Recommendations

Supporting Job-Seekers and Establishing Reconstruction Non-profits in Disaster-Stricken Areas – Towards the Promotion of Industry and Employment to Support Victims in Disaster-Stricken Areas –

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Science Council of Japan

Committee on Supporting Reconstruction after the Great East Japan Earthquake

Sub-Committee on the Promotion of Industry and Employment

These recommendations compile and publish the results of deliberations of the Sub-Committee on the Promotion of Industry and Employment, Committee on Supporting Reconstruction after the Great East Japan Earthquake, Science Council of Japan.

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Summary

1 Background to the recommendations

The Great East Japan Earthquake that occurred on March 11, 2011 off the Pacific Ocean of the Tohoku Region was the 4th largest earthquake recorded in human history. It was a very complex disaster because of an accident that occurred at the Fukushima Daiichi (No. 1) Nuclear Power Station of Tokyo Electric Power Co., Inc. (TEPCO) which was triggered by a total loss of power after seven Tsunamis extending from 30 minutes to 6 hours after the earthquake occurred, thereby resulting in unprecedented damage.

The human damage and property damage resulting from the Tsunamis were both unfathomable, while the disaster also deprived the disaster victims/disaster-stricken areas of both their residences and places to work. Despite having the severe psychological trauma and had their lives inconvenienced by having to live at temporary housing the victims are still proceeding with restoration/reconstruction activities in thereby realizing a permanently safe society. When reconstructed they must be “communities resilient to disasters” in a multi-faceted sense. In addition, people cannot make a living unless industries that can sustain the disaster-stricken areas steadily take root, with job opportunities then being ensured by those industries. Furthermore, and with regard to the nuclear power plant accident, completion of its final disposition may require a time span of more than one generation. Many people have been forced to evacuate for an extended period of time, thus establishing a long-term health management system for those who fear having been exposed and decontamination measures in the areas where radioactive materials were deposited are posed as imminent issues.

These various reconstruction challenges thus require the specific provision of desperately needed knowledge to the victims through mobilization in the various fields of science, which is precisely the duty of Science Council of Japan (SCJ). The 21st Term SCJ made the commitment soon after the occurrence of the great earthquake by setting up the Great East Japan Earthquake Task Force, issuing urgent recommendations on seven consecutive occasions, and so on. At the inception of the 22nd Term SCJ in October 2011 the Committee on Supporting Reconstruction after the Great East Japan Earthquake was established to succeed the Great East Japan Earthquake Task Force. On November 16, the Sub-Committee on Building Disaster-Resilient Communities, the Sub-Committee on the Promotion of Industry and Employment, and the Sub-Committee on Counter-measures for Radiation were set up under the said Committee.

The reconstruction budget has been estimated to be enormous. It is of drastic importance to the sustainability of both the economy and public finances, and not just limited to the

disaster-stricken areas, that the reconstruction budget should be appropriately allocated to creating jobs and thus incomes. Because of this point of view the Sub-Committee on the Promotion of Industry and Employment has analyzed the employment and industrial situation in the disaster-stricken areas and the need for employment support and industrial promotion and has identified the ideal way of both promoting industry and supporting employment in the disaster-stricken and other related areas.

2 Present situation and issues

The Great East Japan Earthquake did not only result in damage far more severe than the Great Hanshin-Awaji Earthquake quantitatively but it also had significant qualitative features. The unprecedented Tsunamis caused devastating damage to infrastructures related to fisheries and agriculture, including manufacturing, and deprived the disaster victims of both their residences and places to work. Securing residences and industrial reconstruction/promotion as well as the creation of new employment are therefore important issues with the reconstruction.

Because of the efforts made by various industries and stratums and the disaster victims themselves, in particular, the economy of the entire Tohoku Region has recovered to the same level as before the earthquake disaster. However, many issues still remain with the reconstruction of industries and lives in the disaster-stricken coastal areas, with “disparities in the reconstruction” with respect to the area, type of industry, age group, and gender being of concern. The Sub-Committee therefore studied the employment situation and industrial situation, which gets reflected in the former, by area, type of industry, and occupation in identifying the situation with disparities in the restoration/reconstruction. The reconstruction of industries and recovery in employment have been slower in the coastal areas and food manufacturing and marine product processing industries in particular, than with inland areas and the automobile and electronic parts/device manufacturing industries, respectively. In addition, while the construction industry is suffering from an increase in expenses due to both insufficient supervising engineers/skilled workers and materials, clerical and related job offers have been poor, with a particular scarcity of employment for females being indicated.

A special extension of the benefit period of employment insurance has been implemented in the disaster-stricken areas, but the percentage of those that could not gain employment by the time the benefit period ends has been increasing. Payments end for approximately 10,000 people at the end of April 2012. Measures will therefore have to be promptly taken in thereby responding to an increasing need for re-employment or alternative income. Meanwhile, a “job-seeker support system” was established in October 2011 to provide unemployed persons unable to receive employment insurance benefits with free vocational training and benefits.

This system needs to be effectively responsive to the employment and vocational training needs of the disaster victims/disaster-stricken areas, and hence these recommendations propose measures for effectively utilizing the system.

In addition, "reconstruction and construction subsidy projects for facilities and equipment of groups such as small- and medium-sized enterprises" are discussed as an industrial promotion measure. These are the first projects implemented using national funds, which has not occurred with previous large-scale disasters, and are highly regarded as they do encourage small- and medium-sized enterprises in the disaster-stricken areas and facilitate investment toward the restart of economic activities. Moreover, measures for further utilizing these projects in reconstructing industries and creating employment opportunities in coastal areas, in particular, are proposed.

3 Content of the recommendations

(1) Alleviation of labor market mismatches

[1] Improvement of job-seeker support system that is compatible with the actual labor market situation

a. Area/attribute based employment targets

An incentive system in which the disaster victims in the areas where finding employment is difficult are provided with training implemented by private training institutions and with larger amounts of subsidies being granted when they are employed shall be introduced. In addition, employment improvement rate targets by attribute and area shall be established as requirements when applying for vocational training.

b. Cooperation with other employment restoration promotion projects

Policies on actively employing those that received training through the job-seeker support system shall be presented as a requirement of employment creation via employment restoration promotion projects, etc. Efforts shall be made to secure human resources that meet the needs of both job-seekers and recruiting enterprises through appropriately combining various systems.

c. Alleviation at household level

The limitation of one person per household receiving vocational training shall be removed, and the conditions for receiving benefits altered to include spouses and children/parents within the same household who do not work for more than a specific number of hours, etc.

[2] Cooperation with "From Welfare to Employment"

In order to make public assistance a system that "is easy to use and which helps people to become independent" and "From Welfare to Employment" support projects function in the disaster-stricken areas a careful individual support system shall be established/enhanced, including securing staff members such as support navigators, etc. at Hello Works (public employment security offices), etc.

[3] Ensuring sufficient staffing of Hello Works

In order to alleviate labor market mismatches through developing potential job offers and ensuring smooth operation of the job-seeker support system an adequate number of staff members will need to be secured at Hello Works.

(2) Reconstruction of local industries in the disaster-stricken areas

[1] "Reconstruction and construction subsidy projects for facilities and equipment of groups such as small- and medium-sized enterprises"

The following recommendations are being made with regard to these projects.

- The system shall be operated in such as way as to allow enterprises that are essential to the local economy to be individually subject to subsidies
- Carry-over of subsidies associated with elevation works shall be allowed until the end of March 2016
- the application period shall be made sufficiently long, the procedures, etc. more simple and flexible, and payments made each fiscal year according to the progress of the projects
- Priority shall be placed on subsidies/financing at the unit of a basic municipality

[2] Smoother promotion of reconstruction

- Inter-ministerial cooperation shall be strengthened in preventing abuse of the "vertically segmented administration" system
- Basic municipalities, etc. shall be utilized in thereby enabling them to play the role of being one-stop service centers
- A system in which the government and municipalities, etc. rent production facilities shall be created in thereby eliminating "overlapping debt"
- Special depreciation for disaster alternative assets shall be expanded so as to enable its application to gratuitously transferred assets

- A system that supports long-term "temporary housing" projects and business restarts shall be created in Fukushima Prefecture

[3] Training of personnel to engage in life-prolonging repair of infrastructures

Life-prolonging repairs are also needed with respect to the roads, bridges, quay walls, and river floodgates, etc. that escaped damage. With municipality level life-prolonging repairs, in particular, local small- and medium-sized enterprises are expected to play the leading role in emergency repairs and inspections/maintenance.

(3) Revitalizing areas through business start-ups via the initiative of residents - Establishing Reconstruction Non-profits

Sound development of various "reconstruction non-profits" (tentative name) via the initiative of residents is expected in thereby enabling as many people as possible to gain employment and play a role in the reconstruction. Recommendations are therefore being made with regard to developing the necessary environments.

Various types of reconstruction non-profits are being considered. Points being emphasized in the event reconstruction non-profits are modeled after social corporations (start-up businesses) include favorable tax treatment, etc. with investments, but with no dividend payments, allowing transfer of shares and redemption of shares at the time of a corporate dissolution, and separating the decision making rights from the invested amount, etc.

In the event reconstruction non-profits are modeled after public interest corporations a framework shall be provided by adding the new item of a "business that promotes reconstruction in the disaster-stricken areas", etc. or including reconstruction non-profits as a business provided for in other ordinances in item 23 in Appended Table of the Act on Authorization of Public Interest Incorporated Associations and Public Interest Incorporated Foundation. Furthermore, the establishment of standards for public interest corporation authorization that suit the characteristics of the individual reconstruction non-profits and the "Act on Authorization of Public Benefit of Reconstruction Non-profits" with the aim of facilitating its authorization shall be discussed from a medium-term perspective.

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1 Introduction

The Great East Japan Earthquake that took place on March 11, 2011 resulted in the estimated damage of more than 19,000 deaths/missing persons, slightly less than 37,000 houses completely/partially destroyed, and with the amount of stock damage of slightly less than 17 trillion yen. All of which far exceeded the damage caused by the Great Hanshin-Awaji Earthquake that occurred 16 years earlier (Table 1 in the Appendix).

In addition to the significant level of damage caused quantitatively the Great East Japan Earthquake also had some significant qualitative features. The Tsunami damage was particularly severe. Infrastructures related to fisheries and agriculture, including manufacturing, in the coastal areas were all but completely destroyed (Table 2 in the Appendix), and with many people having lost both their residences and places to work. In the case of the Great Hanshin-Awaji Earthquake many people in the eastern part of Hyogo Prefecture, etc. commuted to Osaka, and hence many of those who lost their residences did not lost their places to work. In contrast to this, and in the case of the Great East Japan Earthquake, the percentage of self-employed persons engaged in a primary industry was high mainly in the coastal areas (Table 1 in the Appendix), while many employees also lived near their workplaces because of the difficulty of commuting from inland areas due to geographical reasons, thus resulting in the simultaneous loss of both their residence and place to work. Furthermore, the nuclear power plant accidents that caused the regional evacuation further exacerbated this trend.

Securing residences and industrial reconstruction/promotion as well as the creation of new employment are therefore very important to the disaster victims and residents in the disaster-stricken areas. In addition, the fact that the Tohoku Region, which includes three disaster-stricken prefectures, is ahead in experiencing the problem of the aging/declining population and reduced economic strength, and thus requires special attention (Table 3, Figure 2, and Table 4 in the Appendix).

Under these conditions the disaster victims and residents in the disaster-stricken areas, enterprises, municipalities, and the government have been making the effort in restoration/reconstruction over the year since the great earthquake disaster occurred. According to the Reconstruction Agency this has resulted in the removal of disaster waste (debris) having been completed in all municipalities by January 31, 2012 (excluding waste resulting from building demolition and caution zones, etc.). Infrastructures such as electricity, water supply, gas, and roads, etc., have been mostly restored, while the main line of the railroads has been restored to the normal level. Main public services, including communications, postal services, hospitals, and schools, etc., have, in general, also been restored <1>[6].

[6] However, some are lagging behind: with infrastructures the restoration rate of public quay walls is 73%, and with public services that of hospitals 81% <1>.

However, the reconstruction of local industries that are directly related to the reconstruction of the disaster victims' lives has been falling behind, and employment problems growing more serious. According to the "Trends with the Economy of Tohoku in 2011" (published on December 15, 2011) made by the Sendai Branch, Bank of Japan, "while many economic indices show that the economy of the entire Tohoku Region has recovered to the same level as before the earthquake disaster, although partly due to various special procurements in the course of reconstruction, the reconstruction work is still ongoing in the disaster-stricken areas along the Pacific coastal areas, and thus the scarring left by the earthquake disaster remains significant". It should be noted that the cut-off to the automobile and electronic parts supply chain in the Tohoku inland areas had already been resolved by summer, but economic activities in the Tsunami-affected areas and the neighborhood of the Fukushima Daiichi Nuclear Power Plant were significantly disrupted, thus resulting in a situation where a "shortage of labor and mass unemployment coexist with each other" <2>. The growing "disparities in reconstruction" among the disaster-stricken areas is therefore of concern.

Ensuring reconstruction takes place in the respective areas requires that industries that can sustain the disaster-stricken areas steadily take root and with job opportunities then being ensured by those industries, and in thereby ensuring the persistent achievement of stable lives for the disaster victims and residents in the disaster-stricken areas. In addition, the total reconstruction budget is estimated to be 19 trillion yen over 5 years and 23 trillion yen over 10 years, which will be financed by a special reconstruction taxation of 10.5 trillion yen[1] and non-tax revenues, being in addition to reconstruction bonds of 12.5 trillion yen. It is of drastic importance to the sustainability of both the economy and public finances, and not just limited to the disaster-stricken areas, that the enormous reconstruction budget should be appropriately allocated to creating jobs and thus incomes. Because of this point of view the Sub-Committee on the Promotion of Industry and Employment was established with the aim of analyzing the employment and industry situation in the disaster-stricken areas and employment support and industrial promotion needs, and identifying the ideal way of industrial promotion and employment support in the disaster-stricken and other related areas[7]. In these recommendations the present situation and issues with industries/employment in the disaster-stricken areas are organized in Chapter 2, and the present situation and issues with employment support measures then described in chapter 3. The present situation and issues with industrial promotion measures are presented in Chapter 4, and recommendations on creating "reconstruction non-profits" (tentative name) toward alleviation of labor market mismatches, reconstruction of local industries in the disaster-stricken areas, and revitalization of the areas through

[7] Refer to Recommendations by Committee on Supporting Reconstruction after the Great East Japan Earthquake for engagements of SCJ to date (related recommendations of the 21st Term).

business start-ups via the initiative of residents.

2 Present situation and issues with industries/employment in the disaster-stricken areas

(1) Employment situation remaining severe - labor market mismatches

First, although the employment situation in the three disaster-stricken prefectures seems to have been improving it was confirmed that the employment situation remains severe in the areas with significant earthquake/Tsunami damage, which is mainly the coastal areas. Many of the following statistics, however, were identified through public employment security offices (Hello Works), and hence do not reflect the situation with those who did not visit Hello Works. People most likely to visit Hello Works are considered to be employment insurance subscribers who are expected to be able to receive unemployment allowances. The unemployment situation with short-term/hour employees and self-employed persons is therefore rather difficult to understand.

Here, some of the indices that indicate that the employment situation has been improving are examined. Examining the situation with job offers, job-seekers, and employment, as provided in the March 2012 edition of the "Present Employment Situation in the Three Disaster-Stricken Prefectures (Monthly)" made by the Ministry of Health, Labour and Welfare, reveals the number of new job offers to have been increasing due to an increase in job offers related to reconstruction from the earthquake disaster and the restored production of manufacturing industries since the great earthquake disaster of March 11, 2011, and which totaled 45,752 with the three prefectures as of January 2012. In contrast to this the number of new job-seekers decreased after having reached a peak in April, remained stable in and after September, but the decreased again in December and January 2012, and was 29,430 in January <3>.

The number of persons newly employed gradually decreased after having reached a peak in June, then remained stable, and was 10,088 in January 2012. However, the number of persons newly employed exceeded that of the same month of the previous year for nine consecutive months and from May on. In addition, the number of persons newly employed via employment creation fund projects as of February 24, 2012 was 6,670 in Iwate Prefecture, 9,594 in Miyagi Prefecture, and 13,274 in Fukushima Prefecture, or a total of 29,538 with the three disaster-stricken prefectures <3>. Examining the employment rate (calculated by dividing the number of persons newly employed by the number of new job-seekers) of the three disaster-stricken prefectures reveals it to have been rising since May in all three of the disaster-stricken prefectures, and to have exceeded that of the same month of the previous year since June in all three of the disaster-stricken prefectures.

In addition, the effective job-offer to job-seeker ratio (seasonally adjusted figure) has also been rising for eight consecutive months since May, and was 0.75 in Iwate Prefecture, 0.82 in Miyagi Prefecture, and 0.74 in Fukushima Prefectures in January 2012 <3>. Examining the changes with general work (regular and temporary/seasonal work) and part-time work in the three

disaster-stricken prefectures reveals the effective job-offer to job-seeker ratio with part-time work to have exceeded that with general work, although both have been rising. The same trend was observed in all three of the disaster-stricken prefectures. The effective job-offer to job-seeker ratio for part-time work seems to have raised the overall effective job-offer to job-seeker ratio in the three disaster-stricken prefectures, but with general work it was not that low (Figure 3 in the Appendix).

As revealed above the employment situation in the three disaster-stricken areas seems to have been improving. However, the employment situation still remains severe in the areas with significant earthquake/Tsunami damage, which are mainly the coastal areas. The effective job-offer to job-seeker ratio (unadjusted figure) of Hello Work (public employment security office) reveals that whereas in Kitakami City it was 1.14, in Ninohe City it was 0.47, Miyako City 0.59, Kuji City 0.66, and Ofunato City 0.71 in Iwate Prefecture. With Miyagi Prefecture and Sendai City it was 1.10, but in Kesennuma City 0.47, Ogawara City 0.54, and Shiogama City 0.65 (the aspects in Fukushima Prefecture appear to be different as the effective job-offer to job-seeker ratio in Hamadori, where many areas were evacuated due to the Fukushima Daiichi Nuclear Power Plant accident, was higher than that in Nakadori and Aizu City) <4>, <5>, <6>.

Next, the situation with informal job offers to students set to graduate from senior high schools and universities is examined. Examining the situation with new graduates that had received informal job offers as of the end of January 2012, being based on a press release made by the Ministry of Health, Labour and Welfare on March 16, 2012, reveals the percentage of students set to graduate from senior high schools that received informal job offers to be 86.4% nationwide, 92.5% in Iwate Prefecture, 88.1% in Miyagi Prefecture, and 88.7% in Fukushima Prefecture, all of which had improved when compared to the same month the previous year. The improvement was more significant in the three disaster-stricken prefectures, and Miyagi Prefecture in particular, than that nationwide. Examining the situation in more detail as of the end of January 2012 using data provided by the respective Labour Bureaus reveals the number of those that received informal job offers to have increased in all three prefectures. By place of employment (within or outside the prefecture) the number of those that had received informal offers for jobs outside the prefecture had increased more significantly in all three prefectures. In Fukushima Prefecture in particular, the number of those that had received informal offers for jobs within the prefecture had decreased by 4.3% whereas that for jobs outside the prefecture had actually increased by 25.9%. The trend with high school graduates being employed outside the prefecture is therefore considered to be growing.

In contrast to this the percentage of students set to graduate from four-year universities that had received informal job offers as of February 1, 2012, being based on a press release made by

the Ministry of Health, Labour and Welfare on March 16, was 80.5% nationwide. By region in the Kanto Region it was 83.3%, whereas in Hokkaido/Tohoku Region it was 79.1%. According to the Iwate Labor Bureau in Iwate Prefecture as of the end of January 2012 it was 68.3%. However, the percentage of those that received offers for jobs within Iwate Prefecture had risen. In Miyagi Prefecture as of the end of November 2011, the number of those that had received offers to jobs within the prefecture had increased by 8.8% from the previous year, whereas that with those that received offers for jobs outside the prefecture had increased by 12.4%.

(2) Varied Industrial restoration/reconstruction

[1] Disparities in restoration/reconstruction and employment situation by industry

The significance of the impact of the earthquake disaster on industries can be observed via changes in the industrial production index. The industrial production index for the disaster-stricken areas (municipalities to which the Disaster Relief Act was applied pursuant to the "Application of the Disaster Relief Act concerning the Tohoku Region Pacific Offing Earthquake (11th report)" and "Application of the Disaster Relief Act concerning the Northern Nagano Earthquake (1st report)") had declined by 32.1% from the previous month in March when the earthquake took place. It then recovered to a certain level with a rise from the previous month of 3.6%, 19.5%, and 7.5% up until June, and then declined again in July but remained stable until December. It was still 7 points below the level before the earthquake disaster, thus indicating the continuing severe situation (Figure 4 in the Appendix).

The production level in Miyagi Prefecture, where the damage was the most severe, and in particular, had remained around 70% of that of before the earthquake disaster as of December 2011. By industry it had recovered to 80% with automobile (transportation equipment) manufacturing and 77% with electronic parts/device manufacturing, whereas it remained at 55.6% with food manufacturing <7>. Weight by industry (industrial production index based on 2005 standard) of manufacturing industries in Miyagi Prefecture was 19% with electronic parts/device manufacturing and 18% with food manufacturing, thus making recovery of the food manufacturing industry extremely important. The marine processing industry (seafood product manufacturing industry) accounted for 37% of the food manufacturing industry in Miyagi Prefecture <7>[8].

[8] The manufacturing industry gets further classified into 24 industries, and in which the food manufacturing industry gets further classified into 8 industries, including the seafood product manufacturing industry, etc. The seafood product manufacturing industry then gets classified into canned seafood and seaweed, seaweed product (except canned), fish paste product, salted-dried and salted product, frozen seafood product (unprocessed and packaged), frozen seafood product (processed and packaged), and miscellaneous seafood product manufacturing industries ("Japan Standard Industrial Classification" of the Ministry of Internal Affairs and Communications). In these recommendations the commonly used term of "marine product processing" is generically used.

Disparities in restoration/reconstruction were also reflected in the employment situation. By industry the number of new job offers in the disaster-stricken prefectures had increased by 121.6% (2,222 persons) from the same month the previous year in December with the "construction industry", although due to a large number of job offers having been made within that industry in association with earthquake disaster reconstruction projects since April (Figure 5 in the Appendix). The construction industry suffered a serious shortage of labor and a sharp increase in wages from failures/cancellations of bidding that took place one after another in Miyagi Prefecture, although mainly in Sendai City <7>. In addition, the influence of an increase in the number of job offers for "public duties and others" due to employment creation fund projects in April through to June is noticeable. The number of new job offers has been gradually recovering in manufacturing industries too since April, and had increased by 40.1% (965 persons) from the same month the previous year in December (Figure 5 in the Appendix).

By occupation the number of job offers was larger than the number of job-seekers with occupations that require qualifications or skills that are "specialized/technical", "welfare related", "construction and civil engineering", etc. However, the number of job offers was remarkably smaller than the number of job-seekers with "food manufacturing", "production/labor", and "clerical work" <1>.

[2] Delay in recovery of marine product processing and other industries

Focusing on the food manufacturing industry, which is one of the main industries in Miyagi Prefecture, the difference in the level of recovery of marine product processing and other industries, although depending on the fishing port, has resulted in employment mismatches being made in the respective regions. For example, within the jurisdiction of Hello Work Shiogama, Ishinomaki, and Kesennuma in Miyagi Prefecture the effective number of job offers within the "manufacturing industries" has been overwhelmingly insufficient in Ishinomaki and Kesennuma, whereas the effective number of job offers has been a lot larger in Shiogama (Figure 6 in the Appendix). The background to this is considered to be the fact that the number of fish landed had recovered to 109% of the level of before the earthquake disaster by December 2011 in Shiogama, whereas in Onagawa it was only 19%, in Ishinomaki 18%, and Kesennuma 39%. In addition, the estimated recovery by April was 40% in Ishinomaki whereas it was 30% in Kesennuma <8>. The delay in the recovery in Ishinomaki and Kesennuma was mainly due to the fact that the ground in areas where the marine product processing industry had been established had sunk, thus requiring elevation and infrastructure development <7>.

With the food manufacturing industry, which accounted for 18% of the economy of

Miyagi Prefecture, 25% of establishments were in Kesennuma or Ishinomaki <7>, and thus recovery of both these areas is very important to the economy of the prefecture. In Kesennuma, in particular, the food manufacturing industry accounted for nearly 70% of employees in the manufacturing industries (Table 5 in the Appendix). Marine product processing, including shark fin processing, etc., has been a major industry for Kesennuma <7>. However, more than 100 marine product processing plants that existed before the earthquake disaster were basically destroyed, and thus only around 1/4 of these plants had restarted operation by late February 2012 ("Asahi Shimbun", February 27, 2012). The number of fish landed in Kesennuma, mainly skipjack, Pacific saury, and tuna, before the earthquake disaster exceeded a value of 20 billion yen, which was larger than that of Ishinomaki at 16 billion yen and Shiogama at 9 billion yen. The delay in the recovery is therefore causing significant damage to the economy of the prefecture[9] <8>.

Furthermore, females accounted for 60% of the regular workers within the food manufacturing industry in Kesennuma, and the food manufacturing industry accounted for nearly 80% of female regular workers in the manufacturing industries. The destruction of the food manufacturing industry by the Tsunamis also therefore caused a loss of employment for females. Without progress being made in reemploying the females that have been important breadwinners for households the restoration/reconstruction of industries and households living in the regions where people lost both their residences and jobs is unlikely to be achieved.

[3] Shortage of human resources in construction/civil engineering work for reconstruction of infrastructures

In contrast to this, and with "construction/civil engineering", a shortage in the effective number of job-seekers was observed in Shiogama and Ishinomaki whereas a shortage in the number of job offerings can be observed in Kesennuma due to a delay in the restoration/reconstruction (Figure 6 in the Appendix). According to a balance sheet on job offers and job-seekers of January 2012, however, a shortage in the number of job-seekers with construction related work was also observed in Kesennuma, and with the effective job-offer to job-seeker ratios for the occupations of building frame construction and architects/civil engineers, etc. being high.

The current shortage of labor for the construction industry will require that special

[9] Of course this does not then mean that ports with low numbers of fish landed are unimportant. According to the report of "Content and Assessment of Multifaceted Functions of Fisheries Industry and Fishing Villages concerning Global Environment and Human Life" made by SCJ in response to a consultation made by the Minister of Agriculture, Forestry and Fisheries in 2003 the fisheries industry and fishing villages not only play a primary role in providing food/resources but also exert multifaceted functions, with their external economy therefore being considered very important.

attention be paid to the fact that there was difficulty securing skilled workers for the construction industry even before the earthquake disaster. More concretely, and due to a significant reduction in construction investment, mainly public investment, the aging of employees has been progressing (those aged 55 or older accounted for 33%) and the number of newly employed young people decreasing (approximately 1/5 of 1997) more rapidly in the construction industry nationwide than the average of all industries. The decrease in the number of newly employed young people was affected by working conditions/environment as well as the occupational image and insufficient welfare programs such as social insurance, etc. <9>.

In recent years both the number of establishments and employees in the construction industry have been decreasing, with the number of medium-sized construction enterprises (10 workers) having significantly decreased and the percentage of small-sized construction enterprises rising. This downsizing trend is said to have been particularly remarkable in local district areas <10>. According to the Economic Census (Establishment and Enterprise Census for data up to 2006) of the Ministry of Internal Affairs and Communications the number of establishments and employees in the construction industry nationwide decreased by 3.8% and 12.6%, respectively, during the period of between 2001 and 2009. In contrast to this the number of establishments in the construction industry had decreased by 11.2%, 6.7%, and 9.1% and the number of employees by 28.8%, 15.1%, and 20.8% in Iwate Prefecture, Miyagi Prefecture, and Fukushima Prefecture, respectively, during the same period <11>, <12>. The construction industry in the three disaster-stricken prefectures is therefore considered to be too weak to take the lead in the restoration/reconstruction in quite a few cases. While the shortage in the supply capacity is expected to improve in the construction industry in the disaster-stricken areas the construction investment in these areas may significantly drop after the restoration/reconstruction demand passes. The trend with hesitation to make new capital investments is considered unavoidable, and thus responding to this situation in anticipation of when the restoration/reconstruction demand passes is an issue. In addition to recovery of the marine product processing industry, industrial promotion/employment creation, including securing the sustainability of the construction industry, that conforms to the pace of regional reconstruction and the actual situation in the respective regions is expected.

(3) Special measures for employment insurance and issues after expiration

[1] Special measures for employment insurance

In the event of an absence from work for reasons not attributable to the employer, including destruction of facilities due to Tsunamis or earthquakes, etc., employers are not obliged to pay allowances to those dismissed, even if they have lost their places to work and

had their incomes stopped, which is in accordance with the Labor Standards Act (labor laws do not apply to self-employed persons from the first).

The employment adjustment subsidy system has conventionally been used as a system to control an increase in the number of persons separated from employment due to drastic changes in the economic environment. However, the employment adjustment subsidy is part of an insurance system jointly implemented by business operators to support management reorganizations in the event of absences from work for economic reasons. The problem has therefore arisen that employment adjustment subsidies do not apply to absences from work due to direct damage from disasters and not for economic reasons. This was also the case with this Tsunami/earthquake disaster, and similarly with the cases of the areas of establishments designated as caution zone dues to the nuclear power plant accident in Fukushima are not being subject to the subsidies.

After the Great East Japan Earthquake, being based on special measures for employment insurance associated with a designated disaster of extreme severity, victims unable to receive wages were provided with special payments of unemployment allowances. More concretely, those that were absent from work due to direct damage to establishments and not paid with wages but not separated from their employment were also made eligible to receive unemployment allowances. That is to say, under the special measures the requirements of "being separated from employment" was relaxed. The special measures resulted in people standing in long lines at Hello Works in the disaster-stricken areas for consecutive days from the end of March to the beginning of April to apply for unemployment allowances. In addition to the ordinary number of days for the payment of unemployment allowances based on the existing provisions measures to extend the payment period were also taken as a special case with individual extended benefits (60 days in principle), special extended benefits (additional 60 days), and wide-area extended benefits (additional 90 days) <13>.

More concretely examining the situation with the handling of unemployment insurance reveals that within the jurisdiction of the Miyagi Labour Bureau the number of persons who lost their employment insurance qualification (those separated from employment and thus employment insurance became no longer applicable to them) (total number during the period of between March 12, 2011 and February 19, 2012) to have increased by 32.7%, the number of cases of letters of resignation being issued to have increased by 43.4%, the number of cases of eligibility to receive allowances being decided to have increased by 60.5%, and the actual number of persons that received allowances to have increased by 94.0% from the same term the previous year. Furthermore, and within the jurisdiction of the Kesennuma Labour Bureau where the impact of the Tsunamis was significant, the number of persons that lost their

employment insurance qualification had increased by 240.4%, the number of cases of separation notices being issued had increased by 333.4%, the number of cases of eligibility to receive allowances being decided had increased by 522.7%, and the actual number of persons that received allowances had increased by 883.8%, thus indicating the seriousness of the situation <14>.

[2] Issues after expiration

It should be noted, however, that employment insurance does not apply to self-employed persons, etc. and may additionally not apply to some employees depending on their work hours, etc. In addition, and even in cases where employment insurance is applicable, quite a few persons are not eligible to receive unemployment allowances because of the insured period before their separation from employment was too short or for reasons such as lacking at present the "ability to be employed at anytime"[10].

Whereas the effective job-offer to job-seeker ratio has been rising since May 2011, the number of cases of applications for unemployment allowances (the number of cases of separation notices, etc. issued) reached 23,654 during the 11-month period of March 12, 2011 through to February 18, 2012 (1.4 times that of the same month the previous year). The actual number of persons that received unemployment allowances, including individual extended benefits, special extended benefits, and wide-area extended benefits, reached a peak in June at 81,179 (up 101.9% from the previous year), then continued to gradually decrease, but still remained at 62,528 in January (up 103.8% from the previous year) <3>. Of them the number of persons that received wide-area extended benefits reached 9,630 <13>.

Examining the percentage by gender of the actual number of persons that received unemployment allowances in the three disaster-stricken prefectures reveals it to have been 50.5% with males and 49.5% with females in March 2011, but the percentage with females has been increasing since April, and was 58.8% with females in January 2012, thus indicating the relatively difficult situation with employment for females <15> (Figure 7 in the Appendix). Examining the actual number of persons that received unemployment allowances in the coastal areas of Miyagi Prefecture where the damage was significant and based on the "main employment insurance related indices" of the Miyagi Labour Bureau reveals it to have had increased by 296.1% within the jurisdiction of Hello Work Ishinomaki and by 549.8% within the jurisdiction of Hello Work Kesennuma from the previous year in December 2011, thus

[10] People who fall under the following conditions are not eligible to receive unemployment allowances: 1) unable to be employed at present due to sickness or injury, 2) unable to be employed at present due to pregnancy, child birth, or child rearing, 3) retired after having reached the retirement age, etc. and intending to rest for a while, 4) unable to be employed at present because engaged in housework due to marriage, etc.

indicating the severity of the employment situation in those coastal areas.

As of January 20, 2012 the number of residents in the three disaster-stricken prefectures whose wide-area extended benefits were terminated was 1,039, of which the number of persons that gained employment was only about half at 522. In addition, the number of persons whose unemployment allowances had been terminated by February 17 was 3,510, but of which the number of persons that gained employment was less than 30% at 921. As described above the percentage of those whose unemployment allowances is terminated but do then not gain employment is rising. The number of persons whose unemployment allowances will be terminated by the end of April is estimated to reach 10,834 (including evacuees to other areas ("Asahi Shimbun", March 3, 2012). The reemployment or income needs of the disaster victims will therefore become even more significant.

(4) Effects on young people and children

The serious employment situation in the disaster-stricken areas has also affected the employment of young people. The employment situation with young people was worsening, particularly in the disaster-stricken areas, even before the Great East Japan Earthquake. For example, examining the percentage of new high school graduates that received informal job offers as of the end of January of the respective year for the whole of Miyagi Prefecture reveals it to have peaked in March 2008 at 82.8% (98.7% in Kesennuma) of graduates, then to have declined in March 2009 to 80.8% (97.8%) and in March 2010 to 68.8% (84.1%), and was 70.9% (79.2%) in March 2011, or immediately after the great earthquake disaster. In contrast to this the percentage of March 2012 graduates that had received informal job offers (as of the end of January 2012) within the whole of Miyagi Prefecture seems to have improved to 88.1% (92.9% in Kesennuma) at first glance. However, the number of persons seeking jobs within the prefecture had significantly decreased by -17.5% from the previous year for the whole of Miyagi Prefecture (-16.9% in Kesennuma), thus indicating an increasing dependence on employment outside the prefecture. The outflow of young people who will support the future economy in the disaster-stricken areas is therefore of concern <14>.

In addition, disparities in the socioeconomic status and mental health of the parent generation due to disparities in employment can significantly affect the happiness of not only the present generation but also their children. For example, the economic difficulties of parents can affect the percentage of students who go on to higher stages of education, thus imposing a long-term effect on their future scholastic abilities. The number of children that lost their father or mother due to the earthquake disaster was 1,295 (as of August 31, 2011). Economic difficulties, unstable employment, work conditions, and the child rearing burden are particularly severe with

single-parent families. Economic difficulties should not result in any cross-generation linkage.

For example, with FY 2011 graduates (as of February 6, 2012) the percentage of students who went on to universities, etc. (including correspondence courses of universities/junior colleges) had decreased from the previous year by -2.2% in Miyagi Prefecture and by -1.8% in Fukushima Prefecture, both of which were worse than the nationwide average of -0.4%, thus indicating the possibility of the severe situation with industry and employment in the disaster-stricken areas affecting the child generation <16>.

(5) Summary

As described above industrial reconstruction in the disaster-stricken areas of the Great East Japan Earthquake is still in progress and remains severe. The automobile and electronic parts/device manufacturing industries in inland areas of the three disaster-stricken prefectures were at risk of having no access to the supply chain at one time, but both are now on the way to reconstruction through effective use of "reconstruction and construction subsidy projects for facilities and equipment of groups such as small- and medium-sized enterprises", along with support from various economic organizations and private enterprises. In contrast to this the food manufacturing industry in the coastal areas, and the marine product processing industry in particular, is at present unable to start full reconstruction until the elevation of fishing ports and peripheral areas takes place. The reconstruction of that industry and recovery of employment are thus lagging. Furthermore, a delay in progress can be observed with the construction industry, which plays a major role in the reconstruction, due to a shortage in supervising engineers/skilled workers and materials, and with an increase in expenses, job offers in clerical and related work being poor, and a scarcity of employment for females being indicated.

Special extension of the benefit period of the employment insurance has been implemented in the disaster-stricken areas, but the percentage of those that cannot gain employment by the time the benefit period ends is increasing (benefit period is expected to end for 10,000 people by the end of April). Measures must therefore promptly be taken without delay in thereby responding to the increasing need for re-employment or incomes. That is to say, there is a concern that without appropriate measures many people will leave the disaster-stricken areas due to a lack of employment, which is necessary in their daily lives, before reconstruction is fully making progress or "give up their businesses" before restarting them at the completion of the elevation work. Even with the progress made in infrastructure development, including elevations, etc., reconstruction of the disaster-stricken areas cannot take place if people's motivation is lost. The Sub-Committee therefore first

compiled recommendations on securing employment and supporting industries, and local industries such as the marine product processing industry in particular, in thereby coping with the present situation. The Sub-Committee sincerely hopes that the full reconstruction will progress in the disaster-stricken areas with these recommendations being utilized in the actual policies.

3 Present situation and issues with employment support measures

(1) Job-seeker support system expected to be utilized for employment in the disaster-stricken areas

After the earthquake disaster the number of new job offers in the construction industry in the three disaster-stricken prefectures has been increasing to the largest level seen in recent years. In addition, the need for welfare related jobs, including long-term care services, etc., is significant, while the number of new job offers in medical care and welfare has also been increasing in the disaster-stricken areas due to the aging population. Considering the situation expanding employment opportunities in the construction and welfare industries until the fisheries and marine product processing industries in the coastal areas get back on track is considered an effective employment measure for the moment. Utilization of the job-seeker support system†[11] is expected to help those that had been engaged in the fisheries and marine product processing industries acquire the necessary skills and lead to smooth employment for them.

(2) Present situation with job-seeker support system

The purpose of the job-seeker support system, which commenced on October 1, 2011, is to lead people to employment. Private training institutions to which vocational training is entrusted to are therefore required to have, as the conditions for their certification, at least one year of experience in training and employment achievements. Certification takes place in accordance with regional vocational training implementation plans which take growth fields and needs in local job offers into account. Special measures to relax certification conditions may be taken in such cases as in when recovering facilities damaged by the Great East Japan Earthquake has proved to be insufficient[12].

The system just commenced in October 2011, and therefore identification of employment achievements three to six months after the completion of the training courses will need more time. The situation with certification for training courses implemented during the period of between October 2011 and March 2012 (preliminary figures) is as follows (as of January 23, 2012, published by the Ministry of Health, Labour and Welfare) (Table 6 in the Appendix).

5,544 courses with a capacity of 117,655 persons were certified nationwide (excluding some applications under examination and additional applications), of which 1,570 basic courses with a capacity of 30,119 persons and 3,974 practical courses, which consist of more practice oriented

[11] Hereinafter refer to <Definition of terms> for words and phrases marked with †.
[12] Consultations with prefectural vocational training support centers in Iwate, Miyagi, or Fukushima Prefectures is required in these cases.

content, with a capacity of 87,536 have started.

However, prefectures with large cities have bigger capacities and larger number of courses nationwide, thus regional disparities exist with regard to opportunities to receive training. In addition, the Ministry of Health, Labour and Welfare has not taken any particular measures to intensively certify training institutions in areas facing severe employment situations, but emphasized that certification should persistently be judged according to the plans and achievements of individual institutions.

In the three disaster-stricken prefectures of Iwate, Miyagi, and Fukushima the number of courses started was 90, 140, and 123 (total of 353) with a capacity of 1,469, 2,895, and 2,284, respectively. In this connection the capacity of certified courses per 1,000 unemployed persons as of 2010, as calculated using the "Labour Force Survey" of the Ministry of Internal Affairs and Communications, was 35.2. Calculating this figure by prefecture reveals it to be 42.0, 41.4, and 43.1 in Iwate, Miyagi, and Fukushima Prefectures, respectively, all of which exceed the nationwide average.

Of approximately 3,500 persons for whom unemployment allowances of employment insurance were terminated by February 17, 2012, only around three persons in Fukushima Prefecture, 24 in Miyagi Prefecture, and eight in Iwate Prefecture have been estimated to have taken vocational training ("Asahi Shimbun", March 3, 2012). Conducting an evidence based policy assessment, for instance at the level of improvement observed in the regional unemployment rate in accordance with the situation with certification and use of the job-seeker support system , etc., will be important in the future.

(3) Issues with job-seeker support system

The job-seeker support system described above has the following issues.

First, no measures such as a subsidy system for the initial costs, etc. are being taken. The background to this is that in the case of conventional fund training[†] the institutions concerned were granted with a "new training creation subsidy" of one to three million yen to subsidize the initial cost of creating a new training course in addition to a "training subsidy", but no clear standards were established for the employment achievement rate of the trainees. Concern has existed therefore that institutions with insufficient training capabilities and which aimed to obtain the subsidies have also been certified. However, the problem exists that the response to that concern was in turn inhibiting the new entry of entrusted training institutions.

In addition, the level of strictness with the trainees also made this system difficult to use. Trainees that meet specific conditions are provided with a monthly "vocational training allowance" of 100,000 yen (or an amount calculated by multiplying 3,580 yen by the number of

days when less than 28 days) and "transportation expenses" (actual expenses but no more than 42,500 yen per month). The maximum period for receiving an allowance for taking vocational training is 12 months, but can be extended to 24 months if deemed necessary. However, the next allowances cannot be received for a duration of at least six years after the last date of receipt. In addition, the conditions for receiving the allowances† include "no other member in the household shall be receiving this allowance and taking vocational training" in addition to upper limits on household incomes and financial assets. Furthermore, the allowances will no longer be paid when the trainee has failed to visit Hello Works on a regular basis, and a penalty of a payment/restoration of three times the amount received is imposed in the case of dishonest receipt. As shown in these examples the system is quite strict. For the job-seeker support system a budgetary measure of 66.5 billion yen from the employment account was taken in FY 2011 and a budgetary request of 147.9 billion yen, more than twice the amount of FY 2011, made in FY 2012.

(4) Issues with the job-seeker support system in the disaster-stricken areas

The job-seeker support system was not introduced as a measure for reconstruction from the earthquake disaster, but is expected to be utilized in the disaster-stricken areas as described in (1) of this chapter. In order to enable its smooth operation, however, the following issues are expected to have to be resolved.

First, a shortage in certified training institutions in these areas should be noted. A declining/aging population is already progressing in the disaster-stricken areas, and hence it will be difficult for private training institutions to secure a certain number of trainees when they open training courses, and therefore the benefits are considered to be small when compared to the cost of their establishment (under the job-seeker support system the initial cost of creating a new training course is not subsidized). In addition, implementing vocational training for the operation of vehicle type construction machines, which has prospects for employment with debris disposal, etc., is difficult in coastal areas with its lack of flat land. The opportunities to take this training are more likely to be found in neighboring prefectural capitals or urban areas, including Morioka City, Sendai City, or Fukushima City, etc., but commuting from the coastal disaster-stricken areas to the training institutions in these areas could prove too difficult.

Allowing people in the disaster-stricken areas to collectively take training in urban areas will require support for residential environments for a certain period in addition to the payment of the 100,000 yen allowance. More concretely, measures to provide public accommodation facilities for use by those certified as disaster victims can be expected. The government has been requesting the utilization of employment promotion housing, public housing, and UR rental housing and the

voluntary provision of company housing through industry organizations as earthquake disaster measures. Further collaboration between these housing support measures and the job-seeker support system needs to be promoted. In addition, the job-seeker support system strongly involves Hello Works. Hello Works that have jurisdiction over the disaster-stricken areas and urban areas must therefore cooperate closely in thereby not causing any disruption to the provision of careful employment support.

The second issue concerns insufficient employment opportunities being secured in some regions. For example, in construction/civil engineering industries job offers are likely to be made for highly specialized and difficult occupations, and thus not just anyone can gain employment. Using schemes in that job offers for highly specialized and difficult occupations are made nationwide but with people from the hometown being utilized in other occupations, etc. is therefore needed.

The third issue concerns the necessity of cooperation with various employment measures that are implemented as reconstruction measures. For example, employment reconstruction promotion projects at a scale of 151 billion yen were introduced in the 3rd supplementary budget of FY 2011 to facilitate full employment reconstruction in the disaster-stricken areas. The reconstruction promotion projects have two projects available to businesses that create employment in the disaster-stricken areas, namely "business reconstruction type employment creation projects" and “lifelong commitment/full participation/generational succession type employment creation projects” <13>. The latter allows skills to be transferred from the elderly to young people, active utilization of females and persons with disabilities, etc., and a community based work life, and is thus expected to create employment through business independence in the future. Each of them provides support for up to three years or until FY 2015. In collaboration with the job-seeker support system, measures to actively employ those that have received training the through job-seeker support system must be taken as a requirement for more employment creation by employment restoration promotion projects, etc. In addition to the above the wisdom of the private sector should be utilized to the fullest extent possible such as in creating employment in cooperation between various economic organizations and municipalities of the disaster-stricken areas, etc.

4 Present situation and issues with industrial promotion measures

(1) Present situation with reconstruction and construction subsidy projects for facilities and equipment of groups such as small- and medium-sized enterprises

[1] History of reconstruction and construction subsidy projects for facilities and equipment of groups such as small- and medium-sized enterprises†

The areas that were the most severely damaged in the Great East Japan Earthquake were the Tsunami-affected areas and areas surrounding the Fukushima Daiichi Nuclear Power Plant (Figures 7 and 8 in the Appendix). Reconstruction support measures for local industries in these areas are very much being anticipated in thereby securing employment and thus income opportunities for the disaster victims and residents in the disaster-stricken areas. However, the situation significantly varies in the individual areas surrounding the nuclear power plant. The Tsunami-affected areas in the Sanriku coastal areas are discussed below.

The Sanriku coastal areas, although excluding some urban areas, had concentrations of industrial complexes for fisheries-marine product processing-marine product related manufacturing (shipbuilding, fishing nets/gear, marine product processing machinery/equipment, etc.) -distribution-wholesale and retail/restaurant-services related industries established by various economic agents from corporation management through to occupational. Kesennuma can be considered a typical such area.

Kesennuma City, in particular, was built around fisheries, mainly fishing ports, and with nearly 70% of workers in manufacturing industries having engaged in marine product related food manufacturing. The earthquake disaster resulted in the reclaimed land around Kesennuma bay area, where fisheries and marine product processing industries are concentrated, being hit by Tsunamis and a significant level of subsidence, all of which resulted in crushing damage. Reconstruction of marine product processing industries cannot take place without the ground first being elevated. However, reconstruction of fishing port related facilities, marine product processing plants, stores, and houses has not been commenced upon for nearly a year because the 3rd supplementary budget of the government was not approved until November 20, and building restrictions were imposed by Miyagi Prefecture.

Land elevation is expected to take place through projects that subsidize the development of fishing ports or land readjustments, etc., and in which “reconstruction and construction subsidy projects for facilities and equipment of groups such as small- and medium-sized enterprises” are drawing attention. The projects will use national funds to directly subsidize small- and medium-sized enterprise groups engaging in the reconstruction and development of

the facilities/equipment required in the reconstruction project plans. These are the first projects implemented through investing national funds in private sector projects, something which was never occurred with previous large-scale disasters. It is being highly regarded as it will encourage small- and medium-sized enterprises in the disaster-stricken areas and facilitate investment in the restart of economic activities.

However, there are issues with the promotion of the industrial reconstruction and creation of employment opportunities in the coastal areas in particular. The present situation and issues with these projects will therefore be pointed out here.

The projects were first approved in the 1st supplementary budget of June 2011. Under this system the government will subsidize no more than 1/2 and prefectures no more than 1/4 of the expense of restoring/developing facilities/equipment when small- and medium-sized enterprises in the disaster-stricken areas formulate reconstruction project plans which have been certified by prefectures as being important to the local economy/employment.

According to the framers of the system it was originally designed to include the restoration of supply chains and large-scale enterprises also being possible subjects. In addition, the acceptance of applications and judgments are mainly carried out by prefectures. The projects were adopted a total of three times from the 1st supplementary budget through to the 3rd supplementary budget.

1st adoption (Aug. 5, 2011)	28 groups in three prefectures (Aomori, Iwate, and Miyagi) Total subsidized amount of 17.9 billion yen (of which national funds will account for 11.9 billion yen)
2nd adoption (Nov. 8, 2011)	38 groups in four prefectures (Iwate, Miyagi, Fukushima, and Ibaraki) Total subsidized amount of 23.4 billion yen (of which national funds will account for 15.6 billion yen)
3rd adoption (Dec. 27, 2011)	106 groups in six prefectures (Aomori, Iwate, Miyagi, Fukushima, Ibaraki, and Chiba) Total subsidized amount of 165.1 billion yen (of which national funds will account for 110.1 billion yen)

[2] Differences exist in the way of thinking of the individual prefectures regarding the subsidies, as indicated by the content of the 1st adoption

The content of the 1st adoption is examined here. Under this system applications for the projects from small- and medium-sized enterprise groups are judged after being examined by

plan certification committees of the respective prefectures and a project subsidy examination committee of the government. The 1st public invitation for applications was published on the website of the Small and Medium Enterprise Agency on June 9, 2011 and with the application period set to be June 13 to 24. According to interviews with traders and manufacturers in Kesennuma City it was difficult for small- and medium-sized enterprises to meet that schedule because the application period was too short for the efficient dissemination of the information and to be able to make an application while the communication and transportation means are yet to have been recovered.

The results of the applications in the 1st public invitation (1st adoption) were announced on August 5. Comparison of the adopted projects in Miyagi and Iwate Prefectures suggests the way of thinking about the project adoptions in these prefectures are quite different (Table 9 in the Appendix).

Requirements for the public invitation differ in each prefecture. In Miyagi Prefecture the applicable groups are categorized into five types, namely the "supply chain type", "economy/employment growth type", "locally valuable enterprise cluster type", "marine product (seafood) processing type", and "shopping district type", whereas no such categorization took place in Iwate Prefecture. In Miyagi Prefecture, in particular, precision instruments or machinery are actively manufactured in the inland areas, and therefore "supply chain type" industries were considered to have been selected as one of the main subjects of support. However, the adoption did not take place evenly between the abovementioned five types. Enterprise groups of "supply chain type" were mainly adopted, and with the local industry of marine product processing only Onagawa Town and Minamisanriku Town adopted it. The marine product processing group in Kesennuma was finally adopted in the 3rd public invitation. In contrast to this, and in the case of Iwate Prefecture, small cities in the Sanriku areas were adopted mainly for the core industry of marine product processing.

Differences can also be observed with the application reception points. In Iwate Prefecture applications to the prefecture are made through the Business Management Support Division of the Department of Commerce, Industry, Labor and Tourism, whereas in Miyagi Prefecture it was through the New Industry Promotion Division of the Department of Economy, Commerce, Industry and Tourism, which is responsible for attracting and developing new industries such as the automobile and IT industries, etc. The characteristics of these reception points are considered to have possibly resulted in the groups in the 1st adoption being biased toward the "supply chain type". From the point of view of fairly supporting the industries/enterprises that will form the basis of the disaster victim's lives in the individual disaster-stricken areas it is important that no misunderstandings exist in that the prefecture is facilitating "disparities in

reconstruction" by focusing on industries/enterprises of importance to it.

The selection criteria in the "reconstruction and construction subsidy projects for facilities and equipment of groups such as small- and medium-sized enterprises" are not necessarily very clear, and in addition the reasons for non-adoption were not disclosed to the enterprise groups which were not adopted, and thus dissatisfaction is growing among the groups that were not adopted. In order to achieve smooth system operation prompt discussions on the establishment of more concrete criteria and disclosure of the reasons for non-adoption that take into consideration the achievements and reflections of previous public invitations are both expected.

(2) Issues with the reconstruction and construction subsidy projects for facilities and equipment of groups such as small- and medium-sized enterprises

Some issues are considered to exist with utilizing these projects to reconstruct industrial activities in the disaster-stricken areas in the future when the status of the progress on the reconstruction is taken into account.

First, the subjects of the subsidies tend to be inclined toward manufacturing industries in the supply chain or shopping districts. After taking into consideration that manufacturing industries in the inland areas are on a recovery trend as a result of implementation to date the system is also expected to be applicable to the broad range of industries that form local industries, including the marine product processing, construction, and various services industries, etc. The system is implemented without basic municipalities and local chambers of commerce and industry, etc. being involved in the process of the project application, and thus they could come in conflict with local reconstruction plans and projects. The reconstruction of infrastructures, elevation of ground, and reconstructed city planning projects need to be consistent.

Secondly, the establishment of large-scale enterprises is also included within some industries. While financial resources are limited a greater focus should be placed on support for small- and medium-sized enterprises.

Thirdly, issues with implementation of the system exist. As described above the period between the announcement of the public invitation and submission of applications was too short, and thus the applicants were forced to work to a very tight schedule. The preparation of documents, etc. is also rather troublesome. Enterprises that lost all their managerial documents/data due to the damage from the Tsunamis in particular will find it extremely difficult to prepare the necessary documents. In addition, the adoption process was not transparent as the prerequisites for applications were unclear and the reasons for non-adoption not disclosed. Furthermore, the time it takes for an application to be made, adopted, and then finally granted a subsidy is unreasonably long. The turnover of funds until completion of the construction is also

linked to the problem of "overlapping debt", which is becoming burdensome to disaster-stricken enterprises. Operation of the system needs to be drastically reviewed in thereby enabling applicants to utilize the subsidies more effectively.

Fourthly, the system formally supports groups of enterprises, but in actuality individual enterprises can also be granted subsidies. However, independently managed enterprises cannot apply unless they can find other enterprises that can then jointly form a group. Granting subsidies individually to small- and medium-sized enterprises that are deemed to have played core roles in the local economy should be discussed.

As discussed above the "reconstruction and construction subsidy projects involving facilities and equipment of groups such as small- and medium-sized enterprises" are the first projects to be implemented using national funds, something which has not occurred with previous large-scale disasters, and are being highly regarded as they encourage small- and medium-sized enterprises in the disaster-stricken areas and facilitate investment toward the restart of economic activities. For that reason alone the government and prefectures should think hard and closely consider the disaster-stricken municipalities and other relevant parties for making the system and its operation more flexible in thereby enabling full utilization of the system.

5 Recommendations toward industrial reconstruction and employment support

(1) Alleviation of labor market mismatches

[1] Improvement of the job-seeker support system in making it more compatible with the actual labor market situation

a. Area/attribute based employment targets

In order to make the job-seeker support system more effective as a measure for reconstruction from the earthquake disaster an incentive system in which the disaster victims in areas where finding employment is difficult are provided with training implemented by private training institutions and with larger amounts of subsidies being granted when they are employed is needed after taking into consideration the labor market situation in the disaster-stricken areas.

Under the present system training institutions can more easily obtain employment achievements by selecting unemployed persons that find it relatively easy to gain employment, such as those with short unemployment periods, younger of age, or highly educated, etc., and then providing them with training. In contrast to this training institutions are likely to avoid accepting long-term unemployed persons of an older age who are not very highly educated. A so-called “cream skimming” situation where people who find it difficult to gain employment are basically excluded from training institutions could therefore occur.

In order to avoid that situation the following concrete measures are being proposed. First, the present implementation of granting a certified vocational training subsidy of 50,000 yen for each person trained should be corrected, and instead a mechanism that ensures the subsidies are in line with the level of the employment difficulty should be introduced. That is to say, an incentive system should be established in which guidelines or targets for improving the employment rate that rank the level of the employment difficulty of trainees according to their unemployment period, age, sex/gender, educational level, and public assistance recipient status, as described below, are set, and larger amount of subsidies granted afterwards for the employment of trainees with higher level of difficulties.

The reason that necessitates correction of undifferentiated employment achievement setting also applies to the industrial/vocational characteristics of the disaster-stricken areas. As described above, although the effective job-offer to job-seeker ratios in the three disaster-stricken prefectures have been improving significant disparities exist between the different industries, occupations, and areas. Targets for improving the employment rate by attribute and area, rather than uniform employment rate targets, therefore need to be set a requirement for the certified vocational training, and then the incentive system designed accordingly.

b. Cooperation with other employment restoration promotion projects

Presenting policies on actively employing those that received training through the job-seeker support system as a requirement for employment creation through the employment restoration promotion projects can be used an incentive for unemployed persons to take active part in the training. In addition to the employment restoration promotion projects various other earthquake disaster measures have already been taken. For example, 887 persons via disaster victim employment development subsidies and 746 via practical employment promotion subsidies are taking a step forward toward being employed after the earthquake disaster (Table 12 in the Appendix). As described above the expectation is thus that appropriately combining other employment reconstruction promotion projects and the job-seeker support system will secure more reconstruction human resources that meet the needs of not only job-seekers but also the recruiting enterprises.

c. Alleviation at household level

The present job-seeker support system requires as a condition of receiving the allowances that "no other member in the household shall be receiving the allowance and taking vocational training". While evaluating the situation with the system usage and its effects this requirement should be removed at least for concerning the training. In addition, the conditions for receiving benefits are expected to be altered to include "spouses and children/parents within the same household are not working more than a specific number of hours per week", etc.

[2] Cooperation with "From Welfare to Employment"

People that unexpectedly lost their accustomed workplaces and businesses face difficulties with being concretely motivated to find a job. In addition, and as mentioned in the "Introduction", while the restoration of public services, including medical care, day-care, and long-term care services, etc., is relatively lagging quite a few people still have difficulty not only gaining employment but only in visiting Hello Works due to the burden of having to care for others. While unemployment allowances from employment insurance are being terminated, certain people finding it difficult to gain employment are considered to be pursuing public assistance in thereby securing an income. From the point of view of promoting sustainable reconstruction in the regions public assistance must be a system that "is easy to use and which helps people to become independent". In addition, consideration should be given to enabling people that are forced to live away from their hometown municipalities due to the disaster in

thus enabling them to be more smoothly provided with living support, including public assistance, etc.

The government has responded to various policy recommendations concerning the reinforcement of employment support for public assistance recipients, etc. by promoting "From Welfare to Employment" support projects. With these projects agreement was reached that municipalities would request Hello Works for employment support based on information provided by welfare offices in response to people facing difficulty with employment/living, including public assistance recipients, child rearing assistance recipients, and housing allowance recipients, etc. At Hello Works employment support navigators formulate employment support plans that meet the needs and living environments, etc. of people facing difficulties via employment support menus. The support menus of Hello Works, which include out-reach services at an early stage, are available via variety methods according to the situation of people facing difficulties[13]. In addition to career consultations toward employment ability developments such as employment preparation programs, trial employment, public vocational training, etc., employment guidance/job placements, individual job offer developments, and follow-ups for retention after employment are all available.

While both municipalities and Hello Works in the disaster-stricken areas are being kept extremely busy agreements concerning "From Welfare to Employment" support projects have not been reached or are inadequate even when an agreement has been reached. In that sense the establishment/enhancement of a careful individual support system, including by securing staff members such as support navigators, etc. at Hello Works, etc., is actually needed in the disaster-stricken areas.

[3] Ensuring sufficient staffing at Hello Works

Securing staff members for developing job offers at Hello Works is important in alleviating labor market mismatches and through finding potential job offers in the disaster-stricken areas. However, Hello Works in the disaster-stricken areas have been kept extremely busy handling unemployment allowance procedures and job placement services, and with the shortage of staff members for developing new job offers having become

[13] Efforts to facilitate self-sufficiency through employment and adaptation to workplaces via "From Welfare to Employment" support projects and an employment support program for public assistance recipients, etc. resulted in a steady increase in the number of persons supported and the number of employment cases from 13,288 persons and 7,153 cases in FY 2008 reaching 21,139 persons and 12,597 cases in FY 2010, respectively. These numbers are expected to further increase with the estimated numbers for FY 2011, based on the actual figures up to December, being approximately 44,000 persons and approximately 23,000 cases (Source: Employment Security Bureau of the Ministry of Health, Labour and Welfare).

extremely serious[14].

At the Hello Works of Labour Bureaus in the three disaster-stricken prefectures the effective numbers of job-seekers per staff member were extremely large at 512 in Iwate Prefecture, 776 in Miyagi Prefecture, and 724 in Fukushima Prefecture (as of January 2012). Labour Bureaus appointed additional consultants to cope with this situation, but the effective number of job-seekers per staff member or consultant have remained at a high level and with the average of the three disaster-stricken areas being 63 (Table 11 in the Appendix). The smooth operation of the job-seeker support system also depends on the active involvement of Hello Works makes securing a sufficient number of staff members essential, including for job offer developments.

(2) Reconstruction of local industries in the disaster-stricken areas

The economies of the individual disaster-stricken areas can move onto the path of reconstruction if the number of economic agents that can reinvest increases in thereby creating the local circulation of funds, and thereby recovering the employment situation. To do so basic municipalities must take the lead in formulating reconstruction implementation plans that take complex local industries and multi-worker households into consideration and establish a cross-industrial (agriculture, fisheries, manufacturing, commerce, and services) progress management system.

[1] More flexible and enhanced "reconstruction and construction subsidy projects for facilities and equipment of groups such as small- and medium-sized enterprises"

Although these projects can be regarded as part of an epoch-making system that directly injects national funds into the private sectors, the following matters, at least, need to be improved upon.

First, taking into consideration that manufacturing industries in the inland areas are on a recovering trend the system is expected to be also applicable to the broad range of industries that form the local industries, including marine product processing, construction, and various services industries, etc. In addition, the system shall be operated in such as way as to allow enterprises that have been deemed to play core roles in the local economy to be individually subject to subsidies.

Secondly, the system should be able to be utilized without any worry in cases where the

[14] At Labour Bureaus in the three disaster-stricken prefectures support members were dispatched to Hello Works, etc. to cope with the shortage of staff members: 4,248 support members in Iwate Prefecture, 8,510 in Miyagi Prefecture, and 4,296 in Fukushima Prefecture, or a total of 17,054 for the three prefectures (from April 10, 2011 to January 28, 2012) (Table 10 in the Appendix).

actual reconstruction work will take place later on due to the necessity for elevation work. More concretely, the carry-over of subsidies, which take the degree of the progress of elevation work into account, should be allowed until the end of March 2016.

Thirdly, the system needs to be corrected to become a subsidy system that is easy for disaster victim enterprises/establishments to apply to and operate. The application period is expected to be made sufficiently long and the procedures, etc. more simple and flexible. In addition, and in consideration of the funding treatment during the period from the grant decision until completion of construction, payments need to be made each fiscal year according to the progress of the projects and based on the judgment of the municipalities concerned.

Fourthly, the adoption of subsidized projects need to be corrected in implementing a system where priority for subsidies/financing is first decided using the unit of a basic municipality and based on the characteristics of disaster-stricken industries in the region and damage from the disaster to the local community. The government and prefectures then make adoptions after balancing the entire budget. Clarifying the consistency of the reconstruction plans/projects of the basic municipalities is important.

[2] Smoother promotion of reconstruction

As described in Chapter 2 regional disparities in the reconstruction exist. With the regions where reconstruction is falling behind the entire region must be allowed to cooperate in the reconstruction. To do so the following matters are expected to need to be dealt with.

First, inter-ministerial cooperation must be strengthened in preventing abuse of the "vertically segmented administration" system in reconstruction projects. For example, basic reconstruction projects involving elevation work vary from those concerning land readjustments to those concerning fishing port developments etc., and with different criteria being used by the respective ministries/agencies for each project, thus making reconstruction of the entire region of Kesennuma, for instance, where few fishing port areas exist but with both workplaces and residences difficult. The government is therefore expected to play a role in arranging the overall reconstruction according to the actual situation with the disaster-stricken areas, including the Reconstruction Agency functioning to arrange the application of core projects according to the actual fishing port functions or selecting the reconstruction projects according to the actual conditions of the disaster-stricken areas, etc.

Secondly, basic municipalities and the chambers of commerce and industry/commerce and industry associations, etc. that are closely associated with local industries need to be utilized in industrial reconstruction as contact points for one-stop services. The government needs to design a system in which these basic municipalities and the chambers of commerce

and industry/commerce and industry associations, etc. can exert adjustment functions as contact points when discussing new support measures.

Thirdly, the problem of the "overlapping debt" of disaster victim enterprises needs to be eliminated. The burden of the "overlapping debt" increase as the reconstruction period lengthens. The "industrial reconstruction board" established in each prefecture should actively promote its elimination. At the same time the government, municipalities, chambers of commerce and industry, commerce and industry associations, fishery cooperatives, and agricultural cooperatives should create a system wherein production facilities can be rented to enterprises/management bodies with remaining previous debts associated with their production facilities, etc.

Fourthly, at present, if alternative assets, etc. (buildings, structures, machinery/equipment, ships, vehicles and delivery equipment, and two-wheeled vehicles that were destroyed/lost due to the Great East Japan Earthquake and meet the applicable requirements and scope) are used for businesses for the period between March 11, 2011 and March 31, 2016, disaster special depreciation can be applied to an amount calculated by multiplying the specified depreciation rate according to the time of acquisition, etc. but while not exceeding the amount of the reserve fund. However, this is only applicable to acquired assets. The scope of application should therefore be expanded to allow gratuitously transferred assets to be recorded as assets, and then special disaster depreciation can be applied to them.

Fifthly, the nuclear power plant accident compensation needs to be made promptly and without fail in the Fukushima Prefecture. A system that supports relatively long-term "temporary housing" projects and business restarts (support for securing business sites, investment, and securing/maintaining employment) needs to be created.

[3] Training of personnel to engage in life-prolonging repair of infrastructures

Life-prolonging repairs will be the key to keeping roads, bridges, quay walls, and river floodgates, etc. that escaped damage in the disaster-stricken areas in good condition.

The aging of infrastructures in Japan has become serious. For example, of approximately 155,000 bridges over 15 meters long more than half (approximately 80,000) were 30 years old or more as of 2010 <17>. 58% of those 80,000 bridges are municipal roads, but have not been appropriately maintained/managed.

In order to cope with this problem a "life-prolonging project subsidy system" was commenced upon in FY 2007. In actuality, however, the formulation of life-prolonging repair plans has fallen behind at the municipality level (23% of municipalities had not conducted inspections as of April 2011, or as of April 2010 for municipalities in Iwate, Miyagi,

Fukushima Prefectures). Securing the necessary budget and a lack of skills were given as the reasons for not conducting regular inspections by the municipalities that had failed to conduct them <17>.

Major construction contractors and secondary construction contractors have already developed construction methods based on preventive maintenance techniques and inspection methods, but their roles are naturally limited to the subjects of repair are scattered throughout hilly and mountainous areas. Local small- and medium-sized contractors are therefore expected to engage in their emergency repair and inspections/maintenance. The issues here are skills and human resources <18>. Training human resources that can engage in their repair, inspection, and maintenance can therefore be expected to expand opportunities for creating employment in the disaster-stricken areas.

A model project in Izumi City of Chiba Prefecture can be referred to with regard to this. Maintenance/management skills were transferred to former employees of railroad companies and municipal officials there. A case of bridge asset management in Aomori Prefecture, which used joint venture methods to transfer and share the skills, would also be good reference material <18>. These life-prolonging projects are also expected to create employment opportunities for the elderly and females.

(3) Revitalizing areas through business start-ups via the initiative of residents - Establishing Reconstruction Non-profits

Developing an environment that enables as many people as possible, regardless of their age, sex/gender, and work experience, to gain employment and play a role in the reconstruction is important in thereby securing human resources who can engage in reconstruction and realize sustainable reconstruction in the disaster-stricken areas. In anticipation of the sound development of various "reconstruction non-profits" (tentative name) via the initiative of residents recommendations made with regard to developing the necessary environments are provided here.

In addition to recovering the marine product processing and other industries that had been the core industries before the earthquake disaster rebuilding a sustainable construction industry and the creation of new environment/energy related industries are also considered necessary with the employment of residents of the disaster-stricken areas. In contrast to this the establishment of community-based "community building companies†" with the aim of community revitalization in areas suffering a decline in their central urban areas, etc. can also provide many suggestions[15].

[15] Cases of community revitalization through community building companies include Kawagoe City of Saitama Prefecture, Nagahama City of Shiga Prefecture, Marugame Town, Takamatsu City of Kagawa Prefecture. Among the disaster-stricken areas of the Great East Japan Earthquake efforts via community building companies are progressing in Ishinomaki City, Kamaishi City, and Tagashiro City.

The concept that focuses on reconstruction from the Great East Japan Earthquake can be referred to as "reconstructed community building companies". They are described in the intermediate recommendations compiled in November by the "Study Group on Reconstructed Community Building", which was established within the Development Bank of Japan in May 2011. The "reconstructed community building companies" of the said recommendations are said to have been "drawn up as being distinct from discussion of general 'community building companies'". Their core businesses are assumed to be "planning businesses (reconstruction planning, coordination, special reconstruction zone, and application for subsidies)" and "municipality subrogation businesses (investigation/planning and PPP/PFI related work, etc.)" <19>. A proposal suggesting that the mayors of municipalities simultaneously hold the position of being the presidents was also made. The expectations with "reconstructed community building companies" are quite high in that they could facilitate public-private cooperation with trends in decentralization and regional autonomy reform also taken into consideration.

In addition to the model of "reconstructed community building companies", which aims to establish one such company in each municipality, the Sub-Committee would like to recommend the establishment of various "reconstruction non-profits" (tentative name) via the initiative of residents also being promoted. Various models can be assumed for the reconstruction non-profits, along with discussions that took place at meetings of the "New Public Commons" Roundtable and its successor Council on the Promotion of "New Public Commons," could be good reference material here. That is to say, "social corporations" drew attention as a corporate system that supports "New Public Commons" in a report made by an expert examination committee of the Council on the Promotion of "New Public Commons". Social corporations are prescribed as being capable of "playing an active part in resolving social issues through applying business methods". Provision was made for them taking the form of profit oriented corporations (stock companies, membership companies, and enterprise cooperatives, etc.), non-profit corporations (incorporated nonprofit organizations, general incorporated associations/foundations, public interest incorporated associations/foundations, social welfare corporations, and cooperatives, etc.), and both profit and non-profit (stock companies and incorporated nonprofit organizations, etc.) <20>. the advantages and limitations of the various corporate bodies, including a new type, have also been discussed at meetings of the "New Public Commons" Roundtable.

In view of the needs with the reconstruction from the Great East Japan Earthquake conceivable points of emphasis with reconstruction non-profits as social corporations are summarized, and then after limiting the forms the system development requires to be modeled after public interest corporations is described below.

[1] Points of emphasis with "reconstruction non-profits" as social corporations

The expectation is that the appropriate framework will invite investment nationwide for the purpose of reconstruction support and thereby promote activities which will then create businesses/employment in the disaster-stricken areas. The points of emphasis with reconstruction non-profits as social corporations are therefore considered to be the following.

1) The purpose of activities shall be social businesses involved in "reconstruction".
2) In order to achieve this purpose the stock (equity) mode shall be used to facilitate investment in the reconstruction support.
3) For this purpose favorable tax treatment, etc. with investments shall be granted.
4) In return for the favorable tax treatment no dividend payments shall be made (in this case the investments basically have the characteristic of being contributions, for which reason the favorable tax treatment can be justified). Although no dividend payments are permitted the transfer of shares to third parties and redemption of shares at the time of a corporate dissolution, which will, however, be limited to the invested amount and only when positive properties exist, may be allowed in some cases (a system shall be developed to enable other corporations engaged in reconstruction businesses in the disaster-stricken areas to inherit to the fullest extent possible the positive properties still remaining after redeeming shares to investors an amount limited to their investment at the time of a corporate dissolution).
5) Decision making rights shall be separated from the invested amount (unlike general profit corporations, the amount of investment made is not linked to level of influence upon decision making).

Referring to conventional cases in the region suggests that, for example, creating employment through establishing reconstruction non-profits through utilizing local resources, for example know how and networks, etc. accumulated by the incorporated nonprofit organizations "Mori wa Umi no Koibito" in the Kesennuma region and also facilitating entry of construction industry in projects such as the "Green Employment Project" can be considered[16].

[16] The necessity of forest restoration is not just limited to the production of timber. Forest development can be beneficial in a variety of ways, and which include cultivating water sources, preventing disasters in mountainous areas such as debris flows, absorbing/storing CO_2, maintaining biodiversity, and contributing to the cultivation of marine resources, etc. However, these benefit the external economy and not the business operators that actually develop the forests if the system remains as is. Forest degradation in Japan is due to a shortage of labor, with that inability to secure labor being because the business operators cannot manage to pay personnel expenses and equipment costs as they try to keep up with the price of imported timber.

[2] Public interest corporation type "reconstruction non-profits"

Public interest corporations can make better use of the "deemed contribution system†". In the event reconstruction non-profits are modeled after public interest corporations the following measures can be used to provide a framework at present. That is to say, Articles 2 and 4 of the Act on Authorization of Public Interest Incorporated Associations and Public Interest Incorporated Foundation (hereinafter referred to as the Public Interest Corporation Act) of 2006 define "business for public interest purposes" as being "business of the kind listed in each item of the appended table that relates to scholarship, art, charity or other public interests and that contributes to the promotion of interests for many and unspecified persons". Adding the new item of "business that promotes reconstruction in the disaster-stricken areas", etc. or including reconstruction non-profits as being a business that falls under item 23† ("In addition to each of the foregoing items, business provided for in Cabinet Order as one relating to the public interest") in the Appended Table (relating to Article 2) of the said Act. Article 3† of the said Act provides for the administrative agency becoming prefectural governors under certain conditions.

Furthermore, the establishment of standards for public interest corporation authorization that suit the characteristics of the individual reconstruction non-profits, which differ to other public interest corporations, and the "Act on Authorization of Public Benefit of Reconstruction Non-profits" with the aim of facilitating its authorization should be discussed from a medium-term perspective. More concretely, examining representative regulatory methods of the Public Interest Corporation Act reveals the said Act to regulate the content of businesses of public interest corporations from three points of views. That is to say, first, the point of view of whether revenue from public interest purpose businesses exceeds the amount of appropriate costs required to implement that business or not. Secondly, whether the ratio of business for public interest purposes is at least 50/100 or not. Thirdly, whether idle properties exceed a specified limit or not.

The existing system grants some favorable tax treatment to public interest corporations that meet these regulations, including [1] profits from public interest purpose businesses not being taxed, [2] profits of public interest corporations not originating from public interest purpose businesses are also not taxed, provided that 50% of them are incorporated into the account of public interest purpose businesses and are limited to the extent of the incorporated amount, and [3] the contribution to public interest corporations is granted favorable tax treatment. Issues with drafting the "Act on Authorization of Public Benefit of Reconstruction Non-profits" will therefore include how far the regulations because of these three points of views should be relaxed for reconstruction non-profits and in turn how far should the favorable

tax treatment be increased for reconstruction non-profits. Attempts are being made here to relax the authorization regulations of the Public Interest Corporation Act, and based on the following three basic policies.

(a) Ratio of business for public interest purposes

First, with the issue of to what extent the above three regulations should be retained the regulations regarding the ratio of business for public interest purposes shall be used as a basic framework and with the scope of businesses for reconstruction purposes being expanded through modifying the rules that outline the boundary line between businesses for reconstruction purposes (public interest purposes) and business not for reconstruction purposes and according to the actual status of reconstruction non-profits. This will make meeting the requirements of the ratio of business for public interest purposes easier than through evaluating it as based on the concept of public interest purposes of the Public Interest Corporation Act. Regulations on the ratio of business for public interest purposes will be removed from the judgment criteria for the authorization of public interest corporations, but this shall then in turn be covered by an examination item requesting that the "content of its business shall contribute to the promotion of the purposes provided for in its articles of incorporation". If the content of the business does contribute to the promotion of the purposes provided for in the articles of incorporation the ratio of business for public interest purposes is also considered to have been met in normal cases.

In addition, businesses for reconstruction purposes performed by reconstruction non-profits shall broadly include business that does not actually contribute to the benefit of a large number of the general public but does contribute to the purposes provided for in the articles of incorporation. Furthermore, profit oriented businesses shall also be included in businesses for reconstruction purposes, provided that they contribute to the purposes provided for in the articles of incorporation and their scope does not exceed any extent unavoidable in contributing to those purposes as provided for in the articles of incorporation.

(b) Regulations on revenue from public interest purpose businesses

Secondly, regulations on revenue from public interest purpose businesses shall be removed. The rationality of regulations on revenue from public interest purpose businesses is that a larger number of people would benefit through lower price setting. However, the process of contributing to the public benefit is not necessarily unique to reconstruction non-profits. Regulations on revenue from public interest purpose businesses, as provided for in the Public Interest Corporation Act, shall therefore not be succeeded. Revenue exceeding

that considered reasonable shall be taxed. In addition, this shall result in the regulations on revenue being removed from the judgment criteria used when authorizing public interest corporations.

(c) Regulations on idle properties

Thirdly, regulations on idle properties shall be relaxed from being a reason for the cancellation of authorization to being a reason for termination of favorable treatment. Possession of an excessive amount of idle properties is completely undesirable. However, the possession of idle properties does not necessarily mean that the corporation of concern is not contributing to the public interest, and a massive amount of idle properties is unlikely in general with the normal earning capacity of reconstruction non-profits. Therefore allowing this as a reason for canceling the authorization of public interest corporations is considered overly strict with respect to reconstruction non-profits. This shall result in the regulations on idle properties being removed from the judgment criteria for the authorization of public interest corporations.

Efforts should be made in conducting long-term reconstruction projects not only by the government but with the cooperation of municipalities and the private sector and through this system design. To do so will require the government taking measures to the fullest extent possible.

6 Conclusion

The above recommendations made by the Sub-Committee can be summarized by the phrase "industrial reconstruction/employment support that closely supports the disaster victims and residents in the disaster-stricken areas". A year has passed since the Great East Japan Earthquake, with some industries in the inland areas having made relatively satisfactory progress with their reconstruction efforts. In addition, there are some efforts being made not just in the recovery process but also in the reconstruction in such a way as to transform into more a profitable form.

In contrast to this, however, there are also some areas and industries that are unable to find a way to recovery even, not to mention reconstruction. In the event many people start to give up on restarting businesses or gaining employment in their hometowns one after another before the reconstruction work makes any progress following the completion of elevation work in the coastal areas of the disaster-stricken areas, or a situation where the infrastructure development is finally completed but "people", the most important entities in the reconstruction are lacking, could occur. With regard to reconstruction of the disaster-stricken areas, there have been opinions aired that any such discussion should take place from the macro-economic point of view with the entire budget of the government and fairness in support taken into account. However, as far as a survey conducted by the Sub-Committee indicates the disaster-stricken areas, and the coastal areas in particular, are still in need of emergency support and are not yet at the stage where the above discussion would be apt. Because of this point of view these recommendations are being made with the primary aim of supporting the employment of "people" that are willing to take part in the reconstruction and making industrial reconstruction carried out by them more substantial, while being limited to points that require urgent improvement.

The reasons that the reconstruction is not progressing in some parts of the disaster-stricken areas include the topographical characteristics of the area and abuse of the "vertically segmented administration" system in reconstruction core projects, etc. These areas should not be abandoned as "one year has already passed" or the "efforts of municipalities are insufficient", but instead providing them with improved support is desirable. In the course of making these recommendations cases where people living in temporary housing without telephones or facsimiles were requested to prepare a large amount of documents when filing applications at short notice or the employment rate after training was included in the requirements for certification from private training institutions in regions where gaining employment was difficult were observed. These response actions are considered to have lacked excessive consideration for the actual conditions of the disaster-stricken areas.

In the "Basic Guidelines for Reconstruction in response to the Great East Japan Earthquake" made by the Reconstruction Headquarters in response to the Great East Japan Earthquake of the

government “Realization of social inclusion and promotion of ‘New Public Commons’” was listed in [4] of “(4) Nation-building which incorporate lessons learnt from the Great Earthquake” of “5. Policies and Measures for Reconstruction”. “Social inclusion”, as listed by the Reconstruction Headquarters, is an idea that originated in Europe, and refers to the creation of a society in which opportunities to participate are secured for everyone regardless of age, gender, occupation, place of origin, place of residence, and health. Correcting disparities between regions through utilizing the characteristics of the regions is also part of that idea. The government has been expressing this idea by also using the phrase building a society where everyone has “a place they belong and equal opportunities” In addition, social corporations and public interest corporations, which the Sub-Committee also recommended be enhanced/created, are expected to play a leading role in the “New Public Commons”.

In addition, the fact that “realization of social inclusion” was listed as a nation-building policy that incorporate lessons learnt from the Great Earthquake means that the path economic and social development in Japan after World War II has taken shall also be reviewed. This also includes reflection of the fact that regional disparities represented by an excessive concentration in Tokyo and the reverse side of the depopulation/aging of local areas have made the entire nation as well as the most advanced areas vulnerable to economic fluctuations and disasters. Furthermore, whereas the government, and the central government in particular, has conventionally played an exclusive role in public interest matters, the aim with the “New Public Commons” is to increase public interest matters in which basic municipalities, residents, and private organizations play the leading role.

Proceeding with industrial reconstruction/employment support that closely supports the disaster victims and residents in the disaster-stricken areas will also correct the form the nation has taken. A society that is more resilient to disasters and economic fluctuations is considered to be able to be created only through revitalizing the respective regions and according to their characteristics.

<Definition of terms>

Job-seeker support system

The job-seeker support system is a new system that commenced on October 1, 2011, in response to the "Act on Support for Employment of Specified Job Seekers through the Provision of Vocational Training, etc." (promulgated on May 20, 2011). The system was made permanent after taking the immediate human resource development support projects (so-called fund training) into consideration. While succeeding the purpose of the fund training the system supports those unable to receive employment insurance that satisfies income/asset conditions by providing them with both training and living expenses, and which is called the "second safety net" after employment insurance. That is to say it is a system used to achieve stable "employment" through (a) providing free vocational training (job-seeker support training), (b) providing allowances to make taking vocational training easier if certain requirements are met, including those concerning the income of the trainee, household income, and assets, etc., and (c) implementing strong employment support at Hello Works. Private vocational training institutions to which training is entrusted through this system are certified by the Japan Organization for Employment of the Elderly, Persons with Disabilities and Job Seekers.

The system consists of two types of training. One is "basic training (basic course)", which is a vocation training for use in acquiring the basic skills required for employment and other related knowledge. The other is called "practical training (practical course)", which is a course for collectively acquiring the practical skills necessary in the employment of specific types of jobs, including IT, medical office work, long-term care, electricity related work, machinery related work, and construction related work. Both of them are three- to six-month long.

Certified private vocational training institutions receive 50,000 yen per month per trainee as a "grant-in-aid for certified vocational training". In addition, with practical courses subsidies of 10,000 to 20,000 yen are also paid according to the employment rate, thus providing an incentive for the training institutions to raise the employment rate. In contrast to this, however, and according to the Ministry of Health, Labour and Welfare, with basic training a warning (yellow card) is given if the employment achievements fall below 40% and a certification cancellation measure (red card) if it falls below 30%. With practical training, which is close to employment, relatively more severe criteria are established with yellow cards being used at 50% and red cards at 35%.

Subjects of the training in this system are people that are unable to receive employment insurance, but are willing to be employed, and need to receive assistance. More concretely, the subjects are assumed to be those separated from non-regular work to which employment insurance does not apply, long-term unemployed persons whose employment insurance receipt period has

been terminated, school graduates that have never been employed, and self-employed persons that discontinued their businesses, etc. People that do not intend to be employed, those unable to be employed at present due to child rearing or nursing, those not willing to receive training (NEETs), and public aid recipients, etc. are not subjected to the system. The job-seeker support system can also be characterized by the close involvement of Hello Works toward employment than with fund training. The system aims to achieve employment at as earlier stage as possible through close employment support being mainly provided by Hello Works. More concretely, close support is provided through formulating individual support plans for trainees at Hello Works and requesting them to regularly visit Hello Works during their respective stages of training.

Requirements for receiving allowances with job-seeker support system

With the job-seeker support system the requirements for receiving allowances are as follows. (a) a monthly income of no more than 80,000 yen, (b) household (spouse, children, and parents living together or sharing the same livelihood) monthly income of no more than 250,000 yen, (c) household financial assets of no more than 3 million yen, (d) not in possession of any land/buildings other than their present residence, (e) receive all the training on the date it is conducted (no less than 80% if failed to receive training on some particular days for unavoidable reasons), (f) no other person in the household is receiving the allowance or training through the system, and (g) no history of dishonest receipt of unemployment allowances, etc. within the past three years.

Fund training (immediate human resource development support projects)

Fund training was temporarily commenced upon in July 2009 in consideration of the rapid worsening of employment situation after the Lehman Shock of autumn 2008, and a large-scale job separation among non-regular workers in particular. The most notable characteristic of this system was that people who were unable to receive unemployment insurance were provided with free vocational training while at the same time a specified amount of living expenses during the training period if the specified conditions were met. That is to say, training institutions certified by the Japan Vocational Ability Development Association received 60,000 to 100,000 yen per trainee per month as a “training subsidy”. In addition, a “new training creation subsidy” of one to three million yen was granted to subsidize the initial cost of creating a new training course. Fund training was terminated in September 2011 upon commencement of the job-seeker support system. Examining its achievements from data published by the Ministry of Health, Labour and Welfare reveals approximately 540,000 persons to have received the fund training courses which commenced during the pertinent period and of them approximately 360,000 to have been provided with living expenses for the period they received the training. Their improved skills through training resulted in the

employment of approximately 160,000 persons <21>.

Outline of "reconstruction and construction subsidy projects for facilities and equipment of groups such as small and medium-sized enterprises"

An outline of the projects is as follows.

a. Subjects

Groups of multiple small- and medium-sized enterprises, etc. (medium-scale and large-scale enterprises are also applicable), cooperatives such as business cooperatives, etc., and shopping districts

b. Requirements

i. Importance of functions of the group, etc. (has to be one of the following)

- The group plays an important role for enterprises outside the group or industries in other areas <case of playing an important role in the supply chain of the entire industry>
- The group is of a large business/employment scale and contributes a lot to the local community/employment <case of being a local core industry and its peripheral industries support the local economy/employment>
- The group of industries plays a core role in the economy/society of a certain region and is essential in the reconstruction or maintaining employment in the region <case of being an industry group utilizing local resources that thereby forms the entire process flow, etc.>

ii. Significance of damage from the earthquake disaster

- The entire establishment or part of it suffered significant damage from the earthquake disaster, etc.

c. Subjects of subsidies

Expenses for facilities/equipment that were damage by the earthquake disaster. Both facilities/equipment of individual members and facilities/equipment shared among groups, etc. are subjects.

d. Subsidy rate

No more than 1/2 by the government and no more than 1/4 by prefectures (no more than 1/3 by the government and no more than 1/6 by prefectures in the case of medium-scale/large-scale enterprises)

e. Subsidy scheme

Groups, etc. willing to receive subsidies formulate reconstruction project plans and then apply to their prefecture. Prefectures certify the plans that satisfy the requirements, and then grant subsidies after the government's decision on grants is provided to the prefectures.

Outline of "life-prolonging project subsidy system"

A system that commenced in FY 2007 to facilitate a transition from breakdown maintenance (large-scale repairs only when the damage gets serious; the average life-span of bridges is 60 years) to preventive maintenance. Half of the expenses are subsidized by the Ministry of Land, Infrastructure, Transport, and Tourism. Preventive maintenance involves regular inspections being conducted for the early detection of damage. Taking measures before accidents, replacements, or large-scale repairs occur can prolong the average life span of bridges to 100 years. Subsidies may be granted not only for the formulation of plans but also for inspections. Life-prolonging projects contribute to a reduction in the life-cycle cost of bridges and flatten the maintenance/management costs out, thereby saving on the cost while also securing the safety of bridges <18>.

Case of "Green Employment Project"

An example of this would be in Kesennuma oyster farmers that sensed a crisis because of the frequent occurrence of red tides took the lead in the activity of planting deciduous broad-leaf trees on a mountain that was the source of a river in 1989 and which became the incorporated nonprofit organization of "Mori wa Umi no Koibito" in 2009. Its purposes included environmental education and forest creation/natural environment conservation <22>, and it does not therefore aim to engage in the present ongoing restoration/reconstruction or to create employment. However, forest creation is a national issue that is not just limited to fish culture areas and has also been linked to employment creation.

In the late 1990s immediate employment measures and environmental measures were combined and forest development related projects commenced upon. The Forestry Agency commenced upon the "Green Employment Project" in FY 2003. This project subsidizes employers that use "trainees" in forest developments (90,000 yen per month per person + insurance premium for workmen's compensation), and the training is for no more than three years. A total of 11,241 persons received training over seven years up to FY 2009, with 40-50% of newly employed persons in forestry each year having been "trainees". The retention rate after five years of those employed through being trainees was 44.6% <23>.

A Tottori Prefecture version of the "Green Employment Project" that was commenced upon in FY 2009 was further upgraded. That is to say, in addition to "basic salaries" for the training period of 130,000 yen, which was determined based on the minimum wage of the prefecture, housing assistance/traveling expenses were also provided. However, issues with the retention rate still remain in place. Quite a few of the employers were in the construction business because the prefecture is promoting the entry of construction business workers into the forestry industry. Chizu Town in Tottori Prefecture utilizes the prefectural system to create employment through the residents'

participation. This is an attempt to avoid "vocational training without employment", a situation where receiving vocational training does not lead to employment. Town projects were proposed by sub-committees of the "Committee of 100" that consisted of residents, with wood biomass use, forest therapies, and "forest kindergartens" (outdoor childcare practice), etc. having been selected <23>.

Community building companies

Companies with a strong public nature and established for the purpose of regional promotion. Many of them aim at the development/enhancement of urban areas. In many cases they refer to TMOs (Town Management Organizations), which were established by the Act on Vitalization of City Centers. Five characteristics assumed with "community building companies" are listed on the website of the Ministry of Land, Infrastructure, Transport and Tourism and as the image of community building that revitalizes city centers. That is to say, developers (who engage in the "development" of sustainable city centers, including the hardware-side of developments such as infrastructures and facilities, etc.), management (promote the maintenance/management of communities through implementing projects that raise the value of the community and with local needs taken into consideration in thus enabling consistent private investment), public interest (retain public interest in community building and provide achievements that will benefit the residents), enterprises (retain the financial base of organizational management and implement projects with a sense of business management), and community-based (create community-based businesses that improve the quality of living spaces in city centers in thereby developing local human resources).

Deemed contribution system

Of assets belonging to the profit businesses of public interest incorporated associations/foundations, the amounts disbursed for the businesses of public interest purposes that they perform themselves other than that of their profit businesses are deemed to be the amounts of contributions with respect to the profit businesses. With the deemed contribution, however, the allowable limit of deductible expenses of contribution to public interest incorporated associations/foundations is [2] if the amount of [2] exceeds the amount of [1] ([1]: an amount equivalent to 50/100 of the amount of earnings of the fiscal business year, [2]: an amount required for implementing the business for public interest purposes). In addition, with certified incorporated nonprofit organizations the deducted amount of contributions is between 20% and whichever is higher of [1] 50% of earnings or [2] 2 million yen based on the revised certified incorporated nonprofit organization system. However, with incorporated nonprofit organizations certified under the former system by the end of March 2012 the deducted amount remains at 20% until the

certification institutions are transferred to the competent authorities.

The relevant Article 37-5 of the Corporation Tax Act is as follows. “an amount disbursed for a business other than a profit-making business by public interest corporations, etc. out of assets that belong to profit-making businesses (in the case of public interest incorporated associations or public interest incorporated foundations the amount of assets disbursed of assets which belong to its profit-making business, but for businesses provided for in a Cabinet Order as relating to the public interest other than its profit-making businesses) shall be deemed to be the amount of contribution pertaining to the said profit-making businesses, and the provision of paragraph (1) shall apply to it. ”

Act on Authorization of Public Interest Incorporated Associations and Public Interest Incorporated Foundation (Appended Table (relating to Article 2))

(i) Business to promote academism and scientific technology
(ii) Business to promote culture and art
(iii) Business to support persons with disability or needy persons or victims of accident, disaster or crime
(iv) Business to promote welfare of senior citizens
(v) Business to support persons having will to work for seeking the opportunity of employment
(vi) Business to enhance public health
(vii) Business to seek sound nurturing of children and youths
(viii) Business to enhance welfare of workers
(ix) Business to contribute to sound development of mind and body of the citizen or to cultivate abundant human nature through education and sports, etc.
(x) Business to prevent crimes or to maintain security
(xi) Business to prevent accident or disaster
(xii) Business to prevent and eliminate unreasonable discrimination and prejudice by reason of race, gender or others
(xiii) Business to pay respect or protect the freedom of ideology and conscience, the freedom of religion or of expression
(xiv) Business to promote the creation of gender-equal society or other better society
(xv) Business to promote international mutual understanding and for economic cooperation to overseas developing regions
(xvi) Business to preserve global environment or protect and maintain natural environment
(xvii) Business to utilize, maintain or preserve the national land
(xviii) Business to contribute to sound operation of the national politics
(xix) Business to develop sound local community

(xx) Business to secure and promote fair and free opportunity for economic activity and to stabilize and enhance the lives of the citizenry by way of activating the economy

(xxi) Business to secure stable supply of goods and energy indispensable for the lives of the citizenry

(xxii) Business to protect and promote the interest of general consumers

(xxiii) In addition to each of the foregoing items, business provided for in Cabinet Order as one relating to the public interest

Act on Authorization of Public Interest Incorporated Associations and Public Interest Incorporated Foundation (Article 3)

The administrative agency in this Act shall be the Prime Minister or the prefectural governor, as set forth in each of the following items according to the classification of public interest corporations listed in such items:

(i) Public interest corporations listed in the following: the Prime Minister

(a) Those having their offices within the area of more than one prefecture

(b) Those having articles of incorporation setting forth that they operate the business for public interest purposes within the area of more than one prefecture

(c) Those operating the business for public interest purposes closely related to the administration or business of the national government and designated by Cabinet Order

(ii) Public interest corporations other than those listed in the preceding item: the Governor of the prefecture where their office is located

<Reference>

<1> Reconstruction Agency, "Reconstruction Measures and Current Situations", February 14, 2012 [17]* (material 5-3 of the 3rd session of the Sub-Committee on the Promotion of Industry and Employment, Committee on Supporting Reconstruction after the Great East Japan Earthquake, Science Council of Japan).

<2> Sendai Branch, Bank of Japan, "Trends with the Economy of Tohoku in 2011", December 15, 2011. *

<3> Ministry of Health, Labour and Welfare, "Present Employment Situation in the Three Disaster-Stricken Prefectures (Monthly)", March 2, 2012. *

<4> Iwate Labor Bureau, "Job Offers and Applicants (January)", March 2, 2012. *

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[17] *: The original was written in Japanese and SCJ provides informal English translation for non-Japanese readers.

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<16> Ministry of Education, Culture, Sports, Science and Technology, "Basic Survey of Schools", 2010 and 2011 edition.

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<19> "Study Group on Reconstructed Community Building", Development Bank of Japan, "Interim Proposal – Abridged Edition", November 2011. *

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<21> Website of the immediate human resource development/employment support fund projects. *
http://www.kikin.javada.or.jp/

<22> Website of the Non Profit Organization "Mori wa Umi no Koibito".
http://www.mori-umi.org/index.html

<23> 早尻正宏，「森林セクターの雇用保障と公共事業」，井手英策編『雇用連帯社会　脱土建国家の公共事業』，岩波書店，2011.

<Background Information 1> Progress of deliberations of the Sub-Committee on the Promotion of Industry and Employment, Committee on Supporting Reconstruction after the Great East Japan Earthquake

2011

November 16 Executive Committee (140th) of SCJ

Establishment of the Sub-Committee on the Promotion of Industry and Employment, Committee on Supporting Reconstruction after the Great East Japan Earthquake and its members decided

December 27 Sub-Committee on the Promotion of Industry and Employment (1st)

○ Deliberation matters, future course of action

2012

January 10 Sub-Committee on the Promotion of Industry and Employment (2nd)

○ Recommendations from the Fisheries Commission and the Agronomy Commission, development of construction industry, industrial revitalization support, etc.

February 21 Sub-Committee on the Promotion of Industry and Employment (3rd)

○ Job-seekers support system, reconstruction and construction subsidy projects for facilities and equipment of groups such as small- and medium-sized enterprises, damages to fisheries industry and long-term issues, efforts by Reconstruction Agency, effects on children, etc.

February 22/23

Field survey in Sendai City and Kesennuma City, Miyagi Prefecture by the Sub-Committee on the Promotion of Industry and Employment

March 4 Enlarged executive meeting (1st) of the Sub-Committee on the Promotion of Industry and Employment

○ Draft recommendations

March 8 Sub-Committee on the Promotion of Industry and Employment (4th)

○ Draft recommendations

March 16 Committee on Supporting Reconstruction after the Great East Japan Earthquake (3rd)

Report and deliberations of (proposed) Recommendations by the Sub-Committee on the Promotion of Industry and Employment "Supporting Job-Seekers and Establishing Reconstruction Non-profits in Disaster-Stricken Areas – Towards the Promotion of Industry and Employment to Support Victims in Disaster-Stricken Areas –"

March 26 – April 1

Call for opinions on (proposed) Recommendations by the Sub-Committee on the Promotion of Industry and Employment from Council Members and Members

April 3 Committee on Supporting Reconstruction after the Great East Japan Earthquake (4th)

Report and deliberations of (proposed) Recommendations by the Sub-Committee on the Promotion of Industry and Employment "Supporting Job-Seekers and Establishing Reconstruction Non-profits in Disaster-Stricken Areas – Towards the Promotion of Industry and Employment to Support Victims in Disaster-Stricken Areas –"

<Appendix>

Table 1 Status of damage from the Great East Japan Earthquake and the Great Hanshin-Awaji Earthquake

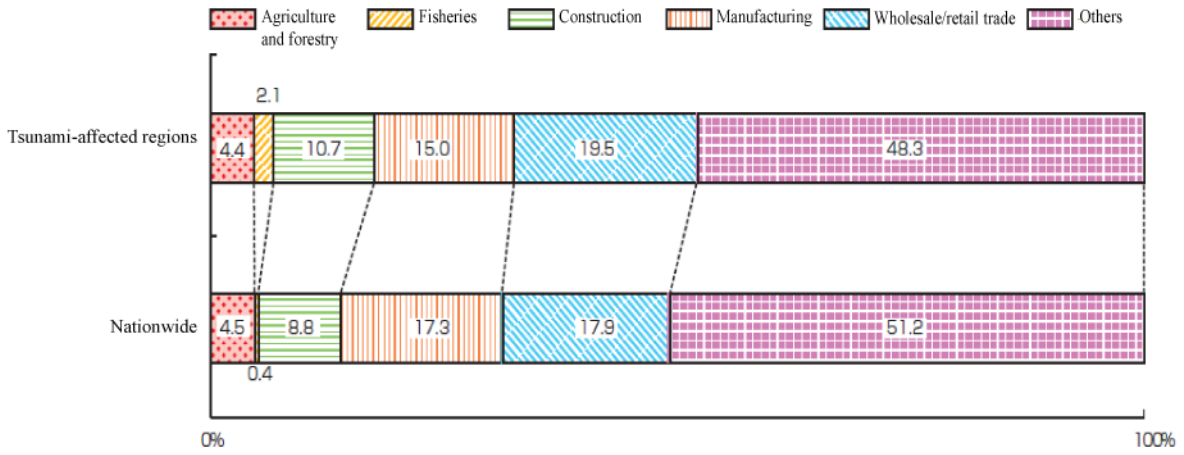
			Great East Japan Earthquake	Great Hanshin-Awaji Earthquake
Date of occurrence			March 11, 2011	January 17, 1995
Deaths/missing persons			19,225 persons	6,437 persons
Damaged houses (completely/partially destroyed)			368,587 houses	249,180 houses
Amount of damage of stock (estimated)	Buildings, etc. (houses/residential land, stores/offices/plants, machinery, etc.)		Approx. 10.4 trillion yen	Approx. 6.3 trillion yen
	Lifeline facilities (water supply, gas, electricity, communication/broadcast facilities)		Approx. 1.3 trillion yen	Approx. 0.6 trillion yen
	Social infrastructure facilities (rivers, roads, harbors, sewage, airports, etc.)		Approx. 2.2 trillion yen	Approx. 2.2 trillion yen
	Others	Agriculture, forestry, and fisheries related (agricultural lands/facilities, forests and fields, fisheries related facilities, etc.)	Approx. 1.9 trillion yen	Approx. 0.5 trillion yen
		Others (educational facilities, insurance medical/ welfare related facilities, other public facilities, etc.)	Approx. 1.1 trillion yen	
	Total		Approx. 16.9 trillion yen	Approx. 9.6 trillion yen

(Source) Great East Japan Earthquake The figures pertaining to the dead/missing persons were published by the Emergency Disaster Countermeasures Headquarters, National Police Agency on January 20, 2012. The figures for damaged houses were published by the Disaster Management Headquarters, Fire and Disaster Management Agency on January 11, 2012. The figures for the amount of damage were published by the Cabinet Office (Disaster Management) on June 24, 2011.
Great Hanshin-Awaji Earthquake The figures pertaining to the dead/missing persons and damaged houses were final figures provided by the National Police Agency on May 19, 2012. The figures for the amount of damages were published by the Disaster Prevention Bureau, National Land Agency on February 16, 1995.

Table 2 Manufacturing establishments distributed in the Tsunami flooded area by industry (Iwate, Miyagi, Fukushima)

Industry	Number of establishments	Number of employees	Value of manufactured goods shipped, etc. (billion yen)	Value added (billion yen)
Miscellaneous seafood products	78	1,120	16.5	4.1
Sliding doors and screens	45	114	1.0	0.5
Frozen seafood products (processed and packaged)	42	1,167	31.8	8.4
Offset paper printing	40	343	3.9	2.3
Salted-dried and salted products	36	613	13.1	2.9
Subtotal of 3 marine product processing industries (A)	156	2,900	61.4	15.4
Subtotal of manufacturing industries in the flooded areas in the 3 prefectures (B)	1,091	23,714	913.1	221.9
Proportion of marine product processing industries (A/B)	14.3%	12.2%	6.7%	6.9%

Source: Research and Statistics Department, Minister's Secretariat, Ministry of Economy, Trade and Industry, "Manufacturing establishments located in the Tsunami disaster-stricken areas of the Tohoku Region Pacific Coast Earthquake", August 2011
Note: Original source was a "Census of Manufactures 2008"



Source: MIC, 2005 Population Census.

Note: Industries are classified according to the Japan Standard Industry Classification (revised March 2002). "Others" represents the total for the following major categories of industry: mining; electricity, gas, heat supply, and water; information and communications; transport; finance and insurance; real estate; eating and drinking services and accommodation; medical, health care, and welfare; education and learning support; compound services; services (not elsewhere classified), government services; and unclassifiable industries.

* "The Tsunami-affected regions" include the 39 municipalities within Aomori, Iwate, Miyagi, and Fukushima Prefectures that were subject to the Disaster Relief Act due to the Great East Japan Earthquake (as of March 24, 2011) and which were reported to have suffered flooding caused by the Tsunami according to Approximate Estimates of the Extent of Flooding Caused by the Tsunami (Report No. 5) published by the Geographical Survey Institute on April 18. The figures for Sendai City are for the wards of Miyagino, Wakabayashi, and Taihaku.

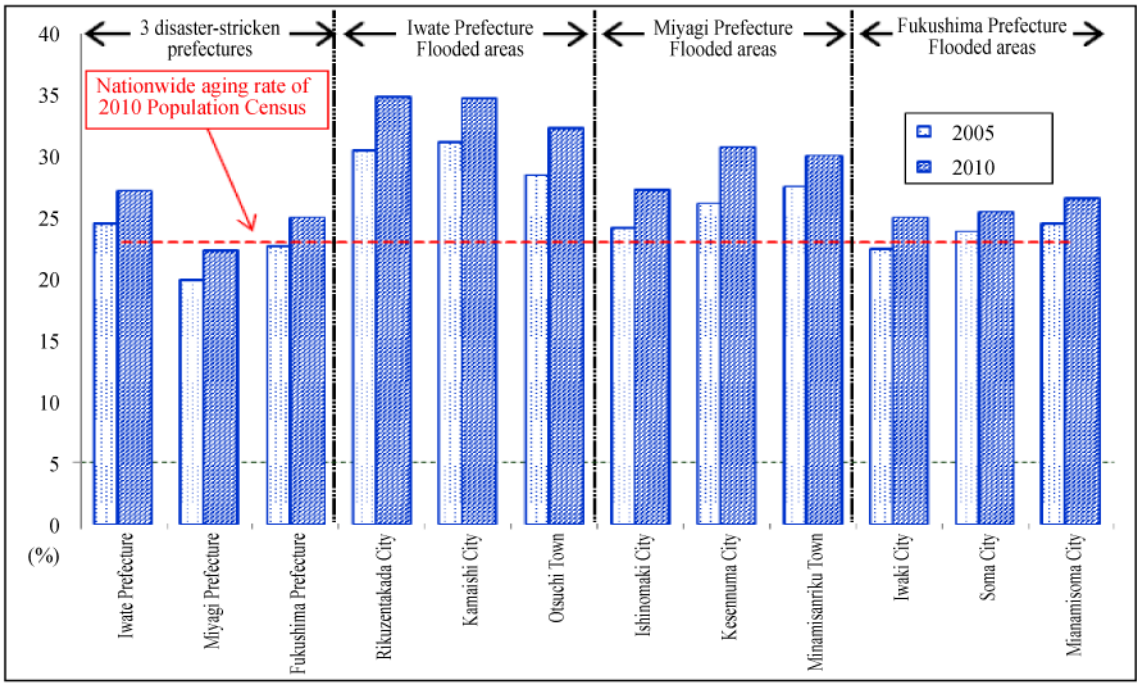
Source: "2011 White Paper on Small and Medium Enterprises in Japan", page 31

Figure 1 Breakdown of persons employed by industry in the Tsunami-affected regions (2005)

Table 3 Changes in the aging rate nationwide and in the 3 disaster-stricken prefectures

	Aging rate (percentage of population aged 65 or older)	
	Nationwide	3 disaster-stricken prefectures
1990	12.0%	13.4%
1995	14.5%	16.4%
2000	17.3%	19.4%
2005	20.1%	22.0%
2010	23.0%	24.3%

Source: "Population Census" (1990-2010), Ministry of Internal Affairs and Communications



Source: "Population Census" (2005 and 2010), Ministry of Internal Affairs and Communications

Figure 2　Aging rate in the 3 disaster-stricken prefectures

Table 4　Financial capability index of disaster-stricken coastal cities/towns

Financial capability index of disaster-stricken coastal cities/towns

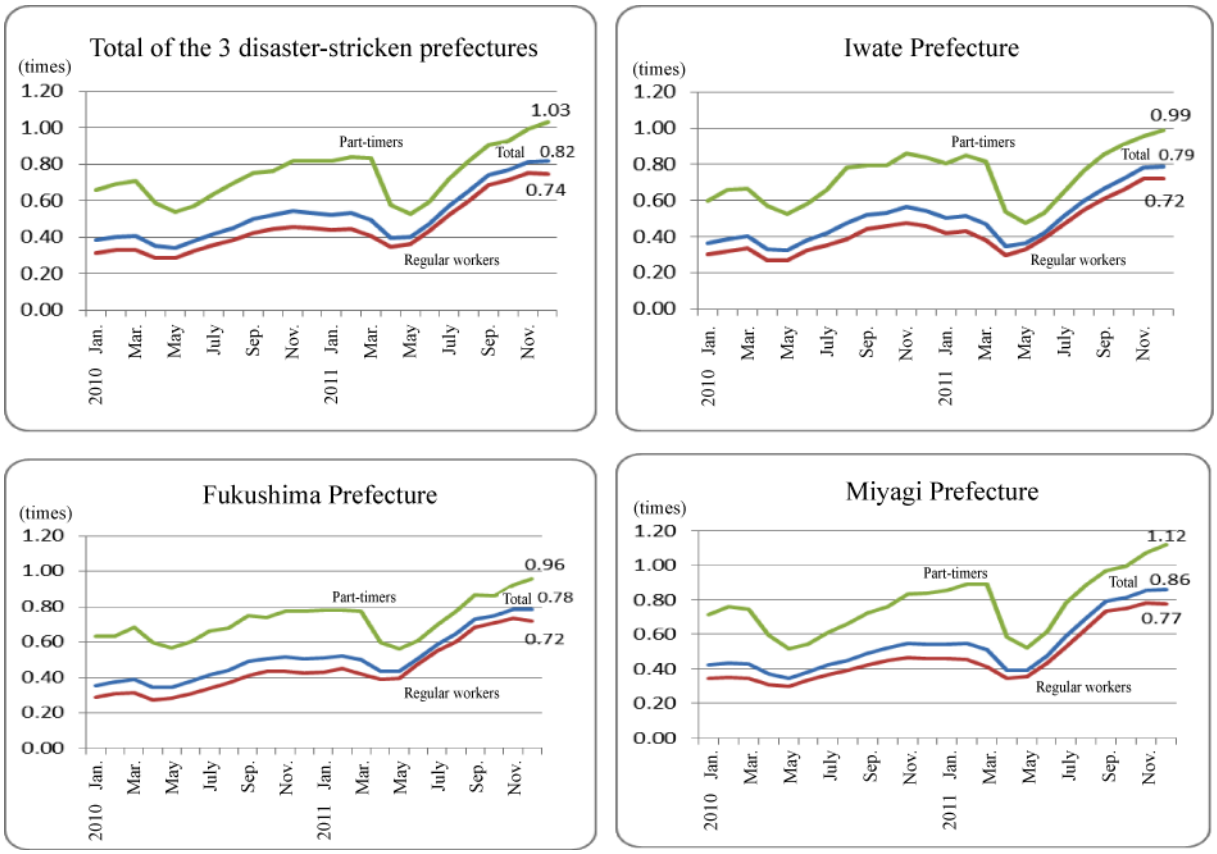
	Aging rate (%)	Financial capability index (FY 2009)
Miyako City	27	0.34
Ofunato City	27	0.41
Rikuzentakada City	31	0.27
Kamaishi City	31	0.46
Ootsuki Town	29	0.31
Yamada Town	28	0.27
Ishinomaki City	24	0.50
Kesennuma City	26	0.42
Higashimatsushima City	21	0.43
Watari Town	21	0.56
Yamamoto Town	28	0.38
Minamisanriku Town	28	0.30
Mianamisoma City	23	0.62
Aomori Prefecture	23	0.32
Iwate Prefecture	25	0.31
Miyagi Prefecture	20	0.52
Fukushima Prefecture	23	0.45
Ibaraki Prefecture	19	0.59
Chiba Prefecture	18	0.77
Nationwide	20	0.49

Financial capability index of prefectures (2010) - Reference

[Reference]	Hyogo Prefecture	Kobe City
FY 1993	0.70	0.83
FY 1994	0.68	0.83
FY 1995	0.64	0.83
FY 1996	0.61	0.78
:		
FY 2009	0.63	0.73
FY 2010	0.61	0.73

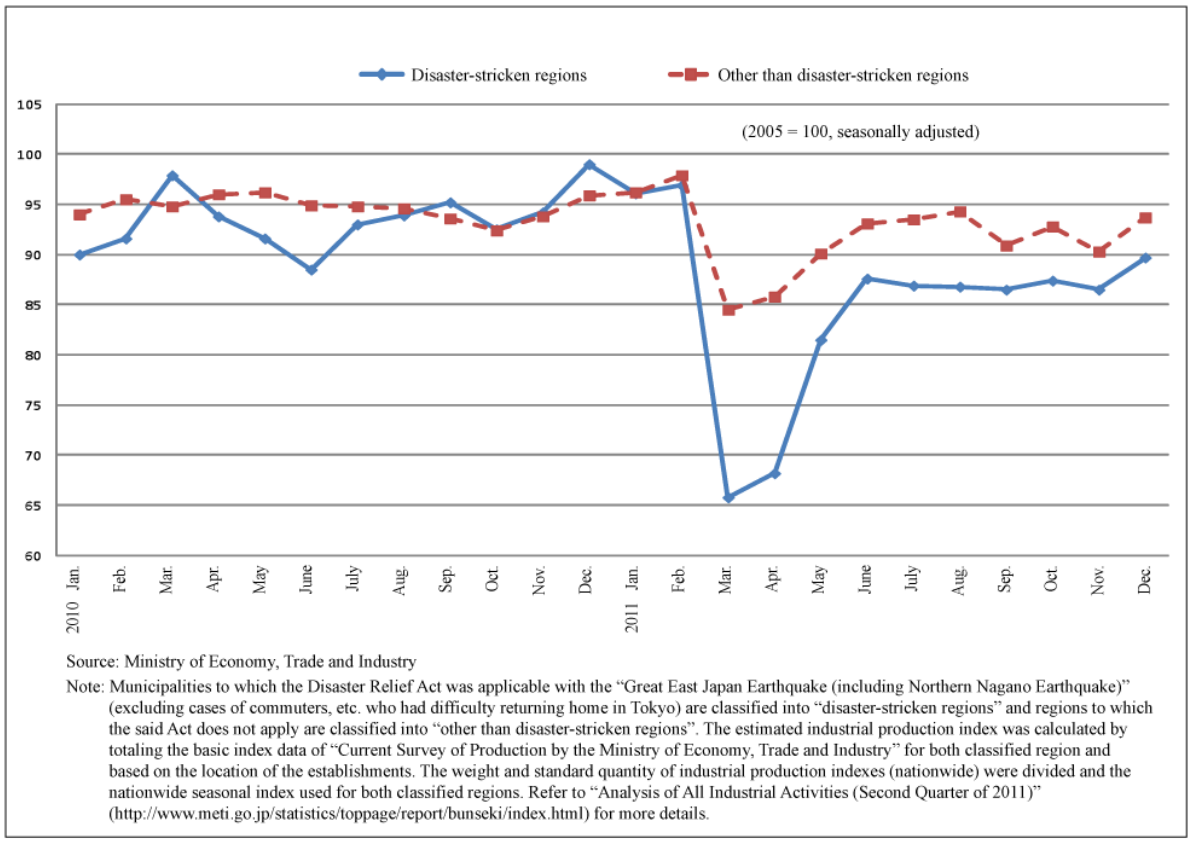
Source: "2005 Population Census", Ministry of Internal Affairs and Communications (MIC) and the MIC website

Note: 1. The aging rate refers to the percentage of the population aged 65 or older to the total population. The figures are as of 2005.
2. The disaster-stricken coastal areas refer to cities, towns, and villages located in the coastal areas of Aomori, Iwate, Miyagi, and Fukushima Prefectures to which the Disaster Relief Act was applicable.
3. The financial capability index refers to a figure that is calculated by dividing standard financial revenue by basic financial needs.
4. The nationwide figures are the prefectural average.



Source: "Job Offers and Applicants (Employment Security Statistics)", Ministry of Health, Labour and Welfare

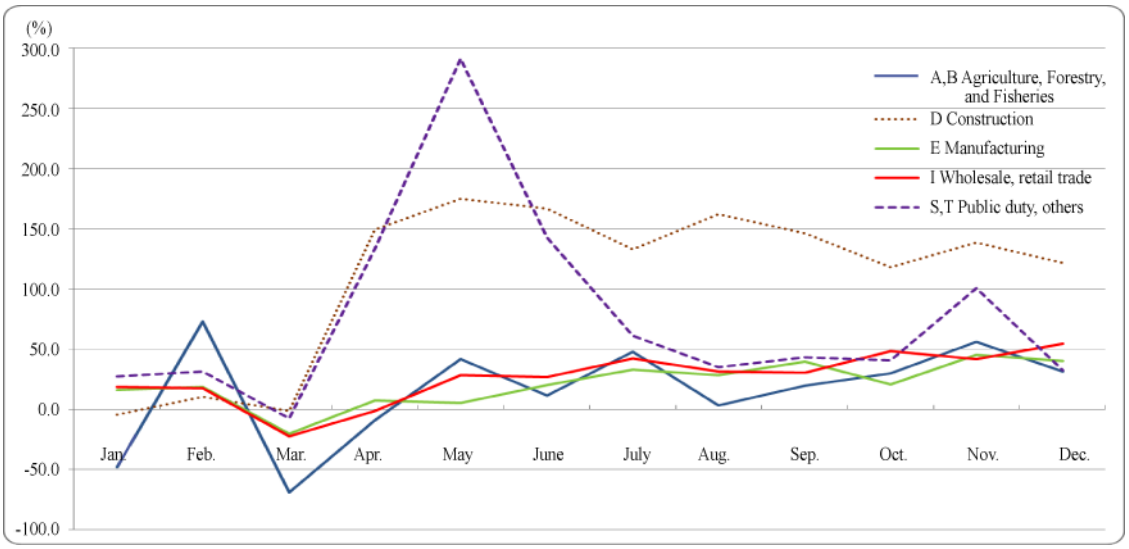
Figure 3 Changes in the effective job-offer to job-seeker ratio in the 3 disaster-stricken prefectures (unadjusted figures)



Source: Ministry of Economy, Trade and Industry

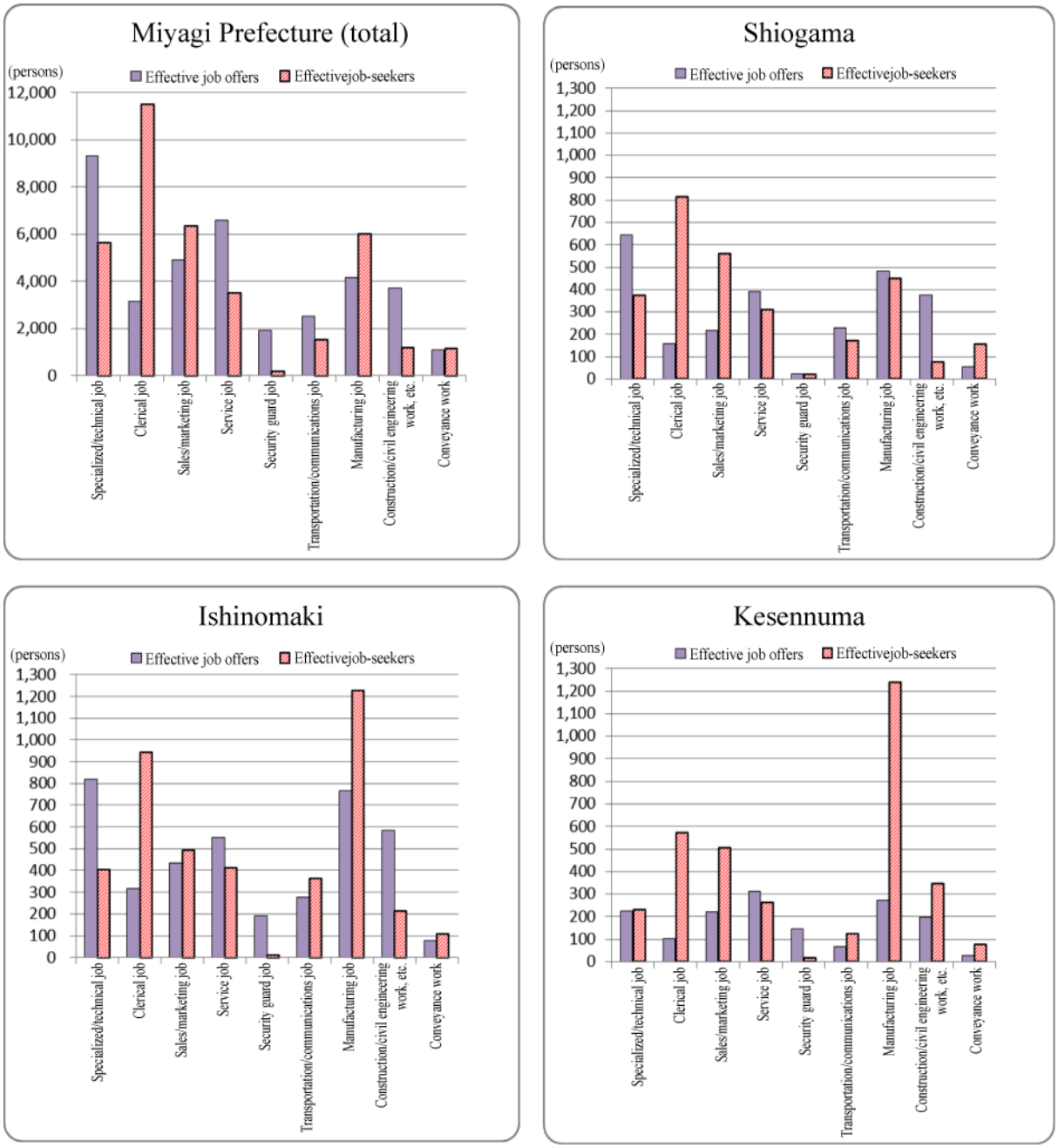
Note: Municipalities to which the Disaster Relief Act was applicable with the "Great East Japan Earthquake (including Northern Nagano Earthquake)" (excluding cases of commuters, etc. who had difficulty returning home in Tokyo) are classified into "disaster-stricken regions" and regions to which the said Act does not apply are classified into "other than disaster-stricken regions". The estimated industrial production index was calculated by totaling the basic index data of "Current Survey of Production by the Ministry of Economy, Trade and Industry" for both classified region and based on the location of the establishments. The weight and standard quantity of industrial production indexes (nationwide) were divided and the nationwide seasonal index used for both classified regions. Refer to "Analysis of All Industrial Activities (Second Quarter of 2011)" (http://www.meti.go.jp/statistics/toppage/report/bunseki/index.html) for more details.

Figure 4 Changes in the estimated industrial production index by region with respect to the earthquake disaster



Source: "Job Offers and Applicants (Employment Security Statistics)", Ministry of Health, Labour and Welfare

Figure 5 Changes in the number of new job offers from the same month the previous year by industry in the 3 disaster-stricken areas (Unadjusted figures 2011/2010)



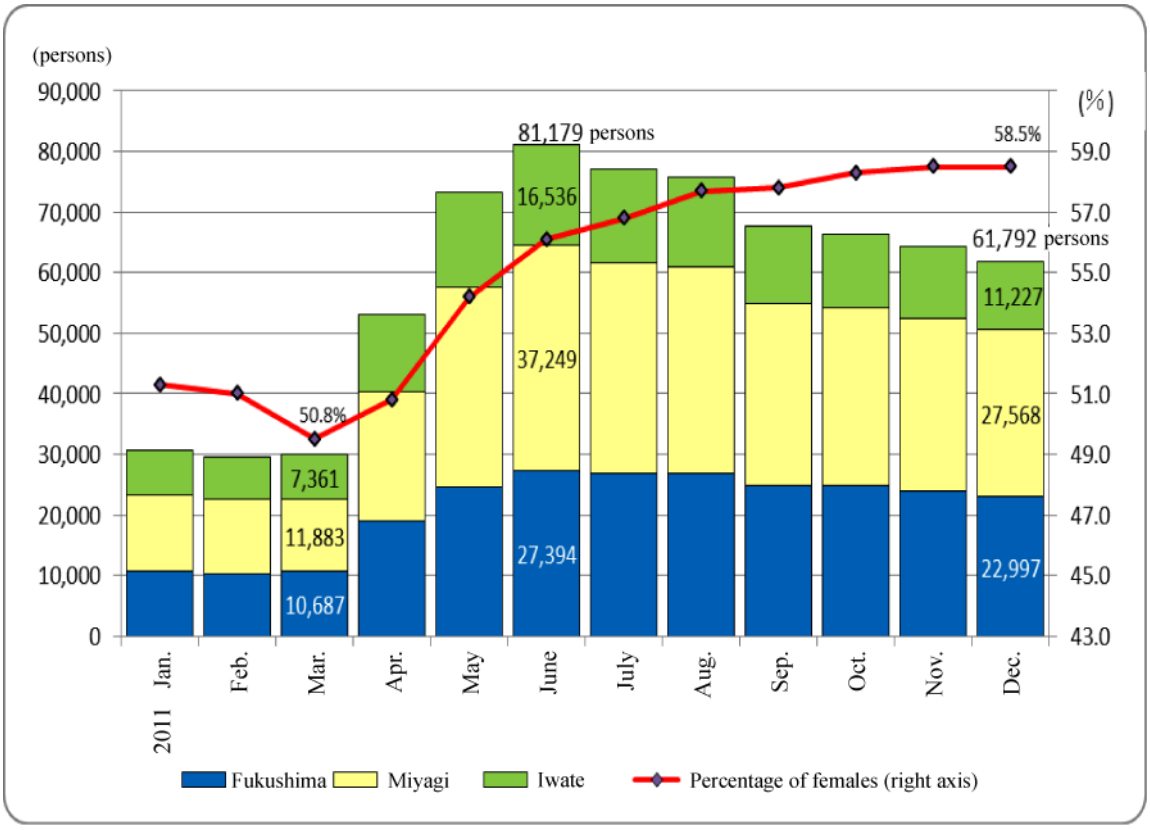
Source: "Balance sheet on job offers and job-seekers" (December 2011), Miyagi Labor Bureau

Figure 6 Status with job-seekers/job offers by industry in Miyagi Prefecture (December 2011)

Table 5 Industrial structure of Kesennuma City (2008)

Middle division of industrial classification	Number of establish-ments	Number of engaged persons				Cash earnings	Value of Raw Materials Used, etc.	Value of manufactured goods shipment, etc.
		Total	Regular workers					Total amount
			Total	Males	Females			
	353	5,982	5,771	2,653	3,118	1,455,087	7,759,189	11,913,588
09 Food	162	4,055	3,972	1,545	2,427	934,259	6,531,005	9,597,425
10 Beverages, tobacco and feed	7	93	93	80	13	31,362	58,071	257,860
11 Textile mill products	20	321	308	41	267	X	X	X
12 Lumber and wood products, except furniture	15	48	37	30	7	8,943	20,859	40,411
13 Furniture and fixtures	24	75	47	39	8	13,746	14,684	40,145
14 Pulp, paper and paper products	2	40	40	28	12	X	X	X
15 Printing and allied industries	16	329	317	196	121	X	X	X
16 Chemical and allied products	1	11	11	9	2	X	X	X
17 Petroleum and coal products	1	3	3	3	-	X	X	X
18 Plastic products, except otherwise classified	4	78	77	38	39	X	X	X
20 Leather tanning, leather products and fur skins	1	1	-	-	-	-	X	X
21 Ceramic, stone and clay products	7	50	50	42	8	X	X	X
24 Fabricated metal products	19	109	97	81	16	X	X	X
25 General-purpose machinery	11	83	77	68	9	25.367	27,953	67,391
26 Production machinery	17	166	158	133	25	61,301	118,716	216,774
27 Business oriented machinery	4	183	182	130	52	59,148	264,351	294,009
28 Electronic parts, devices, and electronic circuits	5	81	79	21	58	15,795	2,344	26,966
29 Electrical machinery, equipment and supplies	2	40	40	8	32	X	X	X
31 Transportation equipment	21	184	172	153	19	62,256	188,559	268,475
32 Miscellaneous manufacturing industries	14	32	11	8	3	2,629	5,779	11,730
Percentage of food	45.9%	67.8%	68.8%	58.2%	77.8%	64.2%	84.2%	80.6%

Source: 2009 edition of "Statistics on Kesennuma City", Kesennuma City, original sources "Census of Manufactures; Report by cities, towns and villages 2005", "Industries in Miyagi", Statistics Division, Policy Planning Department, Miyagi Prefectural Government



Source "Monthly Report on Employment Insurance Activity", Ministry of Health, Labour and Welfare

Figure 7 Changes in the actual number of employment insurance recipients (including individual extended benefits, etc.) in the 3 disaster-stricken areas

Table 6 FY 2011 Job-seeker support training certification status (preliminary figures) (Courses commenced upon in October 2011 through to March 2012)

As of January 23, 2012

		Certified courses (total)		Basic courses		Practical courses	
		Capacity	Number of courses	Capacity	Number of courses	Capacity	Number of courses
1	Hokkaido	7,654 persons	312 courses	1,900 persons	84 courses	5,754 persons	228 courses
2	Aomori	1,814 persons	95 courses	260 persons	15 courses	1,554 persons	80 courses
3	Iwate	1,469 persons	90 courses	519 persons	35 courses	950 persons	55 courses
4	Miyagi	2,895 persons	140 courses	1,108 persons	58 courses	1,787 persons	82 courses
5	Akita	721 persons	44 courses	309 persons	20 courses	412 persons	24 courses
6	Yamagata	1,223 persons	64 courses	343 persons	18 courses	880 persons	46 courses
7	Fukushima	2,284 persons	123 courses	892 persons	49 courses	1,392 persons	74 courses
8	Ibaraki	1,938 persons	108 courses	730 persons	45 courses	1,208 persons	63 courses
9	Tochigi	1,015 persons	60 courses	378 persons	23 courses	637 persons	37 courses
10	Gunma	1,626 persons	73 courses	440 persons	25 courses	1,186 persons	48 courses
11	Saitama	4,101 persons	179 courses	1,301 persons	67 courses	2,800 persons	112 courses
12	Chiba	4,437 persons	200 courses	1,220 persons	59 courses	3,217 persons	141 courses
13	Tokyo	15,346 persons	592 courses	1,837 persons	67 courses	13,509 persons	525 courses
14	Kanagawa	5,406 persons	235 courses	1,626 persons	78 courses	3,780 persons	157 courses
15	Niigata	1,721 persons	99 courses	612 persons	38 courses	1,109 persons	61 courses
16	Toyama	802 persons	56 courses	220 persons	16 courses	582 persons	40 courses
17	Ishikawa	900 persons	56 courses	295 persons	22 courses	605 persons	34 courses
18	Fukui	369 persons	25 courses	160 persons	11 courses	209 persons	14 courses
19	Yamanashi	803 persons	42 courses	179 persons	10 courses	624 persons	32 courses
20	Nagano	1,870 persons	100 courses	502 persons	30 courses	1,368 persons	70 courses
21	Gifu	1,439 persons	83 courses	477 persons	30 courses	962 persons	53 courses
22	Shizuoka	2,110 persons	122 courses	698 persons	47 courses	1,412 persons	75 courses
23	Aichi	4,215 persons	211 courses	780 persons	44 courses	3,435 persons	167 courses
24	Mie	639 persons	37 courses	271 persons	16 courses	368 persons	21 courses
25	Shiga	1,129 persons	61 courses	360 persons	20 courses	769 persons	41 courses
26	Kyoto	2,169 persons	110 courses	544 persons	33 courses	1,625 persons	77 courses
27	Osaka	12,488 persons	501 courses	2,186 persons	93 courses	10,302 persons	408 courses
28	Hyogo	5,170 persons	232 courses	1,280 persons	62 courses	3,890 persons	170 courses
29	Nara	1,162 persons	56 courses	360 persons	16 courses	802 persons	40 courses
30	Wakayama	783 persons	39 courses	320 persons	17 courses	463 persons	22 courses
31	Tottori	427 persons	23 courses	160 persons	9 courses	267 persons	14 courses
32	Shimane	261 persons	16 courses	158 persons	11 courses	103 persons	5 courses
33	Okayama	1,660 persons	87 courses	348 persons	19 courses	1,312 persons	68 courses
34	Hiroshima	2,308 persons	117 courses	559 persons	32 courses	1,749 persons	85 courses
35	Yamaguchi	959 persons	54 courses	253 persons	16 courses	706 persons	38 courses
36	Tokushima	739 persons	39 courses	180 persons	9 courses	559 persons	30 courses
37	Kagawa	1,029 persons	54 courses	280 persons	15 courses	749 persons	39 courses
38	Ehime	730 persons	41 courses	280 persons	16 courses	450 persons	25 courses
39	Kochi	406 persons	27 courses	130 persons	9 courses	276 persons	18 courses
40	Fukuoka	7,239 persons	323 courses	2,110 persons	96 courses	5,129 persons	227 courses
41	Saga	866 persons	46 courses	204 persons	11 courses	662 persons	35 courses
42	Nagasaki	1,705 persons	81 courses	390 persons	20 courses	1,315 persons	61 courses
43	Kumamoto	2,715 persons	131 courses	658 persons	36 courses	2,057 persons	95 courses
44	Oita	1,480 persons	74 courses	420 persons	21 courses	1,060 persons	53 courses
45	Miyazaki	1,494 persons	79 courses	431 persons	25 courses	1,063 persons	54 courses
46	Kagoshima	1,218 persons	63 courses	539 persons	29 courses	679 persons	34 courses
47	Okinawa	2,721 persons	144 courses	912 persons	48 courses	1,809 persons	96 courses
	Nationwide	117,655 persons	5,544 persons	30,119 persons	1,570 persons	87,536 persons	3,974 persons

* Certified courses do not include applications being examined in Osaka (ordinary applications) and additional applications for the 3rd supplementary budget in some prefectures (all of which are for courses that commenced in March).

Source: Ministry of Health, Labour and Welfare

Table 7　Status with damage from the Great East Japan Earthquake by prefecture (as of June 16, 2011)

	Number of deaths (persons)	Number of missing persons (persons)	Number of completely destroyed houses (houses)	Number of partially destroyed houses (houses)	Number of partly damaged houses (houses)	Actual number		Proportion	
						Number of deaths/ missing persons	Number of completely/ partially destroyed houses	Number of deaths/ missing persons	Number of completely/ partially destroyed houses
Hokkaido	1	0	0	0	5	1	0	0.0%	0.0%
Aomori	3	1	281	1,020	78	4	1,301	0.0%	0.7%
Akita	0	0	0	0	4	0	0	0.0%	0.0%
Yamagata	3	0	0	1	37	3	1	0.0%	0.0%
Iwate	4,538	2,625	20,990	3,118	3,093	7,163	24,108	31.0%	12.2%
Miyagi	9,151	4,742	71,764	36,138	47,962	13,893	107,902	60.1%	54.7%
Fukushima	1,617	360	15,500	25,060	69,875	1,977	40,560	8.6%	20.6%
Ibaraki	24	1	2,052	13,823	127,544	25	15,875	0.1%	8.0%
Tochigi	4	0	253	1,936	54,944	4	2,189	0.0%	1.1%
Gunma	1	0	0	1	15,434	1	1	0.0%	0.0%
Saitama	1	0	7	41	13,863	1	48	0.0%	0.0%
Chiba	19	2	752	3,906	21,182	21	4,658	0.1%	2.4%
Tokyo	7	0	9	114	2,953	7	123	0.0%	0.1%
Kanagawa	4	0	0	11	168	4	11	0.0%	0.0%
Niigata	0	0	31	203	1765	0	234	0.0%	0.1%
Nagano	0	0	34	169	495	0	203	0.0%	0.1%
Shizuoka	0	0	0	0	523	0	0	0.0%	0.0%
Nationwide total	15,373	7,731	111,673	85,541	359,925	23,104	197,214	100.0%	100.0%

Source: "June 16, 2011, 2011 Tohoku Region Pacific Offing Earthquake (Great East Japan Earthquake) (128th report)", Fire and Disaster Management Agency
Note: In addition to damage listed in the table there was 1 other victim that was injured in Mie Prefecture, thus making the number of damaged prefectures 18.

Table 8 Status with damage by major municipality in Iwate, Miyagi, and Fukushima Prefectures (as of May 19, 2011)

	Total population (persons)	Total number of houses (houses)	Actual number		Percentage		
			Number of deaths/missing persons (persons)	Number of partially destroyed houses (houses)	Number of deaths/missing persons To total population in 2010	Number of partially destroyed houses (houses) To total number of houses in 2008	Population in flooded areas To total population in 2010
Iwate Prefecture	1,330,530	549,500	7,444	19,764	0.6%	3.6%	8.1%
Miyako City	59,442	25,010	767	4,675	1.3%	18.7%	30.9%
Ofunato City	40,738	16,530	464	3,629	1.1%	21.9%	46.8%
Rikuzentakada City	23,302	8,550	2,191	3,341	9.4%	39.1%	71.4%
Kamaishi City	39,578	18,420	1,347	3,723	3.4%	20.2%	33.3%
Otsuchi Town	15,277	6,130	1,718	—	11.2%	—	78.0%
Yamada Town	18,625	7,950	865	2,983	4.6%	37.5%	61.3%
Tanohata Village	3,843	–	36	268	0.9%	—	41.2%
Fudai Village	3,088	–	1	0	0.0%	—	36.1%
Noda Village	4,632	–	38	476	0.8%	—	68.6%
Yono Town	17,910	6,650	0	26	0.0%	0.4%	15.3%
Miyagi Prefecture	2,347,975	1,013,900	14,395	78,839	0.6%	7.8%	14.1%
Sendai City	1,045,903	530,660	865	12,370	0.1%	2.3%	1.0%
Ishinomaki City	160,704	64,870	5,734	—	3.6%	—	69.9%
Shiogama City	56,490	23,250	22	1,748	0.0%	7.5%	33.1%
Kesennuma City	73,494	25,670	1,534	10,244	2.1%	39.9%	54.9%
Natori City	73,140	25,820	1,046	—	1.4%	—	16.6%
Tagajo City	62,979	26,810	190	4,500	0.3%	16.8%	27.2%
Iwanuma City	44,198	17,010	184	—	0.4%	—	18.2%
Higashimatsushima City	42,908	15,450	1,426	6,758	3.3%	43.7%	79.3%
Osaki City	135,127	54,030	4	417	0.0%	0.8%	0.0%
Watari Town	34,846	11,520	270	2,594	0.8%	22.5%	40.4%
Yamamoto Town	16,711	5,310	747	2,846	4.5%	53.6%	53.8%
Matsushima Town	15,089	5,560	4	493	0.0%	8.9%	26.9%
Shichigahama Town	20,419	6,650	76	—	0.4%	—	44.8%
Onagawa Town	10,051	–	1,093	3,067	10.9%	—	80.1%
Minamisanriku Town	17,431	5,540	1,178	—	6.8%	—	82.5%
Fukushima Prefecture	2,028,752	808,200	2,060	16,150	0.1%	2.0%	3.5%
Koriyama City	338,772	145,870	1	3,432	0.0%	2.4%	0.0%
Iwaki City	342,198	147,740	385	—	0.1%	—	9.5%
Sukagawa City	79,279	27,250	11	1,193	0.0%	4.4%	0.0%
Soma City	37,796	15,030	457	1,512	1.2%	10.1%	27.6%
Mianamisoma City	70,395	25,050	765	5,657	1.1%	22.6%	18.9%
Hirono Town	5,418	–	3	140	0.1%	—	25.6%
Naraha Town	7,701	–	14	50	0.2%	—	22.7%
Tomioka Town	15,996	6,880	19	0	0.1%	0.0%	8.8%
Okuma Town	11,511	–	44	30	0.4%	—	9.8%
Futaba Town	6,932	–	35	63	0.5%	—	18.4%
Namie Town	20,908	7,830	186	0	0.9%	0.0%	16.1%
Shinchi Town	8,218	–	114	548	1.4%	—	56.8%

Source: Statistics Bureau of the Ministry of Internal Affairs and Communications and its website. Original sources "Social and Demographic Statistics", "Housing and Land Survey", and data published by the Fire and Disaster Management Agency and the respective prefectures.
Note: "-" indicates the figures were deemed uncertain due to the small number of samples.

Table 9　List of groups certified for subsidies for facilities and equipment of small- and medium-sized enterprises

	Name of group	Type of group	Main members	Main industries
Miyagi Prefecture 14 groups 6.5 billion yen 4.3 billion yen from the government	ALPS Electric group	Supply chain type	8 companies, including ALPS Electric	Electronic parts manufacturing
	Iwanuma industrial complex automobile parts supplies group	Supply chain type	2 companies, including Uchida	Automobile parts
	Kyowa Aluminum group	Supply chain type	2 companies, including Kyowa Aluminum	Alumite treatment, etc.
	Suppliers group of small to medium display glass substrates for smart phones	Supply chain type	2 companies, including Kuramoto Machinery	Processing and sales of glass substrates
	Yamamoto region die casting reconstruction	Supply chain type	3 companies, including Iwaki Diecast	Non-ferrous metal processing
	Tokyo Electron Miyagi supply chain group	Supply chain type	2 companies, including Tokyo Electron Miyagi	Electrical machinery
	Furukawa NDK group	Supply chain type	2 companies, including Furukaa NDK	Electronic parts manufacturing
	Industrial cluster of ship construction/repair in Ishinomaki City	Economy/employment growth type	10 companies, including Yamanishi	Shipbuilding and ship repair
	Toyo Knife group	Economy/employment growth type	4 companies, including Toyo Knife	Knives for industrial machinery
	Group of core enterprises in Iwanuma air port areas	Locally valuable enterprise cluster type	8 companies, including Artics	Automobile parts, etc.
	Kesennuma fishing port reconstruction task force	Locally valuable enterprise cluster type	8 companies, including Kidoura Shipyard	Shipbuilding and ship repair
	Nippon Paper Ishinomaki group	Locally valuable enterprise cluster type	2 companies, including Nippon Paper	Paper/pulp paper manufacturing
	Onagawa fish market buyers cooperative	Marine product (seafood) processing industry type	Onagawa fish market buyers cooperative	Ice producing
	Minamisanriku area marine product processing reconstruction group	Marine product (seafood) processing industry type	8 companies, iincluding Kaneki-Yoshida	Marine product processing
Iwate Prefecture 8 groups 7.7 billion yen 5.1 billion yen from the government	Marine product processing base development in the northern part of prefecture	(Kuji City)	10 parties, including Marusa Saga Shouten	Marine product processing
	Miyako/Yamada marine product processing group	(Miyako City, Yamada City)	39 parties, including Kawahide	Marine product processing
	Kamaishi region marine product prosessing group	(Kamaishi City)	17 parties, including Ono Foods	Marine product processing
	Ofunato region marine product/food processing group	(Ofunato City)	36 parties, including Oikawa Reizo	Marine product processing
	Kuji region shipbuilding group	(Kuji City)	4 parties, including Kitanihon Shipbuilding	Shipbuilding
	Kamaishi/Otsuchi region shipbuilding related group	(Kamaishi City)	8 parties, including Kosaba Sempaku Kogyo	Shipbuilding
	Coastal electronic/precision appliances group	(Miyako City, Kamaishi City)	17 parties, including Tohoku Hirose Electric	Electronic parts manufacturing
	Sea side town Mast group	(Otsuchi Town)	Otsuchi commerce development	Retail trade

Source: Website of the New Industry Promotion Division, Miyagi Prefectural Government http://www.pref.miyagi.jp/shinsan/shinsan-d/2011hojyo/20110805koufu.htm, and website of Iwate Prefecture http://www.pref.iwate.jp/view.rbz?of=1&ik=0&cd=33894.

Table 10 Status with support members dispatched to Hello Works, etc. in the 3 disaster-stricken prefectures (from April 10 to January 28)

Labor Bureau	Total number of persons
Iwate	4,248
Miyagi	8,510
Fukushima	4,296
Total	17,054

(Reference: The actual number of support members dispatched to the disaster-stricken areas)
Week of May 16, 2011 (maximum number): 129 persons (22 in Iwate, 67 in Miyagi, and 40 in Fukushima)
Week of January 22, 2012 (most recent): 20 persons (9 in Iwate and 11 in Miyagi)
* 20 staff members were additionally sent to Fukushima in January 2012.

Source: Ministry of Health, Labour and Welfare

Table 11 Effective number of job-seekers per staff member/consultant at Hello Works in the 3 disaster-stricken areas

Labor Bureau	Effective number of job-seekers (regular workers) <excluding new graduates but including part-timers> (December 2011)	Number of staff members (as of January 2012)	Number of consultants (as of January 2012)	Total number of staff members and consultants (as of January 2012)	Effective number of job-seekers per staff member	Effective number of job-seekers per staff member/consultant
Iwate	31,069	137	375	512	227	61
Miyagi	55,004	205	571	776	268	71
Fukushima	40,977	222	502	724	185	57
Total of the 3 disaster-stricken prefectures	127,050	564	1,448	2,012	225	63

Source: Ministry of Health, Labour and Welfare

Table 12 Achievements of subsidies, etc. with respect to the Great East Japan Earthquake, etc. (as of December 2011)

Name of subsidy, etc.	Number of subjects (*1)
[1] Disaster victim employment development subsidy (*2)	887
[2] Subsidy to promote trial employment of non-new graduates within 3 years after graduation	1,205 (705)
[3] Subsidy to promote employment of non-new graduates within 3 years after graduation (new graduate equivalent)	227 (158)
[4] Practical employment promotion subsidy	918 (746)

*1 Subjects refer to the following.
[1] Disaster victim employment development subsidy – persons for which a decision to grant the subsidies to was decided
[2] Subsidy to promote trial employment of non-new graduates within 3 years after graduation – persons whose trial employment commenced
[3] Subsidy to promote employment of non-new graduates within 3 years after graduation (new graduate equivalent) – persons employed as a result of increased employment
[4] Practical employment promotion subsidy – persons whose practical training commenced
The figures in parentheses indicates the number for the 3 disaster-stricken areas.

*2 Achievements by prefecture could not be identified due to the processing system, but a major part of them are considered to have been achievements of the 3 disaster-stricken prefectures.

Source: Ministry of Health, Labour and Welfare