Geophysical Research Abstracts, Vol. 8, 02697, 2006
SRef-ID: 1607-7962/gra/EGU06-A-02697

"Means before End" - A process-oriented approach in Natural Hazard Management

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Thus far, the analysis of efficiency regarding the allocation of "protection against natural hazards" has mainly been the object of natural and engineering sciences, defining efficiency as cost-efficiency. This concept of efficiency, however, does not take into account whether the remaining risk is optimal for society in general - for those who benefit from the protective measures and who have to bear the costs. Economic theory can incorporate this thought and can probably provide a more satisfying contribution to the efficiency discussion in natural hazard management The standard economic approach to efficiency, based on welfare-economic concepts has got certain drawbacks and might even increase existing in-efficiencies by fading out the institutional setting. An alternative approach from economic theory tries to overcome the problems of the traditional approach, by focussing on an efficient decision-making process instead of solely concentrating on efficiency of the outcome. This approach concentrates on the relevant decision making systems (market, political process, bureaucracy and interest groups and organisations) as well as on the behaviour of the relevant decision makers (consumers, voter, politicians, bureaucrats and experts) concerned with natural hazard management.

After reviewing the main ideas and critic points of the standard economic approach to efficiency in natural hazard management the paper introduces the concept of the process-oriented approach to efficiency in natural hazard management. As this approach is mainly based on the ideas of institutional economics, the main areas of this economic school of thought are described and their relevance for issues related to the good "protection against natural hazards" is highlighted. Third, based on the theoretical foundations, a general conceptual framework for a process-oriented analysis in the field of natural hazard management is designed.