

Japan's Rebuilding Money Spent On Unrelated Jobs

Elaine Kurtenbach, AP Business Writer

SENDAI, Japan (AP) — About a quarter of the \$148 billion budget for reconstruction after Japan's March 2011 tsunami and nuclear disaster has been spent on unrelated projects, including subsidies for a contact lens factory and research whaling.

The findings of a government audit buttress complaints over shortcomings and delays in the reconstruction effort. More than half the budget is yet to be disbursed, stalled by indecision and bureaucracy, while nearly all of the 340,000 people evacuated from the disaster zone remain uncertain whether, when and how they will ever resettle.

Many of the non-reconstruction-related projects loaded into the 11.7 trillion yen (\$148 billion) budget were included on the pretext they might contribute to Japan's economic revival, a strategy that the government now acknowledges was a mistake.

"It is true that the government has not done enough and has not done it adequately. We must listen to those who say the reconstruction should be the first priority," Prime Minister Yoshihiko Noda said in a speech to parliament on Monday.

He vowed that unrelated projects will be "strictly wrung out" of the budget.

But ensuring that funds go to their intended purpose might require an explicit change in the reconstruction spending law, which authorizes spending on such ambiguous purposes as creating eco-towns and supporting "employment measures."

Among the unrelated projects benefiting from the reconstruction budgets are: road building in distant Okinawa; prison vocational training in other parts of Japan; subsidies for a contact lens factory in central Japan; renovations of government offices in Tokyo; aircraft and fighter pilot training, research and production of rare earths minerals, a semiconductor research project and even funding to support whaling, ostensibly for research, according to the government audit released last week.

Some 30 million yen (\$380,000) went to promoting the Tokyo Sky Tree, a transmission tower that is the world's tallest freestanding broadcast structure. Another 2.8 billion yen (\$35 million) was requested by the Justice Ministry for a publicity campaign to "reassure the public" about the risks of big disasters, it said.

Masahiro Matsumura, a politics professor at St. Andrews University in Osaka, Japan, said justifying such misuse by suggesting the benefits would "trickle down" to the

Japan's Rebuilding Money Spent On Unrelated Jobs

Published on Industrial Maintenance & Plant Operation (<http://www.impomag.com>)

disaster zone is typical of the political dysfunction that has hindered Japan's efforts to break out of two decades of debilitating economic slump.

"This is a manifestation of government indifference to rehabilitation. They are very good at making excuses," Matsumura told The Associated Press.

Near the crippled Fukushima Dai-Ichi nuclear plant, which suffered the additional blow from the worst nuclear accident since the 1986 Chernobyl disaster, recovery work has barely begun.

More than 325,000 of the 340,000 people evacuated from the disaster zone or forced to flee the areas around the nuclear plant after the March 11, 2011, disaster remain homeless or away from their homes, according to the most recent figures available.

In Rikuzentakata, a fishing enclave where 1,800 people were killed or went missing as the tsunami scoured the harbor, rebuilding has yet to begin in earnest, says Takashi Kubota, who left a government job in Tokyo in May 2011 to become the town's deputy mayor.

The tsunami destroyed 3,800 of Rikuzentakata's 9,000 homes. The first priority, he says, has been finding land for rebuilding homes — on higher ground. For now, most evacuees are housed, generally unhappily, in temporary shelters in school playgrounds and sports fields.

"I can sum it up in two words — speed and flexibility — that are lacking," Kubota said. Showing a photo of the now non-existent downtown area, he said, "In 19 months, there have basically been no major changes. There is not one single new building yet."

The government has pledged to spend 23 trillion yen (\$295 billion) over this decade on reconstruction and disaster prevention, 19 trillion yen (\$245 billion) of it within five years.

But more than half the reconstruction budget remains unspent, according to the government's audit report.

The dithering is preventing the government, whose debt is already twice the size of the country's GDP, from getting the most bang for every buck.

"You've got economic malaise and political as well. That's just a recipe for disaster," said Matthew Circosta, an economist with Moody's Analytics in Sydney.

Part of the problem is the central government's strategy of managing the reconstruction from Tokyo instead of delegating it to provincial governments. At the same time, the local governments lack the staff and expertise for such major rebuilding.

The government "thinks it has to be in the driver's seat," Jun Iio, a government

Japan's Rebuilding Money Spent On Unrelated Jobs

Published on Industrial Maintenance & Plant Operation (<http://www.impomag.com>)

adviser and professor at Tokyo University told a conference in Sendai.

"Unfortunately the reconstruction process is long and only if the local residents can agree on a plan will they move ahead on reconstruction."

"It is in this stage that creativity is needed for rebuilding," he said.

Even Sendai, a regional capital of over 1 million people much better equipped than most coastal communities to deal with the disaster, still has mountains of rubble. Much of it is piled amid the bare foundations, barren fields and broken buildings of its oceanside suburb of Arahama.

Sendai quickly restored disrupted power, gas and water supplies and its tsunami-swamped airport. The area's crumbled expressways and heavily damaged railway lines were repaired within weeks.

But farther north and south, ravaged coastal towns remain largely unoccupied.

More than 240 ports remain unbuilt; in many cases their harbors are treacherous with tsunami debris.

Like many working on the disaster, Yoshiaki Kawata of Kansai University worries that the slow progress on reconstruction will leave the region, traditionally one of Japan's poorest, without a viable economy.

"There is almost no one on the streets," he said in the tiny fishing hamlet of Ryoishi, where the sea rose 17 meters (56 feet). "Building a new town will take many years."

Even communities remain divided over how to rebuild. Moving residential areas to higher ground involves cumbersome bureaucratic procedures and complicated ownership issues. Each day of delay, meanwhile, raises the likelihood that residents will leave and that local businesses will fail to recover, says Itsunori Onodera, a lawmaker from the port town of Kesenuma, which lost more than 1,400 people in the disaster.

"Speed," he says, is the thing most needed to get the region back on its feet.

Source URL (retrieved on 12/28/2014 - 3:29pm):

http://www.impomag.com/news/2012/10/japans-rebuilding-money-spent-unrelated-jobs?qt-recent_content=0