

Livelihood Support for the Early Recovery in the Great East Japan Earthquake and Tsunami —Lessons for Developing Countries—

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I. Purpose and Method of Study

1. Early Recovery in the Prolonged Suspension of Land Use

This article is an attempt to examine institutional issues in victim aid in the Great East Japan Earthquake and Tsunami of March 11, 2011 (hereinafter referred to as the GEJET), to enable developing countries to enhance victim aid during the slow and prolonged recovery process from a mega disaster. Although the recovery from the GEJET is a phenomenon taking place in a developed economy, it has relevance to developing economies in that the nature of the particular economy in the devastated GEJET areas is a rural economy characterized by inter-industry relations streaming from the primary industries, especially fishery, and also that the fiscal dependency of local governments on the central government has resulted in a confused process of decision-making for the disaster recovery, causing an increasing call for livelihood support for hundreds of thousands of disaster victims who have been kept waiting for the delayed outcome of town recovery planning.

Furthermore, the situation where an affected local government in the GEJET which has no alternative but to depend on the national budgetary support, may be comparable to the situation where many developing countries necessarily depend on international donors. Donor moneys have often been directed, in the name of disaster recovery, to big development projects for the facilitation of industrial development even at the expense of rehabilitation of livelihoods of individual disaster victims (IFRC 2005). At the same time, there are calls for an alternative approach whereby truly victim-oriented humanitarian donors can donate to long-term victim aid directed toward the recovery of livelihoods, beyond short-term provision of basic needs, or

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in other words, an “early recovery” to link the phase of emergency humanitarian support to the succeeding phase of recovery (IRP/UNDP/ISDR 2008). The Japanese experience in the GEJET in institutionalizing varieties of measures for livelihood support can be worth studying by those who have concerns for better institutional designs of “early recovery.”

In the following sections, this article will first explore the background of the extraordinary delay of land-use planning for disaster recovery in the GEJET, resulting in increasing calls for livelihood support. The national government has repeatedly cautioned that decision-making for post-tsunami land-use planning can take certain time, and accordingly, a prolonged suspension of land-use in inundated areas may be necessary (National Land Agency of Japan, 1993). In contrast to the experience of Kobe City following the Great Hanshin-Awaji Earthquake in 1995, a giant but simple earthquake, where a land-use ban was required for merely two months for a limited area of 151ha in total, the land-use ban (both by explicit regulation and implicit administrative guidance) in the GEJET has continued more than eighteen months since March 11, 2011 for a total area of 560km².¹ However, the real problem in the GEJET seems not just the length of this ban, but the unpredictability of its lifting. None of the “basic recovery plans” disclosed by the affected municipal governments during the period of seven to nine months after the GEJET contained any concrete land-use planning. Though this slowness and ambiguity of recovery planning might remind us of the post-Hurricane Katarina land-use planning which took eighteen months before the first proposal, such a delay is extraordinary in the history of Japanese disaster response. For example, a recent tsunami disaster in the Hokkaido South-East Coast Earthquake of 1993, a concrete disaster recovery plan was disclosed within a three month period for major inundated areas. Without first comprehending the structural problem behind this delay of recovery planning in the GEJET, we cannot analyze the desirable reach and degree of livelihood support for disaster victims, who have been kept in suspension regarding land-use for months.

This article will next examine the gap between the existing institutional framework of public aid and the particularly prominent needs of the GEJET-affected people for livelihood support, based on the findings from the author’s fieldwork in the tsunami-inundated areas in Iwate Prefecture, one of the most seriously

affected regions in the GEJET. The present system for disaster relief in Japan was strengthened after the 1995 Hanshin-Awaji Earthquake, with a particular stress on the measures for protecting employment and housing reconstruction, in response to the calls of urban citizens. However, the rural economy annihilated by the GEJET demands more measures for livelihood reconstruction, instead of support for housing and employment. The central government did, in fact, take quick action for livelihood support within two months after the GEJET, even beyond extending fiscal support to the primary industries as already institutionalized under the 1962 Law for Special Fiscal Measures in Mega Disasters, by additionally introducing a series of ad hoc measures for the protection of small-and-medium-sized enterprises. However, the aftermath of these ad hoc measures has turned out to be controversial, because of confused policy orientation as well as weak institutional designs.

2. Method: static analysis of institutions combined with fieldwork

After confirming the static characteristics of existing measures for victim aid, this article examines the actual implementation of such measures based on the results of consecutive fieldwork conducted by the author and her colleagues in tsunami-inundated areas in Miyako, Yamada, Otsuchi, Kamaishi, etc. in the Iwate Prefecture, including interviews with affected people evacuated to temporary housing, affected business owners, officers in charge of recovery planning at affected municipalities, local bankers, local industrial associations such as fishermen cooperatives, chambers of commerce, associations for promotion of shopping complexes, and professional consultants such as lawyers and land & building surveyors, during visits in early-May 2011, early-June 2011, late-July 2011, early-August 2011, early October 2011, late December 2011, late February 2012, mid-March 2012, mid-June 2012, and late July 2012, in which semi-structured interviews with disaster victims based on questionnaire sheets were answered by 47 persons in July 2011, 50 persons in October 2011, and 45 victims and 35 affected business owners in February 2012. Interviews were also conducted with officials at central and prefectural governmental agencies in charge of financial and industrial supports to the affected small-and-medium-sized enterprises (SME), including the Agency for Small-Medium Enterprise under the Ministry of Economy, Trade and Industry, the Organization for

Small-Medium Enterprises and Regional Innovation (Tokyo head office and Morioka satellite), the Japan Finance Cooperation in charge of policy-oriented lending (both the micro business and individual units and the SME units in Tokyo and Morioka), the Development Bank of Japan, the Iwate Prefectural Government, and Iwate Industrial Recovery Consultation Center in August 2011, December 2011, and June 2012.

II. Land-use Planning in Confusion: Problems of Budget and Sequence

1. Safety Policy Controlled by Recovery Budget

Eighteen months passed from the occurrence of GEJET in March 11, 2011, but the recovery planning for inundated housing lands is still incomplete throughout the devastated coastal areas in East Japan, putting the fate of reconstruction of commercial and industrial activities in suspension all the while. This delay is often explained by the affected municipal officials as the result of difficulty in obtaining the consent of local land-owners who are tsunami-affected victims lost everything except the inundated land, residing in temporary housing, and are waiting for something economically as advantageous as possible. The real reason for this difficulty of obtaining consent seems, however, to be an antipathy increasingly held among the affected citizens toward the process and the substance of the government-led decision on the basic recovery plan introduced in each affected municipality one after another in the autumn 2011, based on a problematic anti-disaster safety policy which was decided by the Central Disaster Preventive Conference in September 2011 to affect the whole succeeding process of town-planning for disaster recovery in the affected municipalities.

Why did the safety policy need to be a government-led one, despite all the emphases on “local autonomy” stated in every official document on the procedural framework of disaster recovery, including the Basic Disaster Prevention Plan (Chapter-3) periodically decided by the Central Disaster Preventive Conference in response to the 1961 Basic Law on Disaster Countermeasures, as well as the Manual on Disaster Recovery Countermeasures recently issued by the Cabinet Office (Cabinet Office 2010a, Sec.1-2-2-1, etc.)? Our learning so far reveals how seriously budget

considerations can decide the fate of the recovery in such a world-scale mega disaster as the GEJET. In the very early stage of post-GEJET recovery, an ideal of the “disaster mitigation instead of disaster prevention” was emphasized in the proposal made by the Reconstruction Design Council formed directly under the prime minister (Reconstruction Design Council 2011), encouraging the relocation of housing areas from lower tsunami-inundated areas to higher ground as a safer choice than relying on such hard infrastructures as levees and breakwaters. However, in September, 2011, soon after the sudden change of the prime minister, the Central Disaster Preventive Conference surprisingly returned to a reliance on hard infrastructure by introducing the idea of building great levees capable of blocking the Level-1 class tsunamis which have occasionally hit East Japan at intervals of every hundred years or so. A special budget for disaster recovery of a total of 19 trillion yen was concluded to be required in the central bureaucracy by the end of year 2011, in response to the pleas from the affected municipalities for 100% national fiscal support for the town recovery projects involving land relocation and/or land filling projects as the means of safety. However, it should be noted that only low-lying land where a tsunami inundation of more than two meters was expected based on the simulations of a possible subsequent Level-2 class tsunami (GEJET class), assuming the construction of above-mentioned Level-1 class height levees, was decided as the target of the national fiscal support, while leaving all other inundated areas automatically out of the reach of national support. Upon receiving this clarification of the limits of full coverage of national support, as if competing in a race, tsunami-affected municipal governments started to rush to perform the procedural steps for a formal administrative decision on each “basic recovery plan” in the period between October and December 2011 so as to be in time for the third supplementary national fiscal allocation for FY2011. This hasty process and the ambiguous wordings of each basic recovery plan made it difficult for the affected local citizens to understand the proposals precisely, and therefore, it took months before the substance of such administrative decisions became the target of criticism. The plan turned out to be a crucial decision that narrowed the reach of governmental support for land relocation and/or land filling projects into limited areas, namely the “disaster risk areas” identified according to the aforementioned result of tsunami simulation. Although various questionnaires conducted by both gov-

ernmental and private sources had identified the basic intention of a large majority of the disaster affected population to prefer the land relocation to high lands to other choices of safety measures, mainly for the sake of the safety of future generations, it came as a cruel discovery to learn that the majority of basic recovery plans narrowed the reach of relocation projects only to a limited land area coming under the reach of national fiscal support. Those who have lands outside of the demarcation of these “disaster risk areas” were doomed to stay in lower lands, always facing the great levees, in fear of the next Level-2 class tsunamis which no one can deny might recur soon.

The weak fiscal condition of the affected municipalities, a common phenomenon in rural regions in Japan which suffer from the continual decrease of population as a result of scarcity of jobs in a low-value-added economy based mainly on primary industries, has been predominant since before the GEJET, with the fiscal independence index constantly floundering around 15~50% range, in contrast to that of Kobe City at 83% in 1995 Hanshin-Awaji Earthquake. Nor did these communities have a permanent fund in preparation for disaster recovery. Furthermore, these affected municipalities have lived in fear of a budgetary crisis which had become a real risk especially since the insolvency of Yubari City in Hokkaido in 2007, evidence of the frightening fact that the national government would no longer bail out municipalities for fiscal nonperformance in the new era of local autonomy since the amendment to the Local Autonomy Law in 1999. It was a natural behavior of these municipalities to call for and rely on the 100% national support for the disaster recovery projects. As a consequence of their dependency on the central budget, however, the affected municipalities have quickly become bound by national politics and the sectionalism between central ministries, which manipulated the fate of safety policies in the inundated areas in disregard to the will of the local victims to seek for true safety.

This government-led safety policy is facing difficulties in the succeeding stage of disaster recovery. As the affected landowners have slowly comprehended the narrowed substance of the basic recovery plan, they have turned negative toward giving consent to the municipality-led safety projects. Since the municipal officials cannot force any safety measures involving changes to private land use unless they obtain minimum levels of consent set by the national government as a condition for

disbursing national support, they have to continue their time-consuming efforts to persuade individual households.² Meanwhile, the landscape of the affected areas appears almost frozen showing no hint of progress even eighteen months after the GEJET.

2. Sequence in the Recovery Planning

It is worthy noting that the planning for recovery projects by the affected municipalities has taken a sequential approach giving first priority to the recovery of housing lands based on the guidelines set by the Ministry of Land and Transportation, while putting the commercial and industrial recovery planning aside, in anticipation of guidance and funds from other relevant ministries in the succeeding stages. Being asked the reason for this step-by-step approach, most of the municipal officials in charge of recovery planning confess that they cannot cope with all of the sectionalist central ministries at once, and hence have adopted a one-by-one approach. They also insist that any strategic discussion on the recovery plan for commercial and industrial areas is vain without obtaining decisive support from the national budget. As the menu of standardized policy measures involving subsidies at a high national coverage rate for commercial recovery is limited,³ most of the affected municipalities are reluctant to take initiatives in fear of budgetary risk.

During the delay in economic recovery planning, the fate of tsunami-affected commercial and industrial entrepreneurs seems divided as shown in Table-1, implying the adverse effects of governmental intervention such as safety policies and livelihood aid.

As for the disaster-preventive measures for safety policy, although the construction of giant levees defensible against the Level-1 or once-a-century class tsunami (corresponding to the class of Meiji-Sanriku Tsunami in 1896) was a result of the aforementioned decision by the Central Disaster Preventive Conference in September 2011, the actual heights of levees for each bay-unit decided by the relevant ministries and the prefectural governments in charge of rehabilitation of coastal infrastructures are different from the real recorded levels of the 1896 tsunami. Instead, the decided heights seem to reflect levels capable of protecting the industrially concentrated areas in each bay-unit, where leading manufactur-

Table-1: State of Economic Recovery according to the Types of Affected Entrepreneurs

Industry	Safety Policy according to Location	State of Recovery
Manufacturing	Protection by Levees	Immediate reconstruction on the original land. Full utilization of governmental subsidies.
	Land-filling, confiscation	Reconstruction suspended. Utilization of temporary business facilities. Limited chance of governmental subsidies.
Retail (Capable of utilizing the temporary business facilities)	Protection by Levees	Immediate Reconstruction on the original land is possible but actually difficult because of the delay in housing area recovery. Limited chance of governmental subsidies.
	Land-filling area	Reconstruction suspended. Utilization of temporary business facilities. Limited chance of governmental subsidies.
	Higher land relocation	Reconstruction suspended. Utilization of temporary business facilities. Limited chance of governmental subsidies. No subsidies for higher land relocation for commercial/ industrial entities (only for housing).
Tourism (Incapable of utilizing the temporary business facilities)	Protection by Levees	Immediate reconstruction on the original land is possible but actually difficult because of the delay in housing area recovery. Limited chance of governmental subsidies.
	Land-filling	Reconstruction suspended. Incapable of utilizing temporary business facilities. Limited chance of governmental subsidies.

(Summary by Author)

ing businesses in the region are located, from the Level-2 or once-a-millennium class tsunamis such as the GEJET, to the effect that medium-large industries can immediately start their reconstruction activities without worrying about the outcomes of town planning.⁴ In fact, many of industrial actors in the areas to be protected by the giant levees have promptly resumed productive activities, fully utilizing the governmental *ad hoc* measures introduced in the name of disaster-affected SME support, to be discussed in the following sections in details. On the other hand, the industries located in the expected land-filling areas, or areas to be confiscated for the construction of giant levees, have no other choice but waiting for the progress of the overall recovery procedures.

The levees are, on the other hand, controversial and even detrimental to

the safety of housing areas. The height set at the defensible level for industries is too short for some housing areas (resulting automatically in a division of the local community into the group of land-relocation/ land-filling projects targeted to receive full national support, on one hand, and the group left to self-reconstruction on the original low land without any fiscal support, on the other, based on the government-decided standard of two-meter-depth inundation), or too high for other housing areas (any fiscal support denied since the result of tsunami simulation is less than two-meter-depth, despite however hard the local community aspire to a higher land relocation). Now that the gap is apparent between the governmental line for safety and the will of the affected people envisaging the true estimation of what will determine safety for next generations, not a few communities in affected areas have turned negative to the government-led land-use plans based on the problematic great levees.

Accordingly, the concrete land-use plans for housing areas are unsettled, and concurrently, affected commercial entrepreneurs are incapable as well of resuming reconstruction of permanent activities, as they naturally seek commercial locations close to the housing areas. Adding to their stress, during this prolonged suspension of recovery, their commercial rivals located outside the tsunami-inundated areas have easily dominated the local market, making full use of varieties of subsidies and other governmental supports which should have been directed to the most seriously affected small-scale entrepreneurs.⁵ Especially, in comparison with retail businesses, tourist businesses are in the worst situation, as they cannot even make use of the “temporary business facilities” provided as one of the governmental support to the affected SMEs.⁶

An implication from these on-going facts is the problem of careless intervention by government aid to the commercial and industrial recovery, which the next section will explore in detail.

III. Law and Implementation on Livelihood Support for Disaster Victims

1. Inconsistent System of Victim Aid

The balance between public aid for disaster victims and private self-reliance has long been an issue in Japan since the early stage of formal law formation in the Meiji modernization era in the late 19th century. The initial attempt at standardization of public aid by the draft bill of Disaster Victim Relief Law was blocked in 1890 at the Diet, and instead, the Law on Disaster Damage Assistant Fund was enacted in 1899 as a result of a compromise with the liberalist thought making much of self-reliance to be supplemented by charity funds. After World War II, the present Law on Disaster Relief was introduced in 1947 as the basic law for public aid for disaster victims in Japan, with a fairly wide reach of assistance to be provided for not only basic emergency needs such as foods and shelters but also the basic means of livelihood both in kinds and in cash (Art.23). However, the government has narrowed the interpretation on the reach of the Law to the basic needs in kinds through occasional administrative guidelines by the Ministry of Health, Labor and Welfare, against which civic movements have realized the institutionalization of additional series of relief in cash, by the enactment of special laws including the 1973 Law on Disaster Condolence Money and the 1998 Law on Support for Reconstruction of Disaster Victims' Living. In addition, varieties of *ad hoc* measures for public aid have also been occasionally implemented by way of regulations by central ministries as well as prefectural and municipal implementations. Varieties of mutual aid such as the Japan Red Cross contributions and mutual funds led by municipal governments, labor unions, cooperatives, and many other public and private entities, have also supplemented the limitation of formal and/or *ad hoc* public aid (Yamazaki 2011). Thus, the holistic structure of Japanese disaster victim aid can be summarized as a system centering on the basic law for disaster relief mainly dealing with aid in kind for basic needs, supplemented by special laws for public aid in cash for livelihood support, and further supplemented by *ad hoc* public aid by various administrative levels for additional needs, as well as the mutual aid such as charity moneys and mutual funds.

This Japanese system for disaster victim aid involving multiple supply sources seems, at a first glance, generous enough, and has even been deemed detrimental to private self-reliance in preparation for disasters (Economic and Social Research Institute of Cabinet Office, 2009). However, the post-GEJET implementation has revealed the incompleteness of the system, with numbers of overlaps and blanks

in coverage. First is the limitation of the Disaster Relief Law not only in the extent of assistance but also in the time period during which the assistance is provided. According to the implementation manuals and guidelines provided by the national government for guiding the operation by local governments, provision of disaster reliefs are basically available for the early period of “emergency disaster response” when the disaster victims basically stay in temporary evacuation shelters,⁷ with a room for flexible extension usually to the period of not more than two-to-three months, which means that, upon the nominal shift to the “disaster recovery period” as with the move out of the emergency shelters, the disaster victims are kept out from the emergency protections and forced to come under the normal minimum care by the ordinary social welfare system that is basically only available for the “weak in disaster,” namely the aged or disabled persons.⁸ However, given the aforementioned facts of extraordinary delay in the post-GEJET recovery planning for land use, and the prolonged suspension of individual livelihood reconstruction as a result, it is unreasonably cruel to automatically cut off the emergency reliefs upon the nominal shift from the emergency phase to the recovery phase. As long as the present manual for the Law on Disaster Relief is automatically implemented, victims in mega disasters will never be able to get relief during the lengthy suspension period in the recovery phase.

Hence the need for special laws and measures is evident. However, the existing special laws have blank areas in coverage. The 1973 Law on Disaster Condolence Money is available for households which have lost the main-income earners, whereas the 1998 Law on Support for Reconstruction of Disaster Victims’ Living concentrates only on households which have lost housing;⁹ neither reaches the needs of those who have lost the bases of livelihood. In addition, mutual aid, such as the Red Cross contributions to be distributed basically upon housing loss, distribution of electric appliances to those who in temporary housing, and various special measures for housing reconstruction, have all been made available for those who incurred housing losses. These measures were the result of intensive civic calls in the post-Hanshin-Awaji Earthquake recovery phase, which was after all a typical urban-type disaster involving a large population of white collar workers who lost houses but maintained their employment. In contrast to this, empirical surveys of the

characteristics of physical losses in the GEJET have identified prominent losses to the bases of livelihood, such as fishery and marine products facilities where a large number of people in the rural economy have made their living, often located near the coast and directly attacked by the tsunami, even in areas where the housing loss is relatively limited.¹⁰ The variance in the antipathy held among affected people to the disparity of distribution of public aid between those who lost houses and those who lost livelihoods was evident in the result of author's interviews.¹¹ The incentive measures for employment protection developed after the Hanshin-Awaji Earthquake, such as unemployment insurance payments during the temporary business suspension of the employer or subsidies for employers for the encouragement of continued employment, were also available in the post-GEJET context, but they were not always relevant to the rural economy centering on small-scale businesses instead of the urban-type employment.

A lesson from the GEJET is, so far, the need for the reconstruction of the disaster relief system from a single-economy model based on an urban economy with a focus on housing and employment support to a multiple-economy model inclusive of a set of measures suitable for a rural-type economy where individual small-scale businesses play a central role rather than large-scale employers which can be the direct target of industrial protection by the government. Although certain categories of livelihood support do exist under the Law on Special Fiscal Supports in Mega Disasters enacted in 1962, they are basically directed to the primary industries, with only limited consideration for commercial and industrial sectors, not more than a temporary interest payment allowance for small-medium-sized enterprises. There is an undeniable gap between the policy concerns in the early 1960s when the primary industries were independent from other economic sectors and the present economy based on a strong mutual relation among industries, which makes a single support to the primary industry meaningless without simultaneous reconstruction of downstream industries in the same chain.

2. *Ad hoc* Measures for SME Support

It was not that the Japanese government lacked the will to deal with the characteristic livelihood losses in the GEJET. To the contrary, by early May, 2011, upon the

declaration by the Cabinet Office of the first supplementary budget while introducing a series of special measures for a designated mega disaster, central ministries started to campaign for varieties of *ad hoc* measures meant for the encouragement of reconstruction of small-and-medium-sized enterprises (Cabinet Office 2012). The problem, however, seemed to be a confused policy basis which created overlaps and contradictions.

Table-2 attempts to classify the *ad hoc* public support into three categories, according to the mode and the degree of concession, and shows the comparison with similar measures adopted after the Hanshin-Awaji Earthquake in 1995.

The first is a group of special financial measures, including a highly concessional “special lending scheme” for long-term and low interest lending by the governmental policy-based financial institutions, up to the amount of total 1 billion yen, for concessional terms such as 20 years with a grace period of 5 years, with the chance of interest exemption by way of the interest supplementing scheme by the Organization for Small-Medium Enterprises and Regional Innovation to be provided through the prefectural governments, and with the free guarantee of 100% coverage for SME by the Credit Guarantee Cooperation made available up to 160 million yen. This much concessional lending is actually meant to provide for the “avoidance of double debts” or the restructuring of nonperforming previous debts as the result of the GEJET. In comparison to the similar measures adopted in the post-Hanshin-Awaji Earthquake recovery, however, the degree of concession in the post-GEJET measures is remarkable. Especially, in sharp contrast to what happened in the Hanshin-Awaji Earthquake when a scheme for previous debt reduction was strongly called for by affected businesses but never attained, a number of schemes directed for the restructuring of previous debts of affected businesses have been introduced in the post-GEJET recovery process, including the Guidelines for Private Arrangements formed under the Financial Service Agency, the establishment of the Organization for Industrial Recovery Assistance in each affected prefecture by the cooperation with the Agency for Small-Medium Enterprises, and the establishment of the Organization for Support for Business Recovery from the Great East Japan formed under the supervision of the newly established Reconstruction Agency in February 2012, as if competing each other for the degree of concession.

Second, the provision of temporary business facilities (shops and factories) has been featured since the early stage of disaster management after the GEJET, to be constructed and transferred by the Organization for Small-Medium Enterprises and Regional Innovation to the affected municipalities, and then to be used by the affected businesses for two years without charge more than a nominal rent. The idea stemmed from the experience in the Hanshin-Awaji Earthquake when a total of 170 temporary business lots were made available for 234 affected SMEs with certain economically reasonable rents. However, the provision of these facilities is much more extensive in the post-GEJET context covering a total of 3,217 temporary business lots in 598 complexes in 50 municipalities (as of May 2012), accompanied by intensive dispatch of free advisors for the support of business recovery plans.

Third, and the most remarkable characteristic in the post-GEJET *ad hoc* measures for livelihood support, is the large amounts of subsidies directly offered to the affected enterprises, under various schemes from relevant ministries and local governments. Above all, the most influential one has been the “measure for rehabilitation of facilities for group use by small-medium enterprises” (hereinafter the “SME Group Subsidy”) introduced by the Agency for Small-Medium Enterprises under the Ministry of Economy, Trade and Industry. It features a largeness of the grant to be distributed to each member in a SME group, up to the amount corresponding to 3/4 of the recovery investment, usually expected to be as much as several tens million through hundreds million yen, as well as the flexible interpretation of a “group” to even include nominal ones. As the needs of affected businesses for the subsidies sharply increased after the initial distribution of total 17.9 billion yen to 28 groups, the Agency decided to extend the measure five times up to the present, reaching a total 281 billion yen distributed to 290 groups as of August 2012. Despite this popularity of the SME Group Subsidy, however, criticism is also increasing on its limited access particularly for small-scale businesses, as the rule of distribution has been controlled at the prefectural level where the degree of “contribution to the regional economy” has often been given more consideration than the degree of “hardship” to the affected people.

Table-2: Measures for Livelihood Support: Comparison between Hanshin-Awaji and the GEJET

	Hanshin-Awaji Earthquake 〈Market-Oriented〉	GEJET 〈State-Oriented〉
Financial Measures	<ul style="list-style-type: none"> ● Measures for Old Debt Reduction or Double-debt Avoidance: <ul style="list-style-type: none"> • Temporary grace period set for repayment to the governmental financial institutions. ● Measures for New Money Introduction: <ul style="list-style-type: none"> • Special Lending by the governmental financial institutions (15 year loan period; 2 year grace period; maximum loan amount of 300 million yen for SME; 60 million yen for small-proprietors) • Guarantee without charge by the Association for SME Credit Guarantee (90% coverage; up to 10 million yen) • Special lending by the local governments (up to 5 million yen; no guarantee) interest supplementing scheme by the Recovery Fund • Interest-free lending scheme for modernization by the Organization for Small-Medium Enterprises and Regional Innovation (20 year loan period; 5 year grace period; coverage by the Organization 67.5% : by Prefecture 22.5% : own fund 10%) • Guarantee-free Lending for Small-proprietors by the Chamber of Commerce (7.5 million yen) 	<ul style="list-style-type: none"> ● Measures for Old Debt Reduction or Double-debt Avoidance: <ul style="list-style-type: none"> • <i>Administrative guidance on temporary grace for the repayment to all financial institutions.</i> • <i>Guidelines for Private Arrangement</i> • <i>Organizations for Industrial Recovery Assistance</i> • <i>Organization for Supports for East Japan Recovery</i> ● Measure for New Money Introduction: <ul style="list-style-type: none"> • Special Lending by the governmental financial institutions with extended concession: <i>General Scheme (15 year loan period; 3 year grace period; maximum loan amount of 720 million yen for SME; 48 million yen for small-proprietors)</i> and <i>Additional Scheme (20 year loan period; 5 year grace period; maximum loan amount of 300 million yen for SME; 60 million yen for small-proprietors)</i> • Guarantee without charge by the Association for SME Credit Guarantee (<i>100%</i> coverage; up to <i>160</i> million yen) • Interest supplementing scheme by the <i>Organization for Small-Medium Enterprises and Regional Innovation (100%)</i>. • Interest-free lending scheme for modernization by the Organization for Small-Medium Enterprises and Regional Innovation (20 year loan period; 5 year grace period; coverage by the Organization <i>98%</i> : by Prefecture <i>1%</i> : own fund <i>1%</i>) • Guarantee-free Lending for Small-proprietors by the Chamber of Commerce (<i>10</i> million yen)
Temporary Business Facilities	<ul style="list-style-type: none"> ● Lease on charge of temporary shops and factories (constructed by the local governments and partially financed by the interest-free lending scheme for modernization by Organization for Small-Medium Enterprises and Regional Innovation) ● Advisory Services 	<ul style="list-style-type: none"> ● <i>Lease with no or low charge of temporary shops and factories</i> (constructed by the interest-free lending scheme for modernization by Organization for Small-Medium Enterprises and Regional Innovation; <i>85%</i> coverage) ● <i>Advisory Services: intensive scheme for free dispatch of Recovery Support Advisors</i>
Subsidies	<ul style="list-style-type: none"> ● Subsidies to Primary Industries (1962 Law): 	<ul style="list-style-type: none"> ● Subsidies to Primary Industries (1962 Law): <ul style="list-style-type: none"> • Fishing ships for group-use (by 2/3) • Rehabilitation of sea-culture facilities (by 9/10) • Facilities for group use (by 2/3) • Clearing of debris in fishing fields, etc. ● Subsidies to SME: <ul style="list-style-type: none"> • <i>SME Group Subsidy (National G. 2/4 Prefecture 1/4)</i> • <i>Subsidies for Repayments (Prefecture 1/4 + Municipality 1/4) up to 20 million yen</i>

(Summary by Author)

Note: Newly introduced concessional measures in the GEJET identified in *Italic*.

3. Implementation of *ad hoc* Measures

Though vigorously implemented since the early stage of the post-GEJET recovery, *ad hoc* measures have been harshly criticized by business circle in the affected areas. The following outline of findings from the author's series of fieldwork conducted in Iwate Prefecture identifies specific underlining reasons for the criticism.

The most striking observation emerging from the interviews was the depth of expectation for the subsidies among affected businesses. In early June, 2011, an early stage of recovery, the author's interviews with the owners of marine product factories, local bankers, secretariats of the local chamber of commerce, as well as the administrative officials in the affected municipalities of Miyako, Yamada, Otsuchi and Kamaichi, revealed a commonly-held thought that the national government should extend quicker and more substantial subsidies to directly stimulate the affected enterprises, while disdaining the special financial measures meant for the "avoidance of double debts," which had been introduced since the first supplementary budget in early May, 2011. In the author's interviews in late July through early August (see Table-3), soon after the administrative decision on the first batch of SME Group Subsidies, an intensified complaint, or even rage against the national government was evident because of the smallness of subsidies, around a few tens of million yen per affected enterprise, which although sounding quite large, was actually a few times smaller than the expectation held in the affected business circles. This anger pushed the national government to increase the total volume of subsidies, as well as the prefectural governments to admit the increased cap of distribution to individual business, but complaints did not cease concerning the limited access to the subsidies. The author's series of interviews in December 2011, February 2011, and March 2012 with affected retailers at temporary shops as well as the heads of chambers of commerce identified an intensive call for the subsidies to be extended to the commercial sector, in addition to the previous implementation focusing on manufacturing industries. This expectation has, however, repeatedly been frustrated because of the delay of land-use planning for town recovery. The results of 5th distribution of SME Group Subsidy unofficially showed in June and officially finalized in August, 2012 revealed that only slightly-affected shopping associations which already had started reconstruction on the original location could successfully get access to the subsidies,

while seriously affected groups located in the designated “disaster risk areas” had no other choice but to wait until the finalization of land-use planning. An ironic fact that the author observed throughout the fieldwork was the controversial reality that the more the seriously affected business groups cried out for subsidies, the more subsidies were being distributed to the lesser affected groups, as a result of the aforementioned extraordinary delay of land-use planning in deeply affected areas.

Table-3: Evaluation of Livelihood Support Measures by Different Categories of Affected Groups

Livelihood Loss	Categories of Serious Damage to Livelihoods				Light Damage to Livelihood	No Damage to Livelihood
	Fishery	Marine Product	Downstream	Employees		
Housing Loss	Supports for primary industries under Law on Fiscal Support in Mega Disasters	Limited access to <i>ad hoc</i> measures except for Temporary Business Facilities	Limited access to <i>ad hoc</i> measures except for Temporary Business Facilities	Employment protective measures	Various <i>ad hoc</i> measures for SME support (SME Group Subsidies, etc.)	
Entire Damage to Housing (multiple_ supports are available)	▶ strong call for subsidies to livelihood	▶ unavailability of <i>ad hoc</i> measures ▶ strong call for subsidies to livelihood	▶ unavailability of <i>ad hoc</i> measures ▶ strong call for subsidies to livelihood	▶ basically satisfied	▶ call for increased amount of subsidies	▶ basically satisfied
Half Damage to Housing (Supports_ unavailable unless dismantling of half damaged housing)	▶ strong call for subsidies to livelihood ▶ Complaint against housing support system compelling dismantling	▶ unavailability of <i>ad hoc</i> measures ▶ strong call for subsidies to livelihood ▶ Complaint against housing support system compelling dismantling	▶ unavailability of <i>ad hoc</i> measures ▶ strong call for subsidies to livelihood ▶ Complaint against housing support system compelling dismantling	▶ call for increased amount of subsidies ▶ complaint against housing support system compelling dismantling	▶ call for increased amount of subsidies ▶ complaint against housing support system compelling dismantling	▶ complaint against housing support system compelling dismantling
No Damage to Housing (New focus for social welfare)	▶ strong call for subsidies to livelihood	▶ unavailability of <i>ad hoc</i> measures ▶ strong call for subsidies to livelihood	▶ unavailability of <i>ad hoc</i> measures ▶ strong call for subsidies to livelihood	▶ basically satisfied	▶ call for increased amount of subsidies	▶ basically satisfied

(Summary of the Author’s interview as of July-August 2011)

Second, in contrast to the intense calls for more subsidies, the scarcity of the utilization of special financial measures is remarkable, despite their highly concessional substance in comparison to similar measures adopted following the Hanshin-Awaji Earthquake. Though the reported volume of the special lending scheme is expanding at first glance, the author learned in interview with and the data obtained from the officials at the Japan Finance Cooperation, both the micro business unit and the SME unit in Tokyo and Morioka in August and December, 2011, that the majority of reported lending consisted of loans to “indirectly-affected” enterprises nationwide, with only a slight portion of them being utilized inside the GEJET affected areas, except for those enterprises which obtained the SME Group Subsidy and therefore needed loans to supplement the uncovered 1/4 portion of recovery investment. On the other hand, as for the implementation of the special scheme for “avoidance of double debts” through the debt purchase by the Organizations for Industrial Recovery Assistance to suspend the old debt repayments up to fifteen years, the whole such scheme almost lacked recognition among the affected business circle, with merely a total of 10 cases on track for debt purchase out of a few hundred consultations during nine-month operation in Iwate Prefecture by June 2012, according to the author’s interviews in Morioka in December 2011 and June 2012 to the officials in charge at the Iwate Center for Industrial Recovery Consultation specially established in October 2011 for the implementation of such scheme. The author’s interviews with the leaders of chambers of commerce in the municipalities of Miyako, Yamada, and Kamaishi as well as bankers at local financial organizations, conducted in August 2011, December 2011, and June 2012, supported the assumption that the affected business circles were indifferent to any financial scheme, no matter how large the concessional terms, as long as they had access to subsidies as a means to cover existing debt reduction and new investments.

Third reason for criticism was that the implemented measures left a group of small-sized, self-employed entrepreneurs who have neither access to the subsidies nor the financial measures. Most of the interviewed officials at the chambers of commerce confessed that what they could suggest to small-sized entrepreneurs was only to negotiate with bankers for temporary rescheduling of existing debts, since they knew that the chance was miniscule for these small businesses to obtain

subsidies and therefore very small as well for obtaining new lending which often accompanied the subsidies. In fact, interviewed local bankers insisted that their operation should concentrate on lending to enterprises which successfully obtained the SME Group Subsidies, according to their philosophy that a local bank should not be required to take the primary policy role of bailing out disaster-affected SMEs, otherwise a financial systemic risk.

In the author's questionnaire conducted in February 2012, answered by 35 small-scale retailers who had just started operations at the temporary business facilities provided by the Organization for Small-Medium Enterprises and Regional Innovation in the municipalities of Miyako, Yamada and Otsuchi, the financial difficulties resulted from limited access either to subsidies and financial measures were identified (Kaneko 2012a). Namely, 30 of the total 35 answers emphasized the difficulty of making profits in an operation at the temporary business facilities, as they needed initial capital investments as well as operation capital but basically neither of which was supported by any subsidies or financial measures. 24 answers admitted their ignorance on the special financial measures provided by governmental institutions. 17 answers complained about the difficulty of obtaining finance though they repeatedly tried to negotiate with banks. 12 answers referred to the loss of sales counterparts during the prolonged suspension period for recovery. 11 answers complained about the scarcity of and the disparity of access to information. 25 answers concluded that the fundamental cause of every difficulty must be, after all, the delay of land-use planning for recovery.

Base on this evidence, the author contends that the *ad hoc* measures originally meant for the support of the most seriously affected enterprises with a special need for concessional assistance, have changed in their nature, in the process of administrative implementation, into the old-fashioned industrial policy directed toward the encouragement of core industries in each regional economy based on the size of employment and production. A consequence of this change is the desperation of the most seriously affected and most vulnerable type of small-sized businesses, whose applications to the subsidies are repeatedly rejected because of the very reason that they are located in the most seriously affected areas where the land-use planning for town recovery is in delay, and whose applications for financial measures are rejected

as well because of the lack of governmental risk-taking via subsidies. If not for the delay of land-use planning, promptly introduced *ad hoc* measures could have made more sense.

IV. Lessons for Effective Livelihood Supports

1. Streamlining Policy Thoughts on Livelihood Support

Based on the author's findings in the above sections on the implementation of existing law and *ad hoc* measures for livelihood support adopted in the post-GEJET recovery phase, a few lessons can be induced for reference by other countries. First, there is a need for streamlining policy thought for livelihood support, in order to avoid confusion on the reach and degree of public roles in a disaster.

An extreme stance often heard in regard to livelihood support for disaster affected businesses is a simple denial of public aid which can create moral hazards and detrimental to the self-reliance of business entities which should assume the risk of doing business in dangerous areas by paying higher insurance premiums or else.¹² In contrast to this, another extreme is the claim for the full extent of public aid to business entities, contending that the government should be responsible for the tort liability on the failure of protecting private properties, particularly the ones meaningful for the national economy, from a disaster¹³. Though the former seems to represent a neo-liberalist philosophy or a strict capitalism, and the latter an interventionist view of industrial protection, there is a twist that a neo-liberalist preference of the private law (tort law) to the administrative regulations can constitute a theoretical basis to claim governmental compensations on a tort liability (Landes and Posner 1984). The former shows relevance to the previous implementation of the Law on Disaster Relief in Japan based on the ministerial general standard to set a narrow range denying monetary reliefs for those who lost livelihood. However, the recent implementation of the Japanese disaster relief system shows a process of change in the opposite direction from strict capitalism. In addition to the existing special laws allowing monetary relief for households having lost the primary income earner and/or housing, as well as livelihood support for those who make living in the primary

industries, a plenty of *ad hoc* measures have accumulated such as the employment protection measures since the Hanshin-Awaji Earthquake, and applied in the GEJET. Given this trend of expanding public aid, there seems to be no reason to deny an additional extension for the protection of the most vulnerable type of commercial and industrial entities.

On the other hand, an interventionist call for governmental subsidies is problematic when moral hazards are induced to the effect impeding the self-protective measures against disasters. However, a controversial tendency observed in the implementation of the post-GEJET *ad hoc* measures has been the double-standards in which an abundance of interventionist's subsidies are distributed to the economic entities having loud voices, while a new-liberalistic thought of self-reliance is often referred to as the theoretical basis for denying support to the group of most seriously affected, small-scale entrepreneurs.

Even if we cannot apply either the model of pure capitalism or pure interventionism in a modern socio-economy, we still need to design with consistency, considering the balance between public aid and self-reliance so as to better achieve the goal of disaster management. The goal of disaster relief is, in the short run, the protection of the lives, limbs and properties of a nation's people (as envisaged in Art.1 of the Basic Law on Disaster Response in Japan), but in the long run, it should contribute to the ultimate goal of the reduction of disaster in a cost effective way while avoiding moral hazards.¹⁴ A prioritizing of public aid should be established for the both consideration of short-term and long-term goals (Table 4). Those who are most seriously damaged in terms of the basis of livelihood should be assisted first in the view of the short-term goal, as long as there are limited risks of moral hazards in the long-run, given the limited access to pre-disaster insurance scheme at economically accessible premium and/or limited degree of predictability. Direct intervention by *ad hoc* public aid such as the SME Group Subsidy should only be justified for the most seriously damaged type of self-employed businesses which have no other choice but to call for subsidies, whereas the medium-large enterprises which have adequate access to market-based finance should have been offered only the special financial measures, such as the special lending and debt-restructuring schemes.

In terms of the risk of moral hazards in public aid in the context of developing

economies, a reference should be made to the lessons from Asian Currency and Financial Crisis in 1997. Though we cannot make a simple comparison between a natural disaster and a financial crisis, they are related in the sense that the legal design for supporting affected businesses largely depends on the question of whether the government or the private sector should be liable for the damages. The prescription given by the IMF in the Asian Crisis shifted by 180 degree from its initial strict accusation against the private sector of the outcomes of overly high risk investments and exploitation of minority investors, to the later rescue packages for the protection of private sector which in turn deemed as “victims” in the crisis (IMF 1999, Kaneko 2008, 2009). Bankruptcy law amendment succeeded this shift, so as to assist corporate recovery by leaving it in the hands of existing managers who were initially deemed as those liable for mismanagement. Then, government-led debt restructuring schemes followed, promoting governmental purchase of non-performing loans from the private sector. The result was a prolonged economic disturbance. Similarly in natural disasters, we should be careful not to be trapped in a campaign exaggerating the governmental role to rescue “victims” without a clear definition.

Table-4 : Priority of Public Aid to Affected Business Entities by the Degree of Hardship (disaster relief as short-term goal) and the Risk of Moral Hazards (disaster reduction as long-term goal)

	Low Risk of Moral Hazard (Low expectation of disaster preventive measures; limited disaster predictability; small-scale; limited access to funds, etc.)	High Risk of Moral Hazard (High expectation of disaster preventive measures; disaster predictability; medium-large scale; good access to funds, etc.)
Serious Damage to the Livelihood Basis	Highly Concessional Public Aids (e.g. SME Group Subsidy + Special Lending)	Special Financial Measures (e.g. Double-Debt Avoidance Scheme+ Special Lending)
Limited Damage to the Livelihood Basis	Special Financial Measures (e.g. Double-Debt Avoidance Scheme +Special Lending)	Self-reliance (e.g. Disaster Insurance)

(Summary by Author)

2. Catalytic Role of Market-Friendly Public Institution

Second, judged from the tendency of government-led implementation of

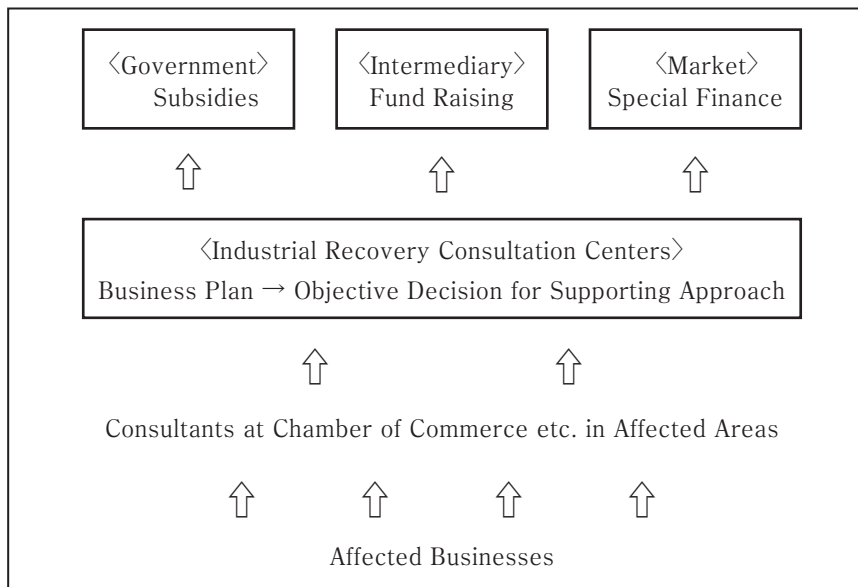
livelihood supports in the GEJET to incline toward industrial protection, even at the expense of budgets which should have supported the most seriously affected group of businesses, and the tendency of market entities such as enterprises and bankers to depend on governmental intervention, there is a need, revealed by both these failures of the state and the market, for certain neutral institutions that can be free from “politics.” A possible approach for the avoidance of political intervention might be to shift the responsible agency for implementing the livelihood support from the government to professional consultants.

A reference can be made in this regard to the experience in the recovery process from the Canterbury Earthquake which took place in Christchurch, New Zealand in 2011, in which the City Council of Christchurch City in cooperation with the CERA (Canterbury Earthquake Recovery Agency), a specially established agency for leading the recovery planning, quickly took up a proposal made by the local chamber of commerce and introduced a unique voucher system in which affected businesses could obtain professional consultation for individual business recovery planning by selected public accountants and lawyers without payment of charge.¹⁵ Although we have to avoid an easy comparison between two countries having extremely different systems for disaster relief, one deeply rooted in the disaster insurance system for self-reliance, while the other heavily based on post-disaster public aid, one thing they have in common is the need for a good business recovery plan, regardless of whether funding is obtained from the financial market or public aid. The procedural flow of two systems, however, moves in opposite directions, in that the affected businesses in Christchurch first should visit the consultant for a business plan to be the basis for all following recovery financing, while the affected businesses in Japan are expected to go first to the governmental window to apply for subsidies, to be followed by the financial schemes of either rescheduling, write-offs, or the application for debt suspension schemes.

If this government-centered procedure in Japan for accessing livelihood support could be reversed, making the initial consultation with professional consultants the first in the financial rescue schemes, we might be able to avoid the politics inherent in the governmental policy consideration. Another alternative possibility might be to increase the role of the Industrial Recovery Consultation Center which was

established by the Agency for Small-Medium Enterprises in each affected prefecture in the recovery process from the GEJET. Given the experienced human resources gathered nationwide to serve at these Centers, they are capable of taking charge of the central management of livelihood support, starting from the consultation for and the objective evaluation of the individual business plans of affected businesses, which would then receive an objective assessment for the most suitable measures, including (i) concessional approach centering on public aid such as the SME Group Subsidy, (ii) financial approach such as special lending and double-debt avoidance schemes, or (iii) intermediary approach such as a combination of both subsidies and various types of private investment funds.

If we are able to see a successful outcome from such a catalytic role of the professional consultants at the Industrial Recovery Consultation Center in the succeeding phases in the GEJET, as a unique attempt to tackle the failures of both the state and the market in facing a mega disaster, this experience of a public-private partnership for livelihood support through a market-friendly public institution could be a better instructive model for developing countries than the purely-market



(By Author)

Figure-1 : Catalytic Role of a Market-Friendly Public Institution in Post-Disaster Livelihood Supports (Image)

approach as taken in New Zealand, given the realities in these countries of both the corruption in the government sector and limited market resources.

3. Governance enabling a Linkage between Livelihood Supports and Early Recovery

Early recovery is a new notion that has come to prominence in the field of disaster studies, often defined as an idea for linking the victim aid for humanitarian purposes in the early stage of emergency response to the succeeding stages of rehabilitation and recovery, in order to enable early reconstruction of self-reliance among individual victims and the sustainable functioning of local governments (IRP/UNDP/ISDR 2008, IRP/UNDP/ISDR 2010, etc.). The GEJET has offered many lessons for this concept of early recovery, especially regarding the difficulties in creating linkage between the early stage of victim aid and the succeeding recovery phase. The aforementioned gap between the narrowed reach of livelihood support under the Law on Disaster Relief implemented by the welfare ministry and the abundance of SME group subsidies implemented by the industrial ministry is a typical example of the difficulties.

Another lesson on the challenge to early recovery in the GEJET is the poor linkage between the temporary business facilities and permanent economic recovery. Although the provision of temporary business facilities has almost been only available support for those seriously affected businesses in tsunami-inundated areas which have basically no access to the SME Group Subsidy or special financial schemes as aforementioned, this measure has faced tremendous difficulties since the very early stage when the Organization for Small-Medium Enterprises and Regional Innovation publicly announced its introduction as early as April 11, 2011. The actual implementation was delayed for months following the announcement mainly because of a difficulty in obtaining suitable lands for the promised temporary business facilities. Theoretically due to the geographic characteristics of affected regions where flat land is extremely limited except for the coastal tsunami-inundated areas, and practically due to budgetary considerations of the municipalities which wanted to avoid paying rent to lease private land, the affected municipalities loosened the initial restriction on the usage of inundated lands and opted to allocate municipally-owned public lands (such as public parks and play-grounds at public schools) in inundated areas for the

purpose of constructing temporary business facilities. Accordingly, the question of how to deal with these temporary facilities in the longer run in the stage of town recovery planning for inundated areas arose.

Being the only available livelihood support for deeply affected small-scale businesses, for the purpose of providing effective livelihood support, temporary business facilities should be maintained, until the ultimate completion of town recovery plan when the land-use restriction is lifted and the transition to the permanent commercial activities are made possible. For the purpose of expediting the town recovery plan, on the other hand, temporary business facilities sitting in the center of inundated areas where new development is expected, are nothing but an obstacle.

An after-the-fact learned lesson is that a recovery planning should have been deliberated in each municipality prior to the disaster. As has been attempted by the Tokyo Metropolitan Government since 2000 under the Basic Ordinance for Disaster Management as amended in 2003, pre-disaster planning can prepare for better coordination of land use to facilitate effective transition from temporary facilities for housing and businesses to permanent town recovery. Although the Cabinet Office had promoted seminars and researches to encourage the pre-disaster recovery planning by municipalities (Cabinet Office 2010b, etc.), essentially no such attempts had been carried out in the GEJET-hit region.

In consideration of this limitation of municipalities in both pre-disaster planning and post-disaster management of land allocations, the prefectural government should have taken a more positive role to encourage the early recovery. Particularly amid the intense confusion in the phase of emergency response in a mega disaster, the present system of disaster governance in Japan is unreasonable, in virtually concentrating every administrative burden on the affected municipalities in regard to land use arrangements for all temporary housing, temporary business facilities, and permanent town planning. This burden is often beyond the capacity of affected municipalities which have incurred tremendous human and asset losses in a mega disaster. A possible alternative for post-disaster governance could be an increased role of middle tier government, according to the spirit of the Law on Disaster Relief in Japan that makes the provision of disaster relief a legally delegated task for the prefectural

government (Art.2) to be supplemented by the municipal governments (Art.31). If the prefectural government should take a primary responsibility in the arrangement for land allocation for temporary housings as well as temporary business facilities, preferably in neighborhoods in non-affected municipalities which have the capacity to facilitate back-ups, the affected municipalities would be able to concentrate on the deliberations for long-term recovery planning. By the prefectural leadership creating a wide-area network, affected people evacuated to temporary housing and business facilities in neighboring municipalities would be able to gather together for the intensive elaboration on recovery planning, enabling the early recovery.

Governance in the recovery phase has been given less focus compared to its role in the phase of emergency response. However, there are many relevant issues to be studied for successful early recovery, especially in a mega disaster, such as role-sharing between government of different levels, budget allocation, and participation by affected communities (see IRP/UNDP/ISDR 2009; IRP 2011). Given the new trend of law-making for emergency risk management in developing countries, covering the issues of governance for both the phases of emergency response and recovery, the GEJET may have much relevance to their problems. Especially, the struggles in the post-GEJET recovery process for a new mode of governance encompassing local autonomy and participation, may include lessons for developing countries

Table-5 : Alternative for Administrative Work-Sharing between Temporary Facilities and Permanent Recovery

	Temporary Facilities	Permanent Facilities
Housing Recovery	Provincial Government : Coordination for Horizontal network in neighborhood non-affected municipalities	Affected Municipalities
Livelihood Recovery	Provincial Government : Coordination for <ul style="list-style-type: none"> • Temporary Shops ~ location next to the Temporary Housing Areas • Temporary-type Factories ~ in neighborhood municipality • Permanent-type Temporary Factories ~ near original location 	Affected Municipalities

(Proposed by the Author)

which seek a balanced institutional design between the international vector toward the centralized model of disaster management and the local calls for autonomy and participation.

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Notes

1 In Miyagi Prefecture, the original two months' land-use restriction under the Law on Construction Codes, Art.84 was extended to 8 months, and then shifted partly to the two years' restriction under the Law on Special Measures for Disaster-affected Town Areas for the purpose of land rearrangements for land-filling projects, and partly to the permanent land-use restriction under the Law on Construction Codes, Art.39 for the purpose of higher-land relocation. In Iwate Prefecture, although the prefectural government first envisaged the permanent land-use restriction under the Law on Construction Codes, Art.39 for the purpose of higher-land relocation, the affected municipalities did not enact the ordinance necessary for such land-use restriction but instead merely informally requested land-users' cooperation via administrative guidance.

2 The Ministry of Land and Transportation (Department of Cities and Department of Housing) issued a guideline for the enhancement of the consent of local citizens in June 2012 (Ministry of Land and Transportation, 2012b).

3 The subsidized menus known as the "Centers for Tsunami-Recovery Projects" envisaged in the Law on Town-Planning initiated by the Ministry of Land and Transportation in December 2011 is limited to the construction of public buildings only such as facilities for exhibitions, social welfare activities, and regional recovery projects. Although many of the affected-municipalities hold expectation for the use of the SME Group Subsidies of the Agency for Small-Medium Enterprises as well as the Subsidized Projects for Building of Marine Industry Base by the Agency for Marine Industries, there is an apparent gap between the original policy goals and the intention of affected municipalities.

4 According to the summary of the basis for town planning for each affected municipality prepared by the Ministry of Land and Transportation (Ministry of Land and Transportation 2012a), the height of levees seems set at the level capable of protecting the industrially concentrated areas, such that, for

example, the standard level of levees in Miyako City is set at 10.4-meters which is capable of protecting Kuwagasaki (marine products and ship building industries) hit by a 9-meter tsunami, and Fujiwara (marine products industry concentrated area) hit by a 5-meter tsunami, while in short for the housing areas such as Takahama hit by a 15-meter tsunami and Kanehama hit by a 13-meter tsunami. As well, the standard level of levee in Otsuchi bay set at 14.5-meter can protect Asaka (marine product industry concentration) hit by a 12.7-meter tsunami, but the level in the Kiri-Kiri coast next to Otsuchi is set at 12.8-meter which is incapable of protecting this housing area hit by a 16.1-meter tsunami.

5 Interviews in July 2011, October 2011, December 2011, February 2012, June 2012, July 2012 with local retailers as well as the officers of the chambers of commerce in Miyako City, Yamada Town, and Kamaishi City in Iwate Prefecture.

6 Interviews in February 2012, June 2012, July 2012 with several small-scale local hotel owners in Miyako City, Iwate Prefecture.

7 See the General Standards for the Extent, Method, Terms, and the Actual Compensation under the Law on Disaster Relief (2000 version) issued by the Ministry of Health, Labor and Welfare.

8 See Cabinet Office 2010 at p.viii-ix.

9 There is no definition of the “destruction of housing” given by any law, although this is the only essential basis of payment of the monetary support under the Law on Support for Reconstruction of Disaster Victims’ Living, as well as the basis of distribution of the Red Cross Compensations. It is merely an administrative custom developed in the operation of disaster affected municipalities since the 1995 Hanshin-Awaji Earthquake to issue a sheet of paper named “certificate of disaster damage” which refers to either category of “entire destruction of housing,” “large destruction of housing,” and “half destruction of housing,” based on a post-disaster on-site survey made by municipal officers following occasional guidelines by the Cabinet Office. Despite this merely customary nature of “certificate of disaster damage,” it constitutes the basis of all lawful rights for the access to the disaster reliefs. See for the details, Ikuta 2008.

10 In the author’s interview with a total of 47 victims at the temporary housing complexes in Miyako City (Kuwagasaki), Yamada Town (Nagasaki) and Kamaishi city (Nakazuma) as of June 2011 when the shift from the phase of emergency response to the phase of recovery was appealed by the government, 37 answered that they had incurred losses to livelihood.

11 In the same interviews referred to in the supra note 8, out of the total 47 answers, 19 answers stated a strong antipathy toward public aid unreasonably focusing on those who lost housing. Especially, 14 answers among the 37 persons who incurred livelihood losses, reported that they had no other choice but to dismantle their houses evaluated as “half-damaged” for the purpose of fulfilling the condition to obtain monetary support under the Law on Support for Reconstruction of Disaster Victims’ Living. This choice to dismantle half-damaged houses was based on their expectation of an ultimate fiscal support for the relocation to higher land, which would necessitate the house dismantling sooner or later, it later turned out, however, that their expectation was denied as the government-led recovery plan only extend fiscal supports to limited areas. See Kaneko 2011 for details.

12 The law and economic literature is critical of public aid. See e.g. Epstein (1996), Priest (1996), Kunreuther (1996), Posner (2004).

13 See e.g., on the question of governmental responsibility after Hurricane Katarina, Daniels, Kettle and Kunreuther (2006).

14 The law and economics literature would describe the same policy goals in a different way such as “welfare maximization through the minimization of accident costs” at the lowest possible costs and without unnecessary side effects such as disincentives for prevention. See e.g., Faure (2007) at p.341.

15 Information obtained in the author’s interviews with the officials in charge of economic recovery at the CERA as of January, 2012.