

Disaster relief and implications for social spending data

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Disaster in 2011 from global views

The Pacific coast of Tohoku Earthquake

- ✓ Damages were the biggest of the world in 2011
- ✓ Number of Death was the greatest of the world in 2011

Table 1 : Top 10 countries by damages in 2011

	Damage US\$ bn.		% of GDP
Japan	212.5	New Zealand	12.8
United States	59.4	Thailand	12.7
Thailand	40.3	El Salvador	4.7
New Zealand	18.0	Cambodia	4.6
China R. Rep.	14.4	Japan	3.9
Australia	2.6	Pakistan	1.4
Pakistan	2.5	Sri Lanka	1.0
Colombia	2.3	Tonga	0.9
Canada	2.3	Afghanistan	0.8
India	2.0	Colombia	0.8

Source: Annual Disaster Statistical Review 2011

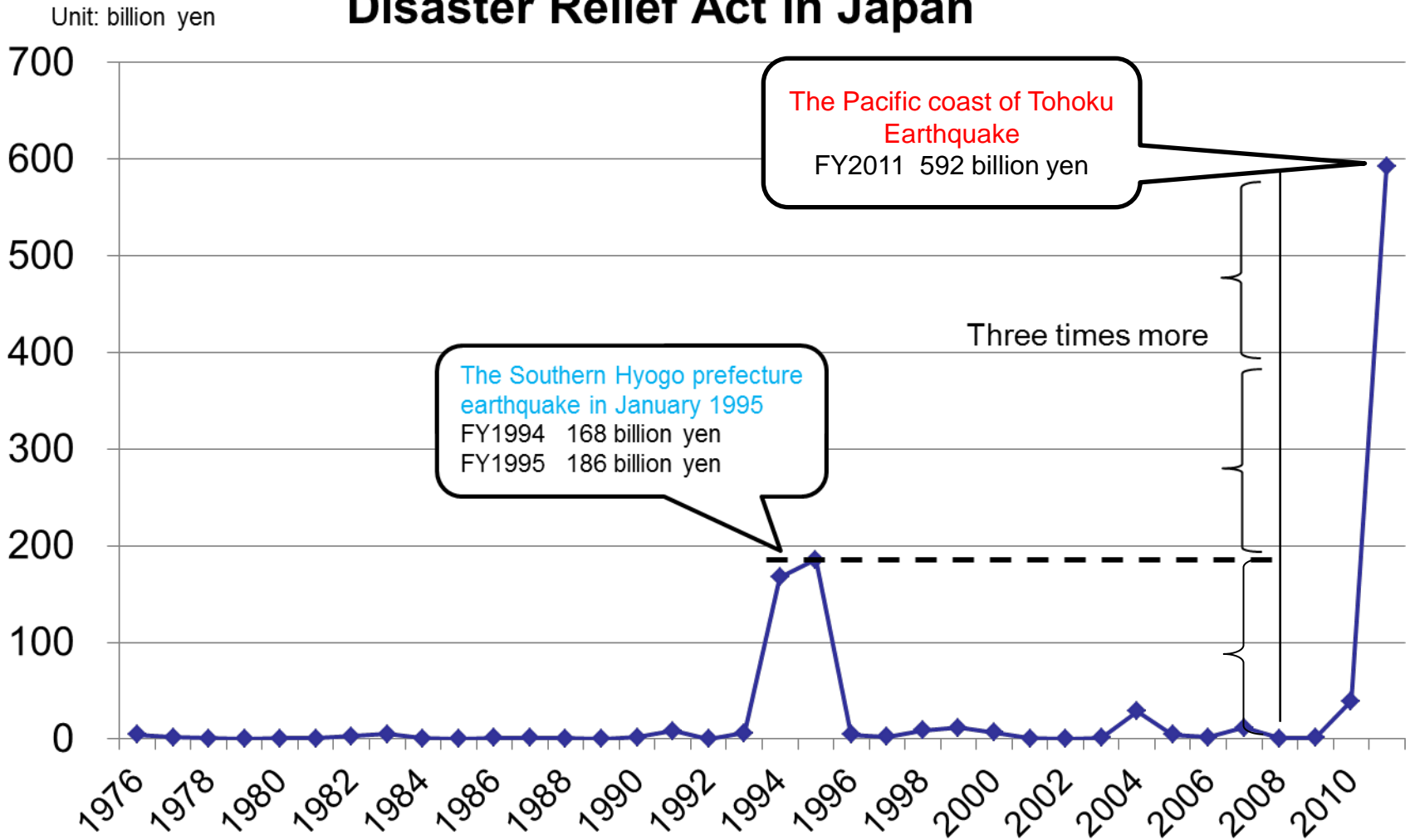
Table2 :Top 10 natural disasters by number of deaths in 2011

Event	Country	Number of death	Share (%)
Earthquake/Tsunami, March	Japan(19,846), Indonesia(1)	19,847	78.2
Tropical cyclone 'Washi' (Sendong), December	Philippines	1,439	5.7
Flood, January	Brazil	900	3.5
Flood, August-December	Thailand	813	3.2
Earthquake, October	Turkey	604	2.4
Flood, August-November	Pakistan	509	2.0
Flood, June	China P Rep	467	1.8
Storm, April	United States	354	0.2
Flood, August-November	Cambodia	247	1.0
Flood, August-October	India	204	0.8
Total		25,384	100.0

Expenditure related to Disaster Relief in Japan

- The size of expenditure became three times more than that of The Southern Hyogo prefecture earthquake in 1995
- Additional costs were needed due to the Nuclear Power Plant disaster caused by TSUNAMI

Figure 1: Trends of Expenditures under Disaster Relief Act in Japan



Source IPSS DB, the Financial Statistics of Social Security

Three categories of the Expenditures in connections with the Pacific coast of Tohoku Earthquake

1. Increased in current Social Benefits (by ILO standard) or Social Expenditures (by OECD standard)
2. New payments facilitated on the occasion of 2011 earthquakes
3. Increased in current expenditures regarding Social Expenditure (by OECD standard) only (Not Social Benefits by ILO standard)

Categories	Examples of expenditures
<p>1. Increased in current Social Benefits by ILO standard) or Social Expenditures (by OECD standard)</p>	<ul style="list-style-type: none"> ▪ Aide of disaster relief expenditure (setting shelter, temporary housing, medical care service, etc.) ▪ <u>The condolence money</u> paid to the disaster survivors by the government ▪ Subsidy paid to the disaster victims for reconstructions of their living ▪ Exemptions from co-payment of health and long term insurance ▪ Compensations paid by Workmen's Accident Compensation Insurance
<p>2. New payments facilitated on the occasion of 2011 earthquakes</p>	<p>Health Check-up for the residents of Fukushima Prefecture</p>
<p>3. Increased in current expenditures regarding Social Expenditure (by OECD standard) only (Not Social Benefits by ILO standard)</p>	<ul style="list-style-type: none"> ▪ Budget for disaster relief including the cost of health and care facilities and public buildings. ▪ Emergency measures for Employment creation

What is “The condolence money” ?

It is a lump sum payment to the survivors. The major purpose of it to give supplemental financial aid to the survivors. In principle, the cost of funeral is provided as a lump sum payment as a benefit by a health insurance scheme. So, “condolence money” is an additional to that.

Traditionally, the cost of funeral is rather expensive in Japan because the survivors are supposed to provide meals and drinks before and after the funeral. Therefore, the participants are supposed to bring “condolence money” to the hall of ceremony. In general, “condolence money” is paid not only by individuals but also organizations including general government (i.e. Central and local governments and social security funds).



- The costs paid under the Disaster Relief Act **479.1 bill. yen**
- “*The condolence money*” **77.9 bill. yen**
- Measures for reconstruction of the disaster victims **211.9 bill. yen**
- Exemptions from co-payment of health and long term care insurance **87.9 bill. yen**
- Compensations paid by Workmen’s Accident Compensation Insurance increased by **9.5 bill. yen** from previous year

- Health Check-up for the residents of Fukushima Prefecture **78.2 bill. yen**
(including special inspections for children with thyroid cancer, and health examinations of the evacuated residents)
- The cost of restoring health and care facilities and public buildings **100 bill. yen**
- Emergency measures for Employment creation **372.5 bill. yen**

Totally, how much did it cost for the disaster relief in 2011?

- Approximately **1.6 trillion yen** by OECD standard equivalent to **0.34%** of GDP
- Approximately **1.1 trillion yen** by ILO standard equivalent to **0.23%** of GDP

The costs of medical care, unemployment benefits, and sickness payments, are also increased.

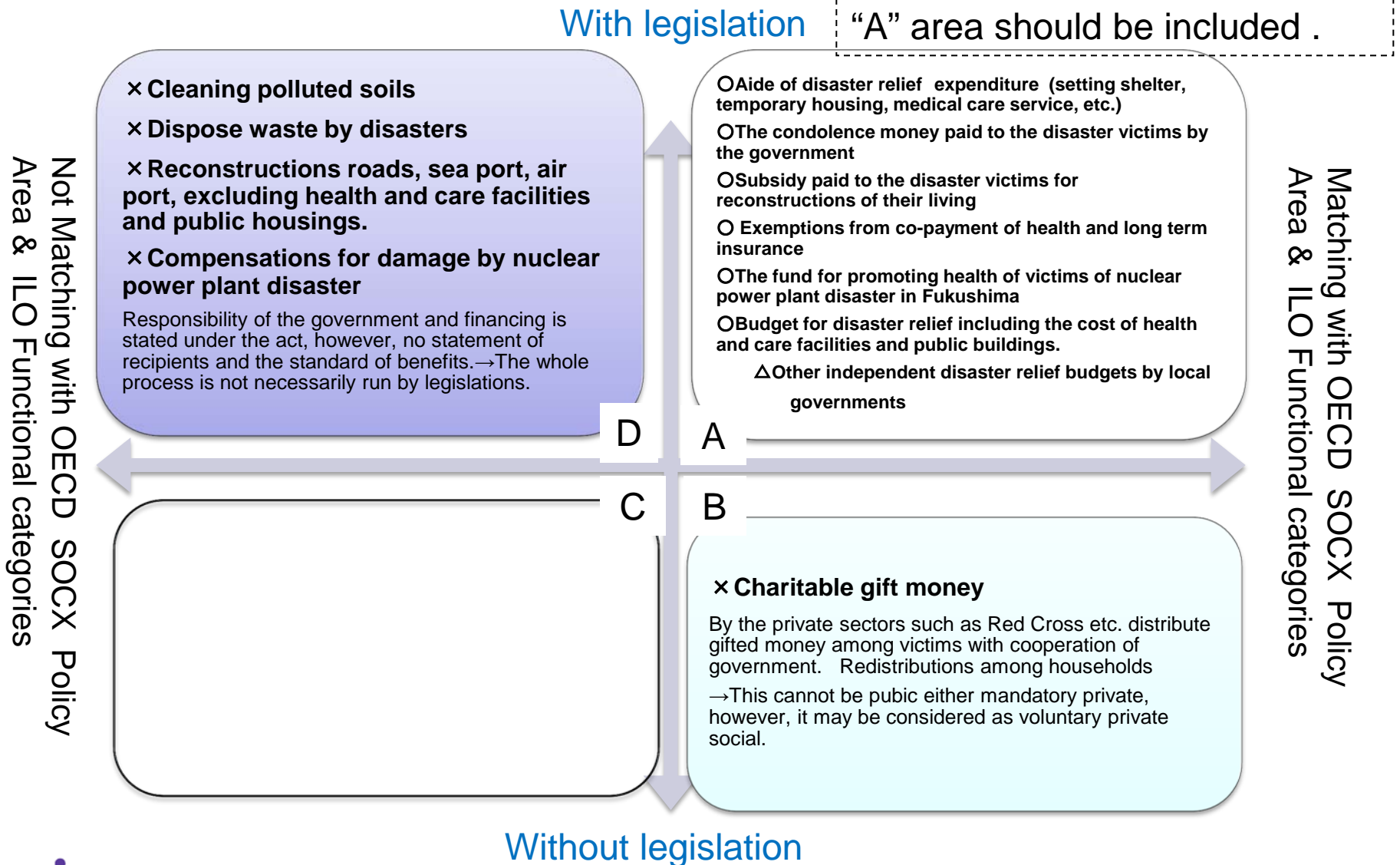
How to define the expenditure ought to be included

- The system must have been set up by legislation.

- It should be matching with OECD SOCX Policy Area underneath

(Old age, Survivors, Incapacity-related benefits, Health, Family, Active labour market programme, Unemployment, Housing, Other social policy areas)

Scope of the Expenditures on disaster relief : JAPAN 2011 SOCX



Defining OECD SOCX

“The provision by public and private institutions of benefits to, and financial contributions targeted at, households and individuals in order to provide support during circumstances which adversely affect their welfare, provided that the provision of the benefits and financial contributions constitutes neither a direct payment for a particular good or service nor an individual contract or transfer.”

Cited from DELSA/ELSA/WD/SEM(2011)9, P.90

Defining ILO: Cost of Social Security

- The scope of the basic inquiry is such as to obtain for each country as complete a picture as possible of the receipts and expenditure on social security, that is, on all the schemes or services which meet the following three criteria:
- ■(1) the objectives of the system must be to grant curative or preventive medical care, or to maintain income in case of involuntary loss of earnings or of an important part of earnings, or to grant a supplementary income to persons having family responsibilities;
- ■(2) **the system must have been set up by legislation** which attributes specified individual rights to, or which imposes specified obligations on, a public, semi-public or autonomous body;
- ■(3) **the system should be administered by a public, semi-public or autonomous body.**
- It should be noted, however, that any schemes of employment injury compensation should be included in the inquiry, even if they do not meet criterion 3.1(c) above because the liability for the compensation of employment injuries is imposed directly on the employer.

Cited from “Cost of Social Security Basic Tables 1990-93 – Introduction”
<http://www.ilo.org/public/english/protection/secsoc/areas/stat/css/cssintro.htm>

The dimension “D”

- × Cleaning polluted soils
- × Dispose waste by disasters
- × Reconstructions roads, sea port, air port, excluding health and care facilities and public housings.



The above is out of scope of SOCX Policy Area, then they should not be included.

Compensations for damage caused by nuclear power plant disaster

- Under the Acts, the government forces electric power companies to compensate the victims for damage caused by nuclear power plant disaster.

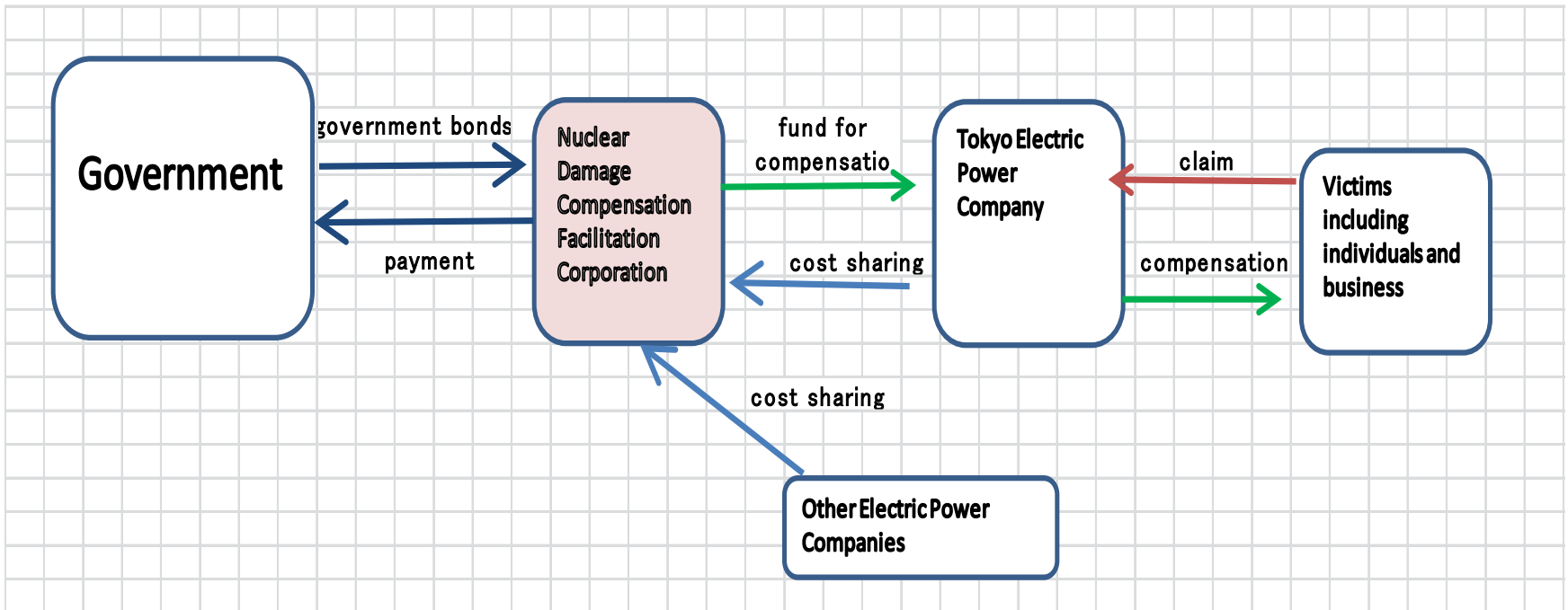
“Act on Compensation for Nuclear Damage”
(Act No.147 of 1961)

“Nuclear Damage Compensation Facilitation Corporation Act” (Act No.94 of 2011)

Responsibility of the government and financing is stated under the act, however, no statement of the eligibility of recipients nor the standards of benefits.

→The level of compensation is decided by negotiations between the electric power company and the victims.

Relations among, government, corporation, company, and victims

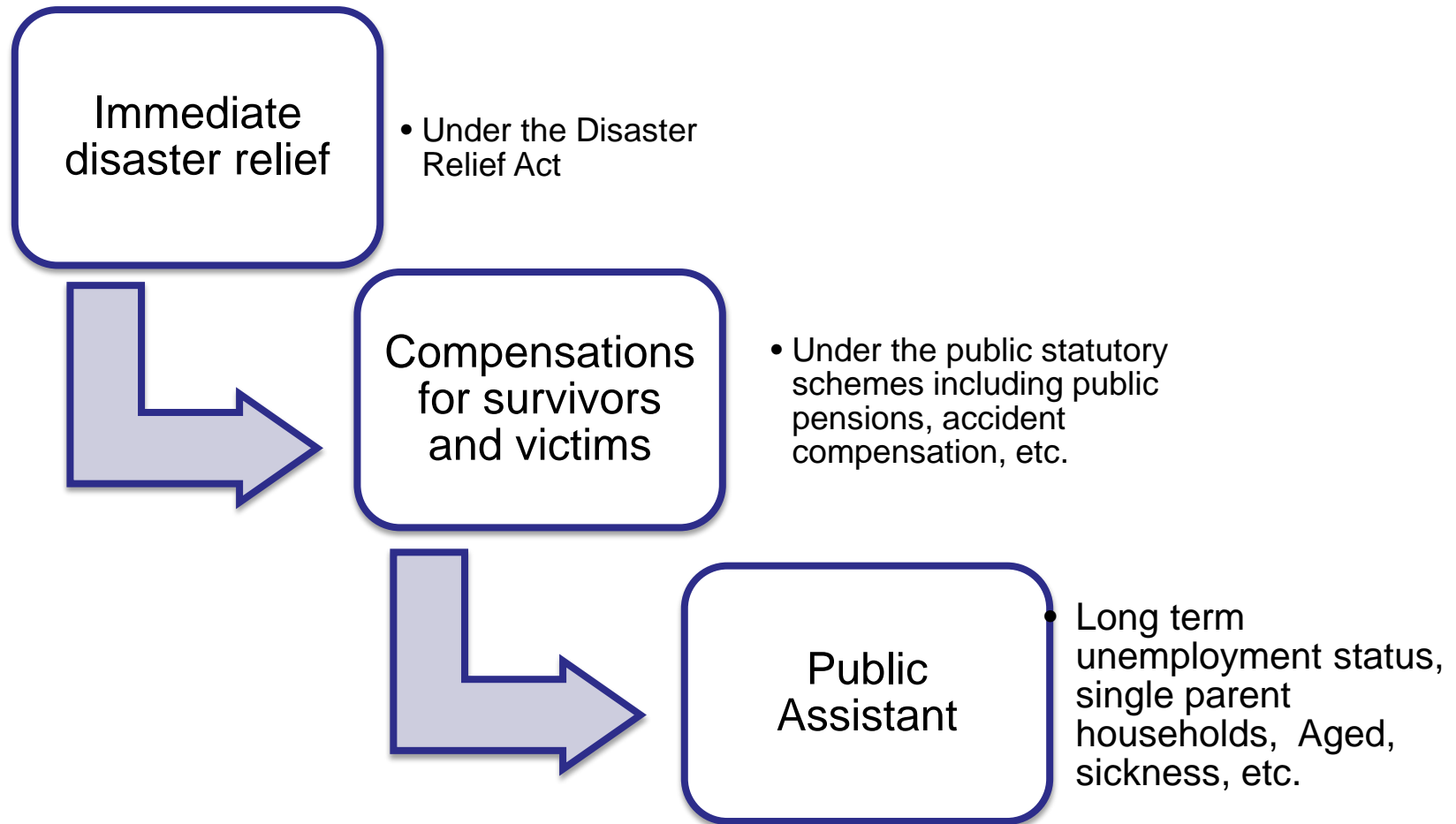


The process is similar to the civil lawsuit area. (Litigation)

This is very similar to civil liability insurance and that falls outside the social domain.

(Comments by OECD secretariat)

Future consequences of disaster relief



?? Why not they should be included??

- Under the “**Nuclear Damage Compensation Facilitation Corporation Act**”, the government enforced the Tokyo Electric Power Company to compensate the loss of the residents living by the plants. (The corporation is acting like an agency to the government.)
- The government financed the corporation by issuing the government bonds. They are supposed to refund the bonds.
- Government gives a guide line for both the company and people to claim in order to pursuit prompt supports.

Conclusion

- Written guide lines are necessarily regarding disaster reliefs with SOCX data compiling.

Thank you for your attention.

