

Breakout Session 2B:

How do we improve and/or change policies (private or government) regarding risk management to reduce the effects of natural disasters?

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1. The group began by identifying some long term value shifts necessary to underpin and provide the political saliency necessary for policy changes. These include:

- Mainstreaming disaster risk reduction into routine planning
- Elevation of the importance of comprehensive planning
- Development of a consistent “culture of prevention.”

With notable exceptions, all three are largely missing in U.S. popular and political culture, especially at the local level.

2. Also in the spirit of a prologue, the group also acknowledged an interplay between “top down” policy changes and the demand for change that comes through the political process and marketplace from “the bottom up.”

3. Considerable time was spent identifying bottlenecks to effective planning, hence mitigation of hazard impacts, at local level. It was noted that:

- Most important land use and development decisions in this country are highly local;
- At local level the influence of groups that benefit from even unwise land use decisions in the short run is very strong
- Much of the consideration of land use proposals is done by untrained volunteers.

4. In view of these realities, the following policy changes were judged to be needed:

- Development by government of incentives for comprehensive planning at local level (as in the revision of the Stafford Act that reimburse States a higher percentage of disaster recovery costs if the State has a comprehensive mitigation plan)
- Development by government and/or private industry of all hazard insurance
- Encouragement for the enforcement of building codes
- Improvement of data availability (especially private sector insurance data, possibly in a pooled form) for planning
- Improvement of knowledge and information dissemination to the local level (for example the use of scenarios)

5. The group also discussed two more general changes necessary at the federal level:

- Setting a good example by ensuring that all federal property is disaster

resistant and land use incorporates hazard mitigation and sustainability (e.g. some DOD housing is not disaster resistant). A positive example was mentioned – how, in the aftermath of the 1971 San Fernando Valley earthquake in California, all VA hospitals were inspected and made disaster resistant.

- Greater appreciation of the perspective of business in matters of risk management on the part of government, and vice versa. Business and government need to understand one another’s perspectives better.

6. Virtually all of the group’s recommendations imply in one way or another the importance of **full cost accounting of disaster losses**. At the moment not even all economic costs are accounted, let alone non-economic costs such as health effects, psychological impacts, and social consequences. Full cost accounting would be a important tool in motivating localities, businesses, and other entities and jurisdictions to invest in mitigation.

- It was noted that even though some costs of disaster are not quantifiable, they are real and should be included and taken seriously (e.g. some social and psychological costs)
- Better assessment of the baseline situation as regards community economic development, health, social integrity at the local level would also help assessments of total costs of natural hazard impacts.