



The consideration of interests in Natural Hazard Management:

A law and economics approach

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The implementation of infrastructure such as mitigation measures, roads or power stations and their planning processes are tangent to different interests. These interests can be manifold and may include concerns such as environment, health or economy. Generally they can be summarized as private and public interests, which represent a societal framework for the Austrian legal system. It is for this reason that proceedings concerning the allowance of infrastructure projects obligatorily include a consideration of the arising public and private interests.

Since this consideration of interests is made on the basis of magisterially assessment without any systematic backup it would be helpful to the whole proceeding to implement an understandable und suitable instrument for the assessment of alternatives. At this point economic valuation methods that are able to apply a standardized scale, such as money, for the valuation of all possible interests or impacts of a project can be introduced. These economic approaches (hedonic pricing, travel cost method or contingent valuation) can support the above mentioned consideration of interests by comparing opposed positions such as economy and environment on a monetary level. On basis of this outcome it is easy to go one step further and introduce compensation mechanisms within the framework of allowance proceedings.

This paper tries to examine different legal cases in the area of natural hazards and environmental law targeting at possible applications for an economic based consideration

of possibly opposed interests, including corresponding compensation options.