

Part III

CONCLUSIONS AND RECOMMENDATIONS

129. Island developing countries are often particularly exposed to natural hazards for fundamental reasons of geography. Given the small size of individual islands and of island developing countries generally, the often overwhelming proportional impact of disasters in these countries justifies special concern by the international community. UNCTAD should pursue this special concern on behalf of island developing countries and study the effects upon them of natural disasters, while recognizing that problems caused by disasters cannot be wholly overcome by measures concerning trade and economic growth only.

130. The extent of disaster resulting from any natural event is determined by the relationship between the severity of the event, the density and distribution of the exposed population, and the state of preparedness. The case-studies in part II above also bring out the role played by the sequence or conjunction of different events in the magnitude of disaster.

131. The importance of famine and epidemics, including pests and diseases of plants and animals, must be given full weight in this context. The impact of these disasters can be at least as disruptive as that of hurricanes or earthquakes in small island communities. Fire has on occasion also constituted a national catastrophe in small island developing countries.

132. Many island communities have traditional methods of coping with disaster risks, 11/ but they are not always appropriate to changed economic and social structures, or to their material underpinnings. Nevertheless, it is unnecessarily costly to abandon or undermine traditional methods where they still give good service. A recent report on disaster preparedness has urged building on these traditional methods:

"An option open to governments through their agriculture departments and through regional and international organizations would be to begin to draw upon traditional wisdom and knowledge about various crops to develop agricultural systems which are less vulnerable to natural disaster.

"There is a need ... to attempt to plan agricultural, transport and marketing systems to allow for the provision of relief food from within a country and to develop standing agreements with their neighbours for certain levels of relief". 12/

133. Practical studies should be undertaken to encourage the use of these methods based on local, national or regional self-reliance. Support could be provided by international organizations such as UNDRO, FAO or UNCTAD.

11/ See, for instance, UNESCO/UNFPA 1977 (see bibliography).

12/ Malasa and Hamnett 1983 (Paper prepared for the Disaster Preparedness Strategies Seminar, 23-25 March 1983, Suva, Fiji (sponsored by SPEC, UNDRO, USAID, League of Red Cross Societies, ADAB and PIDP)).

134. At the November 1982 Seminar on Natural Disasters organized by the Kingdom of Tonga, with support from the Australian Development Assistance Bureau, and at earlier Pacific regional meetings on disaster preparedness, many specific needs were identified. These included:

- the development of more adequate disaster impact assessment techniques;
- the development of disaster insurance schemes;
- the development of mutually acceptable regional and multilateral agreements for disaster assistance. 13/

135. International accounting of the economic effects of disasters is inadequate. Trade statistics can be useful for analysis of the economic impact of disasters in small island developing countries. The UNCTAD secretariat should develop the techniques for using trade statistics for the specific identification of the economic effects of disasters, as they occur and over the longer term. The secretariat should be available to provide technical assistance in this field to island developing countries that wish to develop their capacity to monitor and analyse the economic consequences of natural disasters. UNDRO and UNCTAD should further examine the ways in which surveys of damage and of its economic and social consequences, as well as data storage and analysis, could be improved for small island developing countries. The purpose of this data collection would be to further the integration of disaster risk, prevention and preparedness into national development planning.

136. The case-studies in part II of this study seem to suggest that the economic consequences of national disasters are relatively short-lived (a few years at most) and that the national economy can in many cases and to a considerable degree finance relief, reconstruction and rehabilitation by means of loans, insurance, earnings stabilization, or similar schemes. There are, however, important and largely unexplored problems in the distribution of the burdens and benefits of such schemes within the community. To give but a small example, it is often those households least able to pay insurance premiums who suffer the greatest proportional property damage.

137. The UNCTAD secretariat should elaborate methods of ensuring that burdens and benefits are properly distributed between agents in the economy and over time, within a framework of self-reliance tempered by national and international solidarity. This and other facts suggest that traditional insurance systems alone may not be adequate for providing indemnities and that all other possible systems of relief, credit and social help, at a national and international level, should be mobilized and fully resorted to.

138. It is, however, also recognized that there is much room for expansion of insurance facilities. Present inadequacies in most of the island countries stem to a significant extent from insufficient understanding and evaluation of all the financial and technical parameters involved in natural catastrophes. That evaluation would be possible through a "risk management" approach, including consideration of intertwined factors such as loss potential, the spread of risk over time and space, costs of loss prevention and its sources of financing,

13/ Ibid.

optimum amount of financial reserves, marketing of policies against disasters, and other factors. The analysis should shed light on the crucial problem of external reinsurance, its limitations and constraints, as well as on the influence that the present reinsurance market exerts over domestic insurance markets in island developing countries. The expansion of external reinsurance facilities, including the setting up of alternative regional and subregional reinsurance markets for a larger spread of risks and diversification of reinsurance supply, is certainly an essential requirement.

139. The UNCTAD secretariat should undertake studies of these questions in order better to identify the limits of self-reliance in coping with natural disasters in island developing countries and to recommend appropriate means of meeting the costs of disaster.

140. The avoidance of post-disaster economic and socio-environmental imbalance is essential if one disaster is not to create long-term accrued vulnerability to the next. Disaster preparedness must be extended to become a developmental concept by:

(a) the identification of development needs for improved disaster management (communications, transportation, hospitals, etc.);

(b) even more significantly, the preparation of developmental strategy for the integration of relief and rehabilitation resources.

UNDRO should seek the assistance of UNCTAD and UNDP for the extension of the preparedness concept, the preparation of working methods for its adaptation, and its submission, discussion and eventual integration into development planning systems.