

# The True Cost of Wildfires

## More than Dollars and Cents

The ongoing wildfire crisis, particularly in Los Angeles, highlights the urgent need to address climate change and its global implications. The article connects this crisis to the science of global warming and highlights recent findings from the Copernicus Climate Change Services, which confirm that the world is seeing more extreme weather events—wildfires included—as global temperatures rise. This piece by **Faraz Rupani** will serve as both a wake-up call and a call to action for readers in India and beyond. It highlights the interconnected nature of climate crises and the need for global solidarity in tackling the systemic causes of wildfires and other extreme weather events.

Los Angeles is facing an unprecedented wildfire crisis, with the current blaze surpassing all previous records for destruction and forcing mass evacuations. Even more alarming, California's devastating wildfires are far from a rare occurrence. Between 2020 and 2023, wildfires in California resulted in the loss of over 900,000 hectares of tree cover, an area twice the size of Los Angeles, or more than 14 times the size of Delhi. The damage to ecosystems and livelihoods is staggering.

The growing frequency and intensity of wildfires prompt a critical question: Are these natural occurrences, or are they human-made crises? Scientists around the world attribute the rising frequency

of such events to climate change driven by human activity. With global warming accelerating, extreme weather events like wildfires are becoming more common and more destructive. Recent findings from the Copernicus Climate Change Services (C3S) of the European Union revealed that 2024 marked the first calendar year in history with a rise of 1.6 degrees Celsius from pre-industrial times; the findings indicate that more such events will occur with greater severity in the future.

In southern California, the catastrophic wildfire began early this year due to drought-like conditions. The region had received less than 10 per cent of its average rainfall since October 1, 2024. This coupled with strong offshore

winds, led to a deadly combination of fires that have devastated the area. The Pacific Palisades fire alone consumed more than 23,000 acres, whereas the Altadena fire spread over 14,000 acres and the Hurst and Lidia fires, the Kenneth fires destroyed hundreds of acres, affecting more than 100,000 people, including many individuals with high net worth.

The death toll has already reached 27, and experts predict that it will continue to rise. Additionally, air quality in the region has been severely compromised. The concentration of fine particulate matter reached 483.7 micrograms per cubic metre at North Main Street in Chinatown, which experts have called "a toxic soup." The hazardous air is a significant health risk to the population, compounding the impact of the fires.

### Economic and Ecological Devastation

The toll on infrastructure has been towering with over 14,000 structures having been destroyed or damaged in Los Angeles due to the wildfire. This crisis has also affected the insurance industry, with State Farm, a major insurer, preemptively cancelling hundreds of home insurance policies in July 2024 due to concerns about financial failure after paying out an estimated \$23 billion in claims following the 2017 and 2018





wildfires. Private forecasters estimate the financial impact of this wildfire season to be between \$135 billion and \$150 billion, potentially making it the costliest disaster in US history. This includes direct impacts like the destruction of infrastructure, agricultural loss, supply chain disruptions, and government expenditures on evacuations, relocation, and clean-up. The losses extend beyond tangible assets: tourism has suffered, health costs have soared, and the psychological impact on affected communities has been profound.

However, these direct losses fail to account for the so-called “hidden losses” whose effects may be even more devastating. There are no official figures on the loss of vegetation, the destruction of native species, or the long-term reduction in the forest’s ability to sequester carbon. The release of carbon dioxide and other greenhouse gases will only exacerbate global warming, while reduced soil stability may lead to increased erosion, poorer water

retention, and higher vulnerability to future wildfires or any other climatic events which can further create mass destruction. These cascading effects will aggravate future environmental crises, creating a cycle of destruction that will be difficult to break.

## **A Global Crisis beyond the US**

While the United States, as a developed nation, has the resources to fight these fires and recover, the global nature of the wildfire crisis must not be overlooked. The good news is that fire containment efforts are progressing, albeit at a slower pace. Canada has even joined the mission to assist with containment, setting aside political tensions.

The devastation caused by wildfires is not confined to the US, lower-income countries too, are suffering under the weight of these disasters. In October 2024, Bolivia saw wildfires burn through 10 million hectares of land, including 2.3 million hectares of grasslands, critical

areas for indigenous communities who rely on these ecosystems for their livelihoods. The fires not only destroyed homes, farmlands and forests but also contaminated vital water sources, intensifying the trauma experienced by affected communities. The economic impact of this event is still under study.

Other countries, such as Indonesia, Kenya, and Mozambique, have also faced severe ecological and economic repercussions from wildfire events in recent years. These nations, where populations have traditionally lived in close harmony with nature, are facing a greater distress as the balance between human activity and the environment shifts.

## **The Disparity in Global Attention**

Why, then, are wildfires in lower-income countries not given the same level of attention as the wildfire crisis in Los Angeles? A significant reason lies in the perception of direct financial losses. In



lower-income nations, the damage may be less visible or even unaccounted for, as these regions often lack the developed infrastructure that would cost millions of dollars to rebuild. Instead, communities in these areas tend to live in harmony with nature, relying on nature-friendly resources. While the destruction of these resources may not translate into billion-dollar losses like in developed nations, the impact is no less devastating.

Lower-income countries also tend to focus on preserving their natural and cultural heritage, which forms the foundation of their tourism industries. Unlike developed nations that rely on artificial infrastructure to sustain tourism, these countries highlight their pristine environments and cultural legacies. Wildfires in such regions not only destroy physical resources but also erode decades of effort to conserve these treasures. Moreover, the absence of celebrity faces or high-profile individuals impacted by these disasters often diminishes the global media's attention on these crises. The true cost of wildfires goes beyond economic losses. The

destruction of vegetation, the death of species, the loss of cultural heritage, and the contamination of water sources have far-reaching consequences that cannot be quantified purely in financial terms. The indirect impacts, ranging from social disruption to long-term ecological instability, are universal. Wildfires in any country, whether in a wealthy, developed city like Los Angeles or a rural area in Bolivia, show us the high cost of inaction on climate change.

While the fires in Los Angeles have captured global attention, similar incidents in lower-income countries need to be acknowledged with the same urgency. However, these collective actions now look at risk, with the United States under President Trump deciding to withdraw from the Paris Agreement. He justified this decision by claiming that the US would not sabotage its own industries while China pollutes freely and cited that the country would save trillions of dollars by pulling out. He also emphasized leveraging the nation's vast oil and gas resources.

If powerful nations like the US start

moving out of climate commitments, this could cause larger ripple effects globally. Many lower-income nations are already grappling with human-induced natural disasters, and if the US withdraws from the Paris Agreement, it would also mean a potential loss of contributions to the Green Climate Fund, which helps developing countries adapt to climate change. Without such support, these nations will struggle even more to cope with climate challenges.

If left unchecked, these scenarios will lead to widespread environmental degradation, mass displacement, and economic instability. The financial, ecological, human, and hidden costs of these disasters are astronomical. The time to act is now before these incidents become the norm rather than the exception. ■

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