



**PSI statement to the Technical Committee on Finance and Risk
Third United Nations World Conference on Disaster Risk Reduction
Consultations with Major Groups on
18 November 2014
(United Nations, Geneva)**

The historical journey on fire protection from the previous speaker is a useful lesson.

A similar journey, in fact in London, over the need to provide safe drinking water, late in the 19th century – provides helpful points to policymakers.

Back then, cholera regularly swept through the slums.

workers were too sick to go to work.

factory owners were losing profits.

But the invisible and magic hand of the market wouldn't invest in the poor neighbourhoods – there just weren't enough profits to be had.

So, even if the signal was from the market sector, the solution was from the public sector

Massive, long-term public investment was required, and has been used in most developed countries to build social infrastructure and to implement social protection – as indicated by ILO.

Not only for water and sanitation, but for health and social services, education, public transport, fire and civil protection...

So, we need to keep in mind the appropriate, but limited role of the magic and invisible hand of the market.

And to focus on necessary public policies, to invest in public services and infrastructure that delivers universal access to social protection, including by local authorities.

It is a complex interplay between profit maximisation and public policy, between private capital and public finance.

We support recommendations by the G20 and the OECD to implement international regulation on corporate taxation, which will supply much-needed funds for public investment.

As well as the recommendations from the IMF for more public investments to stimulate national economies and to implement social protection, including in response to the global financial crisis.

The trade unions are also coordinating with a major pool of capital, the trillions of dollars in workers pension funds, which are major players... We are signatories to the UN Principles of Responsible Investment, and suggest we link DRR here as well.