



## **Facing a Complex Crisis: Thoughts on Japan's Recovery** by Haruko Satoh

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We in Japan are still trying to take in the scale of the disaster that struck the northern coastline of mainland Japan on March 11. We are still counting bodies, trying to save lives and trying to send vital supplies, such as food, water, and medicine, as well as care services to those in dire need. We are also trying desperately to contain the nuclear disaster unfolding at the Fukushima Dai-ichi nuclear power plant, one of the oldest in Japan.

While responding effectively to the immediate but complex crisis is a crucial task for the government and requires the resolve of the Japanese people, a roadmap to recovery is just as important. An accurate and sober assessment of the disaster caused by the quake, tsunami, and the nuclear plant accident is critical to drawing up a comprehensive recovery plan. There are two areas of importance to Japan and the world that ought to be treated separately but with equal attention: the recovery of the devastated areas and the future of nuclear power in Japan.

### **Economic Recovery of Pacific Tohoku**

Given the geographical scope of the destruction caused by the earthquake and the tsunami, the nature of the recovery of the Pacific Tohoku area is better understood as the equivalent of a small country recovering from the devastation of war. Toyota's new Sendai plant that was meant to boost the Tohoku area's economy was badly hit, the tsunami sweeping away hundreds of cars awaiting export to the United States. Rebuilding this plant—Toyota's decision is pending—and the port facilities in Sendai, for example, would be a significant step by Japan's corporate giant.

However, the Tohoku region is also a major producer of some of the best known agricultural 'brands': Miyagi prefecture alone is known for Sasanishiki rice, Urugasumi (first-class sake) and Kesen-numa's shark's fin (a major export item) and oysters; there are many more. The future livelihood of the people in Tohoku depends on the recovery of their land, sea, and port functions. While port facilities may be quicker to recover, the soil in agricultural areas is heavily salinized after the tsunami and it will take years before it becomes arable.

A tax hike (including the much-awaited consumption tax hike) alone cannot cover costs in the meantime. A crucial part of drawing up the recovery plan, therefore, is to think about how to raise money and to ensure that money raised is properly invested. While a considerable amount of charity has

begun to flow into Japan (for example, a Taiwan charity event alone has raised 2 billion yen), many who want to give are worried about how the money might be spent. Chief Cabinet Secretary Edano Yukio has suggested the need for a ministry for reconstruction to oversee the whole process. Here are a few suggestions that might raise money as well as usefully direct the funds.

- 1) Issue 'recovery/reconstruction bonds' at the state and prefectural levels. This could go to public works for rebuilding infrastructure, such as reconstructing roads, railways, and port facilities.
- 2) Create a sector-specific investment funds that would go directly to, for example, producers of shark's fin in Kesen-numa or farmers whose rice paddies need to be de-salinized.
- 3) Create a fund by donations from academic institutions around the world for the reconstruction of Tohoku University, one of the oldest national universities in Japan that was badly damaged by the earthquake.

### **Facing the Nuclear Issue**

Another issue is the future of nuclear power. Here again, thoughtful debates based on an accurate assessment of what happened are crucial. How much of the disaster was man-made (i.e., caused by the culture of obfuscation in Japan's nuclear policy under previous LDP governments) and how much of it was designed-related and technological? Other countries that use nuclear-power want to be reassured that nuclear power plants can be safe if strict standards for construction are *properly* followed.

Holding the Tokyo Electric Power Company (TEPCO) accountable for its complete mismanagement of the nuclear crisis is, in this context, an important public policy step for Japan. The credibility of TEPCO as a public utility company is close to nil after this incident, for it follows the shutdown of the Kashiwazaki-Kariya nuclear plant after the 2007 Chuetsu off-shore earthquake (M. 6.6)—an incident still fresh in public memory as it shook the myth of quake-proof nuclear power plants. The recent exodus of foreigners from the Tokyo metropolitan area raised anxiety about radiation among Japanese living in the area, for they could not assess what information to believe: that coming from the government (which was frustrated by TEPCO's misleading and confusing information), the IAEA, or US officials. If those formulating Japan's energy policy (including the LDP that was largely responsible for keeping TEPCO under a loose leash) are seen to be obfuscating or shielding TEPCO from its responsibility for public safety as owner and operator of nuclear plants, public trust in the state (and its nuclear policy) would be in serious jeopardy.

Such a situation would also have worldwide impact. If

Japanese public sentiment sways against nuclear power, the world would be losing one of most highly advanced producers of nuclear power plants. While development of alternative modes of electricity generation—such as solar and wind power—that do not rely on fossil fuel must be pursued, the nuclear option cannot be dropped as yet to meet the world's growing demands for energy. In this context, the steps that Japan takes to recover from this will likely influence decision-makers, as well as people, around the world.

Given the limited energy options for resource-poor Japan, giving up nuclear power is unrealistic. Japan treads a narrow and difficult path, and as the only victim nation of atomic bomb attacks in Hiroshima and Nagasaki, post-1945 Japan's mastery of nuclear energy comes with the desire and determination to use it to peaceful ends. Thus, in the aftermath of this crisis, Japan should renew this determination and lead the way in continuing work toward building safer nuclear power plants, and not balk at this disaster and turn away from the technology. Of course, this is not an easy proposition given public sentiment, and others might feel differently. But this is an issue that Japan must confront and the world must help to address.

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