

## World Conference on Humanitarian Studies 2016



*Participants at the World Conference on Humanitarian Studies 2016, Addis Ababa, Ethiopia, March 5-8, 2016. AIDMI shared the risk transfer and insurance and child centered disaster risk reduction lessons from India with focus on participation and protection.*

From the 5<sup>th</sup> to the 8<sup>th</sup> of March 2016 in Addis Abeba, the 4<sup>th</sup> World Conference of Humanitarian Studies was organised, gathering stakeholders from various background and sharing a common objective of exchange knowledge and practices. All India Disaster Mitigation Institute (AIDMI) took part in this conference, presenting challenges of humanitarian studies in Indian areas. AIDMI presented both its work on disaster microinsurance for small businesses, as well as urban resilience and the rights of children in India. Dr. Kama Lochan Mishra from the Odisha State Disaster Management Authority and close partner of AIDMI also took part in the conference.

All India Disaster Mitigation Institute has been working on providing small business owners with risk transfer mechanisms that can help them cope with disaster. SBOs are indeed crucial for local economy, providing essentials goods and helping jump-start economies. People living in slums rely on those street vendors for inexpensive reliable goods for their immediate needs. They offer the basis of market transactions that can make it possible for other commerce to develop. Yet these business owners often face pressure from natural disasters, assuming the risks of opening a store in the first place is hard. Therefore the failure of these businesses prevents entire communities from having access to quality goods on a consistent basis.

Based on this analysis the need for financial tool and risk transfer approach appeared clear. Microfinance allows for greater access to capital, but introducing capital can artificially inflate demand without increasing supply which can lead to high inflation. Moreover it is often hard to push people to take risk is hard, especially for entrepreneurs in developing countries who risk bankruptcy and impoverishment. Managing this risk is therefore important for economic development.

Disaster microinsurance is a tool that can help SBOs cope with disaster: through the payment of small premiums to insurance companies, NGO or other microfinance institution, they gain financial support in case of loss caused by a disaster. Considering the lack of knowledge and data on the needs of SBOs, AIDMI in partnership with Stanford University and the Humanitarian Innovation Fund, decided to create a project that would cover street vendors in case of disasters.

The first part of the project consisted in a demand survey in three urban sites of Puri (Odisha), Guwahati (Assam) and Cuddalore (Tamil Nadu) the result were used to design microinsurance policies adapted to the different cities and their contexts. The objective of the study was to gauge knowledge of microinsurance, understand the needs and desires of SBOs in terms of microinsurance.

The methodology followed was based on a purposive sampling in order to focus on vulnerable vendors who most need microinsurance. The survey questionnaire included questions about demographic and household information. Local partners facilitated the process. The survey was then followed by a randomized control trial: half of the respondent were provided the product while the other half acted as a control group.

The main results can be summarized as following:

1. There is a large unmet need for microinsurance (or such risk protection tool) for informal businesses.
2. Very few respondents have insurance and among these, most are limited to life insurance and very few have health insurance (from a government scheme).
3. There is limited understanding on how insurance works and the small business owners do not have any readily available source for information related to disaster insurance. This knowledge gap is one of the biggest barriers found among respondents.
4. Many respondents have been affected by one or more disasters – small and large –mostly by flooding and cyclone.
5. The survey revealed a high level of misunderstanding and mistrust. Low income clients think they do not need insurance, they do not trust insurers, they do not understand fully the risk-pooling concept, and strongly believe insurance is just for the rich and that they do not have enough resources to pay for it.
6. Most of the small and marginal business owners suffered huge losses of both livelihood and inventories. After a disaster strikes, they are forced to borrow money from local money lenders, at an exorbitant rate of interest which pushes them into a vicious cycle of debt.

The results of this survey, as well as consultation and roundtables were then used to to design tailor-made microinsurance policies. One is currently working in Puri, a second is currently being designed in Cuddalore and the third will soon be in Guwahati.

### **Urban Resilience and Rights of Children in India**

ADIMI then presented the challenges related to urban resilience and the rights of children in India. Indeed, according to UNICEF, children represent 50-60% of people affected by disasters and many children's rights are violated during and after a disaster. Rainfall and higher temperature are responsible for many diseases (Dengue, Japanese encephalitis), living in poor conditions increases exposure to air pollution (cooking using solid fuel, living close to big roads, working on the street), flood increases exposure to contaminated water etc. Population displacement is also a common consequence of major natural disasters. In displacement, children's rights to shelter, education and security are difficult to guarantee, disasters lead to family separation that can increase trafficking, abuse, exploitation. Incidence of gender-based violence including rape, human trafficking and domestic abuse is also known to increase exponentially during and after disasters.

It is therefore crucial to monitor and protect displaced children and families, besides of providing social services and economic compensation to affected families. State and local authority can build initiatives in line with the Resilient Cities programme, they should include children in building capacities and expertise activities. Concrete measure can include strengthening and decentralizing primary health care, prioritizing disaster preparedness in school, providing clean drinking water and drainage lines during natural disasters etc. Integrating children's safety on City and District Disaster Management Plans, including gender and age disaggregated data, with foreseen structures to be used as public shelters, specific urgent measures for education, health, family welfare.