys.

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CONTRIBUTIONS TO CLIMATE AND DISASTER FINANCE PER RURAL HOUSEHOLD, 2015



SOURCES: AUTHOR'S CALCULATION USING DATA FROM BIHS (2015), MINISTRY OF FINANCE (2018A) AND MINISTRY OF FINANCE (2018B).

