

Interdisciplinary III

DM-ED 361

Economics of Disasters

Cr. H. 3

Course Description

Upon successful completion of the course, the student will be able to:

Understand the economic impacts and implications of disaster costs to the economy

Analyze disasters as an opportunity to address the underlying economic causes of disasters

COURSE OUTLINE

1. Introduction

- Significance of the economic view of disasters
- Economic Impacts of Disasters in Pakistan
- Nature of Economic Aid after Disasters
- Disasters as an economic opportunity

2. Economic costs of disasters

- Approaches to estimation of costs after disasters for compensation
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- Budgetary provisions and mechanism of handling contingencies and disasters

3. Transfer and sharing mechanisms of disaster costs

- Formal mechanism – insurance
- Informal mechanism – collateral community-based approaches

4. Disasters as an opportunity to address economic inequality and vulnerability

- Designing of livelihood programmes to benefit the poor
- Sourcing of raw materials and reconstruction activity to stimulate local economy
- Handling targeted economic humanitarian assistance to avoid reinforcing vulnerabilities

Teaching Methodology

- Lectures
- Documentaries
- Seminar
- Group work
- Presentation

Assessment Criteria:

1st Term (25%) Assignments/Quizzes and Presentations

Mid Term (35%) Written (Long Questions, Short Questions, MCQs)

Final Term (40%) Written (Long Questions, Short Questions, MCQs)

Textbooks:

1. Albala-Bertrand, J. M. (2021). *The Economics of Natural Disasters*. Edward Elgar Publishing.
2. Creswell, J. D. (2022). *Disaster Economics*. Cambridge University Press.
3. Paton, D., & Johnston, D. (Eds.). (2022). *Economic Dimensions of Disaster Risk Reduction*. Routledge.
4. Guha-Sapir, D., & Santos, I. (Eds.). (2022). *The Economic Impacts of Natural Disasters*. Oxford University Press.
5. Hallegatte, S., & Rentschler, J. (2021). *Economics of Natural Disasters and Climate Change: Bridging Research and Practice*. Springer.
6. BENSON, C. and Clay, E.J (2004) *Understanding the Economic and Financial Impacts of Natural Disaster*, Disaster Risk Management Series No.4: The World Bank. Washington D.C.
7. GOODWIN, B.K. and Smith, V.H. (1995) *The Economics of Crop Insurance and Disaster Aid*. The AEI Press: Washington, D.C.
8. GROSSI, P. and Kunreuther, H. (2005) *Catastrophe Modeling: A New Approach to Managing Risk*. Springer: USA.
9. KERN, W. (2010) *The Economics of Natural and Unnatural Disasters*. W.E. Upjohn Institute for Employment Research: Michigan.
10. NATIONAL Research Council. (1999) *The Impacts of Natural Disasters: A Framework for Loss Estimation*: National Academy Press: Washington DC, USA.
11. OWEN, B. M., Argue, D.A., Furchtgott-Roth, H.W., Hurdle, G.J. and Mosteller, G. (1995) *The Economics of a Disaster: The Exxon Valdez Oil Spill*. Greenwood Publishing Group, Inc: USA.
12. WB (2010) *Natural Hazards Unnatural Disasters: The Economics of Effective Prevention*. The World Bank: Washington DC. USA.
13. YESCOMBE, E. R. (2007) *Public-Private Partnerships: Principles of Policy and Finance*. Butterworth Heinemann: UK