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DISASTER PREVENTION FOR SUSTAINABLE DEVELOPMENT

ECONOMIC AND POLICY ISSUES

Edited by
Mohan Munasinghe
and
Caroline Clarke

The International Decade for
Natural Disaster Reduction
(IDNDR)

and
The World Bank



Disaster Prevention for Sustainable Development: Economic and Policy Issues

*Edited by
Mohan Munasinghe
and
Caroline Clarke*

A Report from the Yokohama World Conference
on Natural Disaster Reduction
May 23–27, 1994

The International Decade for Natural Disaster Reduction (IDNDR)
and
The World Bank

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UN General Assembly Resolution 236 of 1989 launched the International Decade for Natural Disaster Reduction (IDNDR, 1990–2000) to “reduce through concerted international action, especially in developing countries, the loss of life, property damage, and social and economic disruption caused by natural disasters.” IDNDR focuses on natural disasters such as earthquakes, tsunamis, volcanic eruptions, landslides, avalanches, cyclones, floods, drought, and locust infestations.

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Foreword

The World Conference on Natural Disaster Reduction, which took place at Yokohama, Japan, from 23 to 27 May 1994, provided a unique opportunity to review the economic effects of disasters. Caroline Clarke of the U.S. National Academy of Sciences and Mohan Munasinghe of the World Bank organized and coordinated the technical session on this subject. We are grateful for the generous contribution by the Bank and the Academy to the success of the conference.

Reason tells us that it is cost effective to protect our investments in development through disaster reduction and that prevention is better than cure. Evidence from case studies points to increasingly adverse socioeconomic effects of disasters. Particularly in developing countries, socioeconomic losses may seriously affect and set back development for years to come.

Disaster reduction involves a combination of measures ranging from hazard, risk, and vulnerability analysis to policies, regulations, management plans, standards, insurance, and furtherance of education, training, and public information. Disaster reduction should be based on sound analysis of the costs and benefits of past experiences. Some of this basis exists, but more work is still required to bring cost-benefit analysis to government policymakers and key industry executives in a form they can translate into policy decisions and action.

As a step in this direction, after the Yokohama World Conference the World Bank and the IDNDR Secretariat initiated a review of case studies on the economics of disasters. A major objective of this exercise is to demonstrate the value of practical disaster reduction—that is, it does pay to prepare for and prevent disasters. A second example of the post-Yokohama cooperation is the session on "economics of disasters" at the Sixth Regular Session of the Scientific and Technical Committee for IDNDR, February 27 to March 3, 1995, which brought the World Bank and the U.S. National Academy of Sciences together again with IDNDR, to plan for the future of disaster reduction.

Finally, this joint publication of the World Bank and IDNDR is a concise review of the economic and policy issues relating to disaster prevention for sustainable development. Drs. Clarke and Munasinghe have provided an excellent basis for further studies by editing the report, which contains articles written by some of the most prominent researchers and policymakers looking at the economic aspects of disasters. We extend our gratitude to all of them.

Olavi Elo
Director
International Decade for
Natural Disaster Reduction

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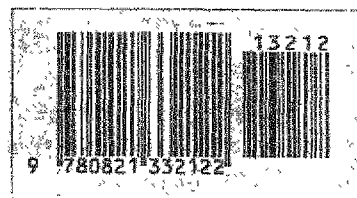
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