

# Toward a more Resilient Society

-Further actions of the business sector and government-

<Executive Summary>

March 5, 2012

*KEIDANREN*

(Japan Business Federation)

# Short Digest

- In 2011, the Great East Japan Earthquake hit Japanese society. Moreover, extensive flooding in Thailand vastly impacted Japanese companies' business activities across borders.
- Learning from these events, it is necessary that reliable preparations be made in order to address risks both domestic and abroad such as major earthquakes, extensive flooding, and the spread of the new influenza. Based on this awareness, Keidanren has put together a proposal entitled "Toward a More Resilient Society".
- Firstly, it is vital for corporations and the business community to prepare against disaster in ordinary times; maintaining sufficient reserves like water and food, equipping standby power supply, and practicing emergency drills. In the event of natural disasters, corporations should collaborate with business partners and other members of related industrial associations to continue and restore business activity as well as promote relief of affected areas and people through the provision of donations, materials, and volunteers.
- Meanwhile, the government should maintain legislative infrastructure to cope with major natural disasters and boost private sectors' disaster prevention countermeasures by giving an incentives like subsidies and deregulation. At the time of a natural disaster, it is essential that the government take appropriate measures to save lives, maintain security, and strongly send the message of a "Resilient Japan" to the international community. Also relaxation and flexible enforcement of regulations are absolutely necessary for accelerating and smoothening the private sectors' activity toward continuation and restoration of their business operations such as production, sales, and delivery.
- It is important for both government and private sector to work in tandem on strengthening disaster prevention countermeasures; disaster preparation in local communities, the quake-resistance and immediate recovery of essential facilities like electricity, gas, water, and telecommunication, and effective use of information, as well as on efforts to support commuters unable to return home.
- Building a resilient society that is more robust against natural disasters is indispensable and is also a major premise for recovering international trust and attracting investment. Keidanren shall contribute to building a more resilient society with the world's highest level of disaster prevention by fully utilizing the private sectors' technology and wisdom.

## A: Background

### **A) Large and wide-scaled crisis- the March 11 earthquake and tsunami**

<Findings to improve>

- rebuild a more resilient critical infrastructure
- set useful measures against losses of electric power
- significantly important to maintain global supply chain
- effective communication systems and use of ICT solutions are vital

### **B) Risks that are on the rise against business and economic activities inside and outside of Japan**

- natural disasters
- pandemic influenza

### **C) Call for action to prepare and mitigate damage of the next disaster**

- (1) Review of lessons learned from domestic and foreign major disasters risk
- (2) Review of the predictive assumptions of scale and potential damage of major disasters
- (3) Review of the actual effectiveness of BCP and strengthen it as a vital tool for dealing with disasters

## B: Lessons learned from the Great East Japan Earthquake (March 11, 2011)

### 1. Key required business sector measures against earthquakes

As of the Oct. and Nov. 2011 report of KEIDANREN's survey, 403 member companies filled out the questionnaire, member companies have suggested the usefulness of " KEIDANREN 10 items of specified measures to prepare for an earthquake. It was issued on March, 2009 " as the actual test in the March 11 earthquake. In addition, we found there are several areas to improve on the 10 items and new additional items required.

#### <KEIDANREN 10 items of specified measures>

- Item 1: Development on an effective emergency response headquarters (ER-HQ) system and strengthening ER-HQ functions.
- Item 2: Introduction to more multiplexing safety confirmation system on employees and their family
- Item 3: Continuous package deal of a practical disaster prevention training
- Item 4: Improvement on awareness of disaster prevention and promotion of human resources development on it

## B: Lessons learned from the Great East Japan Earthquake (March 11, 2011)

- Item 5: Securing reserves of appropriate stockpile items and volumes
- Item 6: Accelerate earthquake strengthening of facilities, fire proofing, and securely fixing furniture
- Item 7: Securing liquidity funds and reconstruction funds
- Item 8: Securing and strengthening collaborative execution of BCP with supply chain and collaborative support in time of disaster
- Item 9: Development to address the issue for both employees and citizens who have difficulty returning home
- Item 10: Securing and strengthening collaborative work of disaster response with local governments and communities

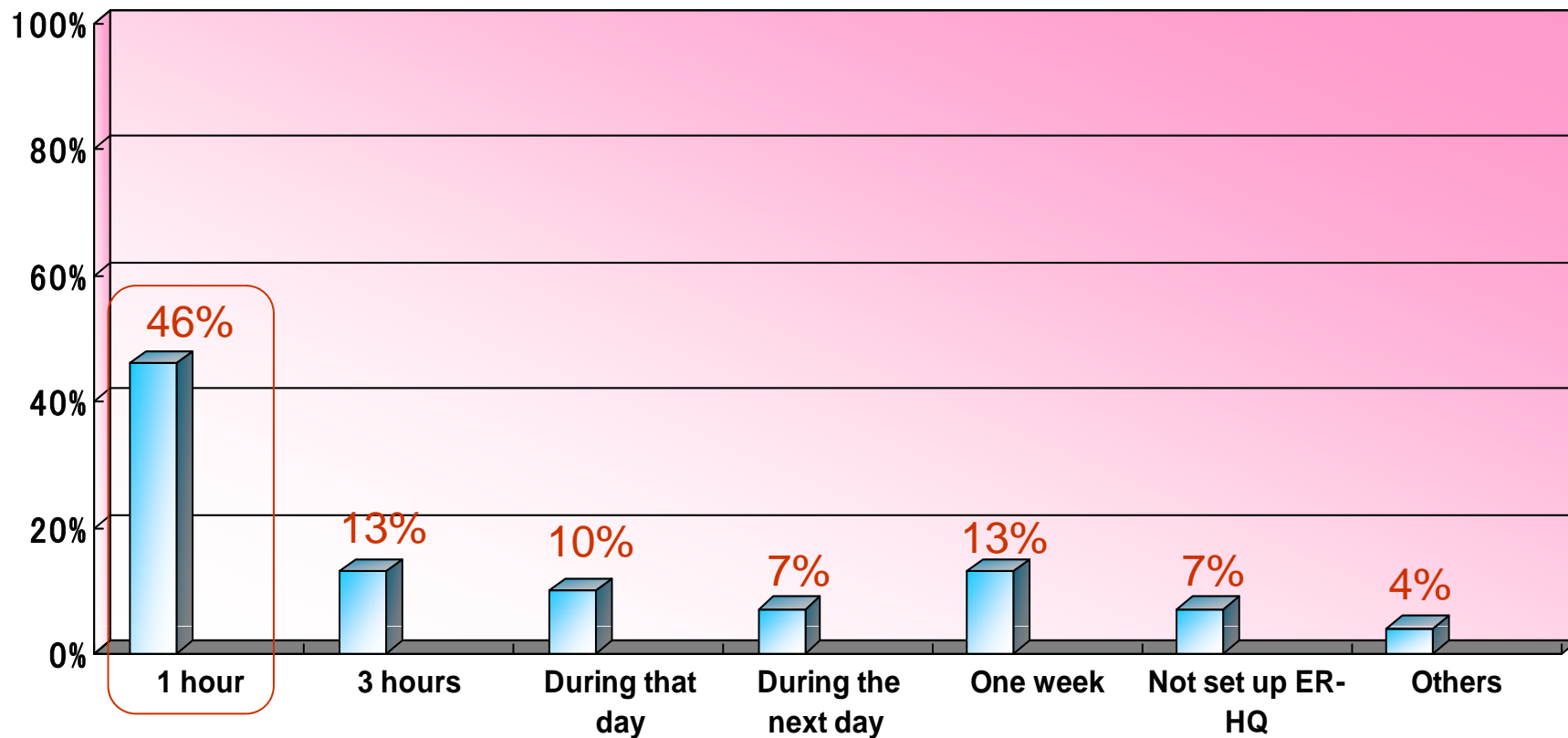
### <Example: New additional measures required after March 11>

- Item 11: Provide a secondary power supply system i.e., in-house power generation
- Item 12: Establishment of emergency response measures to prevent floods, liquefaction

# 1. The results of survey: Key observation and finding challenges of business sectors

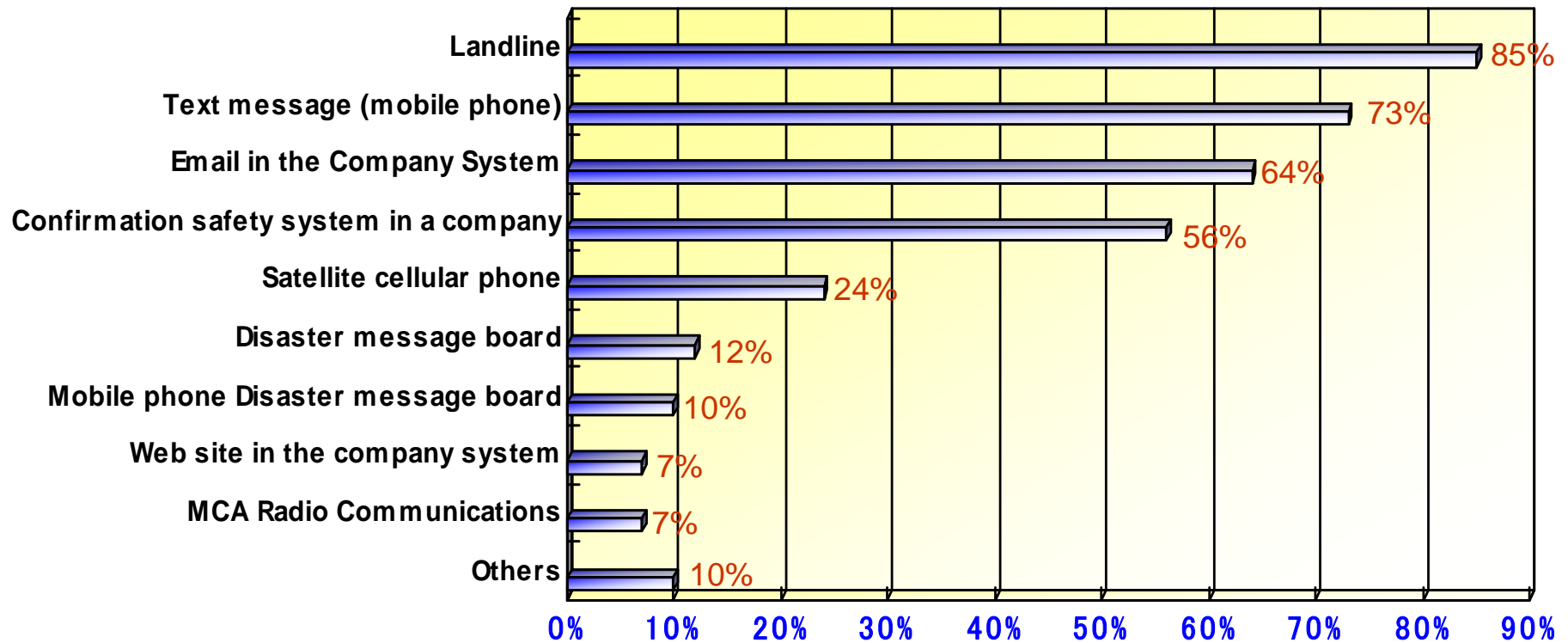
## 1-a: Major actions in ordinary times

Regarding Item 1” Development on an effective emergency response headquarters (ER-HQ) system and strengthening ER-HQ functions “, 46% of the respondents have smoothly set up their ER-HQ in one hour at the initial incident of the March 11 earthquake and tsunami.  
<Figure 1 The actual time required to set up an ER-HQ at the 3-11>



Regarding item 2 “ Introduction to more multiplexing safety confirmation system for employees and their families”,  
Most of the respondents still depend on few systems, landline and text message by mobile phone. We urge introducing more proactive use of various new technology.

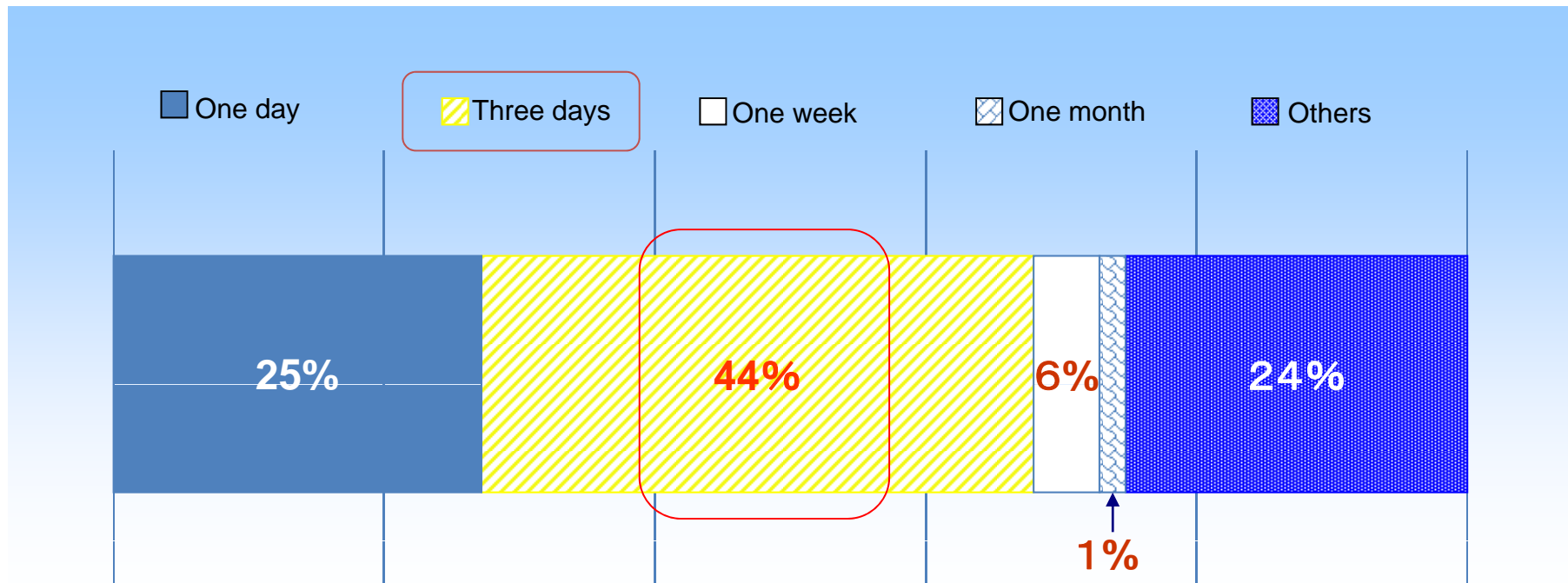
<Figure 2 The state of an actual use of safety confirmation system at the 3-11



Regarding item 5 “Securing reserves of appropriate stockpile items and volumes”,

44% of the respondents have been maintaining three days stockpile volumes. We urge review of items and volumes based on a new governments estimation of the next large-scale disaster damage - report to be issued in 2012.

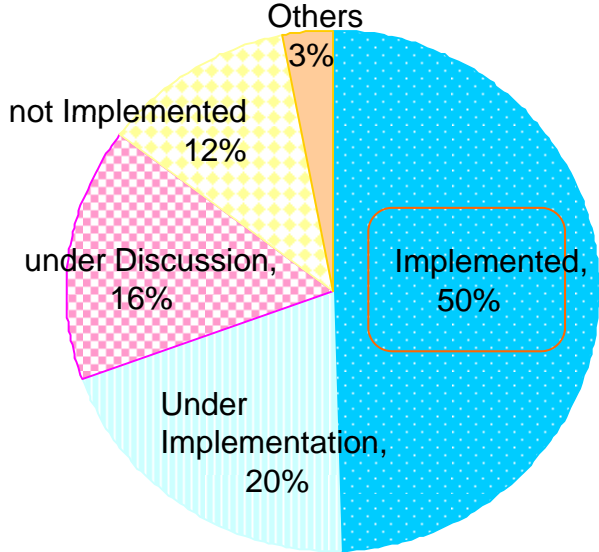
<Figure 3 The state of stockpiling volumes>



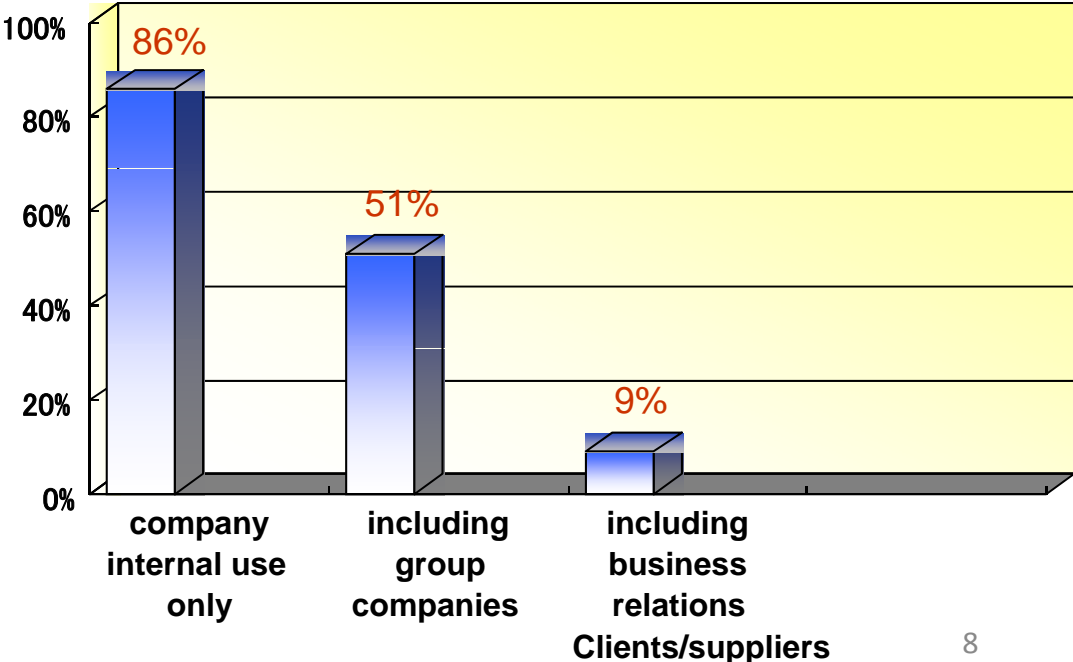


Regarding item 8 “Securing and strengthening collaborative execution of BCP with supply chain and collaborative support in time of disaster”, 50% of the respondents have already introduced their BCP. But most are still only focusing on the scope of their internal business. We urge to sharing of BCP users and expand the scope of BCP to entire supply chain.

<Figure 4-1 The state of being prepared or unprepared BCP>

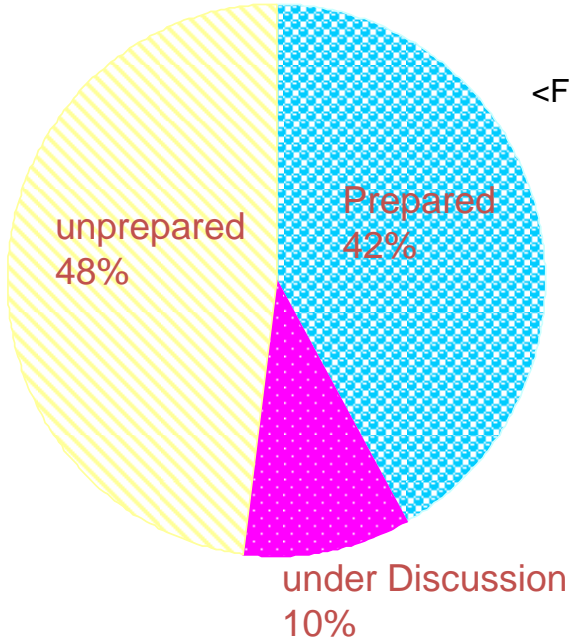


<Figure 4-2 The state of coverage on BCP application>

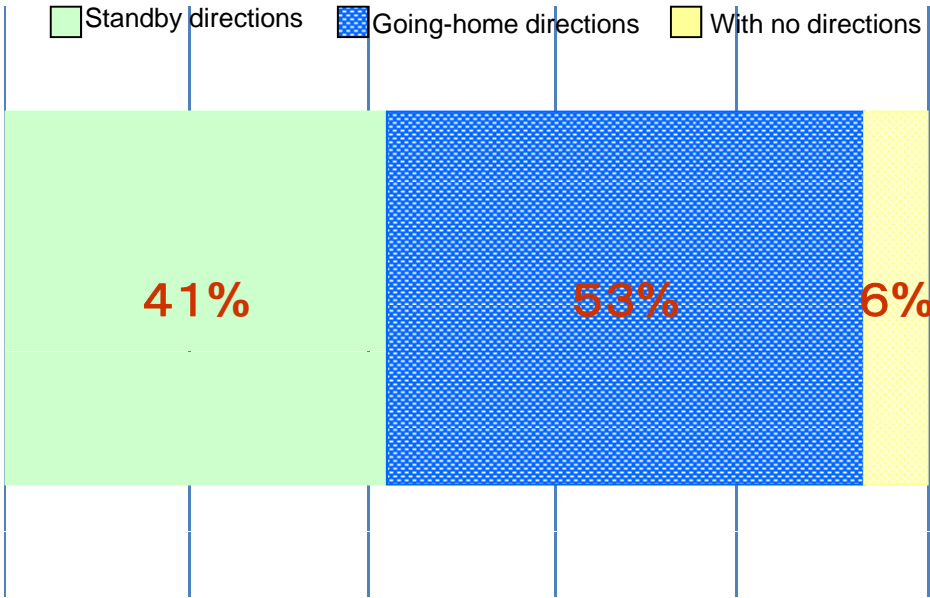


Regarding item 9 “Development to address the issue for both employees and citizens who have difficulty returning home”, 48% of the respondents are “unprepared”, we urge increased % of “prepared”. The contents of direction was divided into two cases as Figure 2. We urge for a unified way of analysis to identify direction.

<Figure 5-1 the state of being prepared or unprepared a direction to employee>

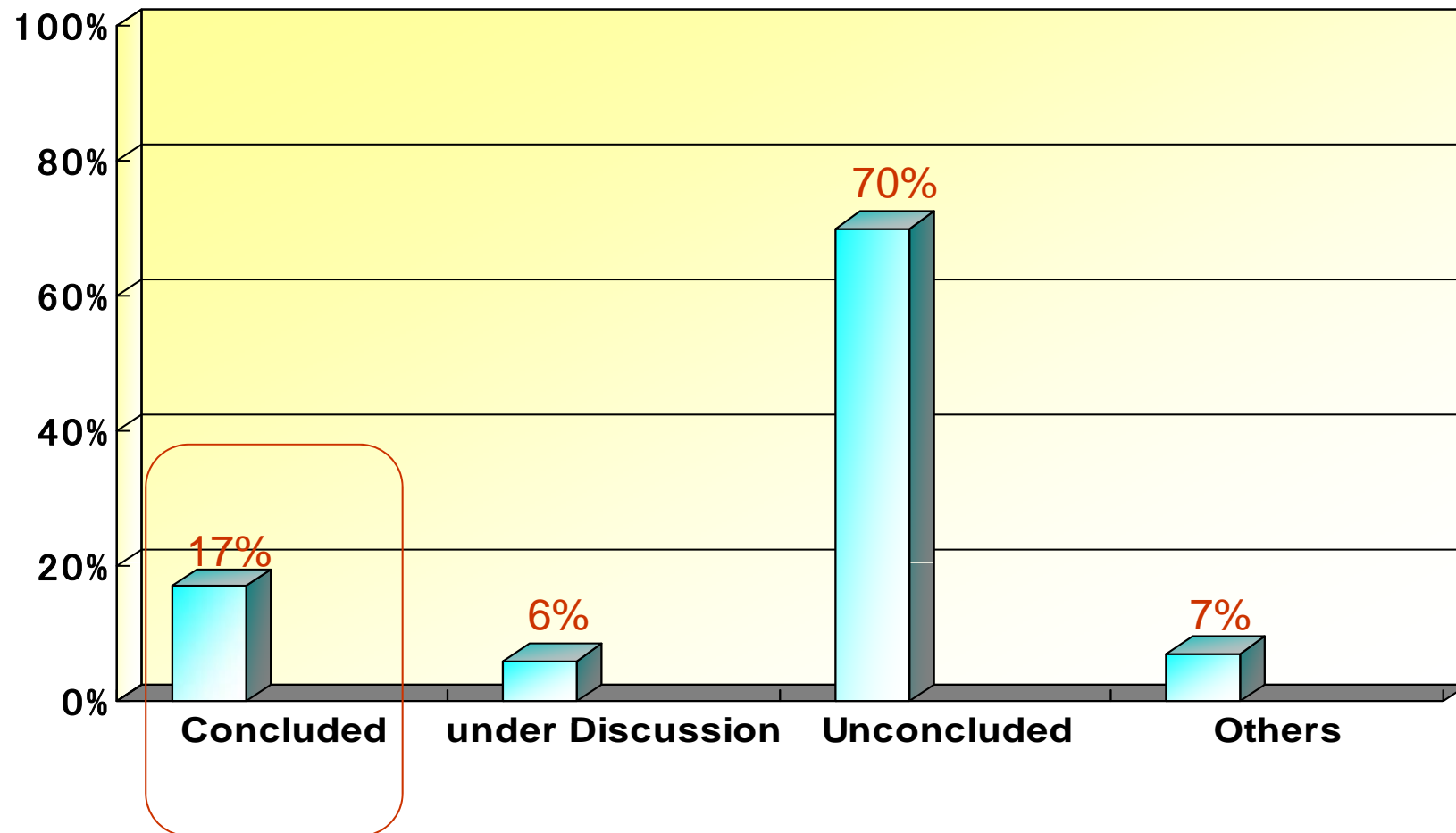


<Figure 5-2 The state of direction to employee whether returning home or stand-by>



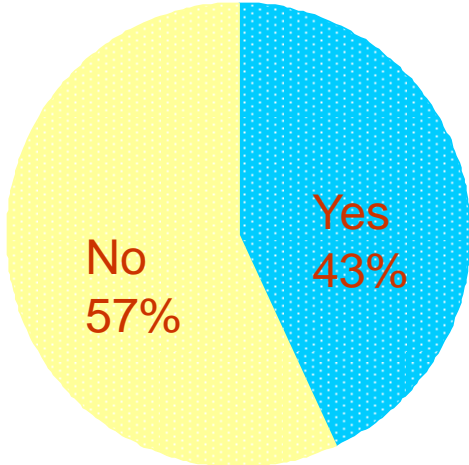
Regarding Item10 “Securing and strengthening collaborative work of disaster response with local governments and communities”,  
Only 17% of a respondents have already reached an agreement with local government. We urge to accelerate agreements.

<Figure 6 The state of having an agreement with local governments or not>

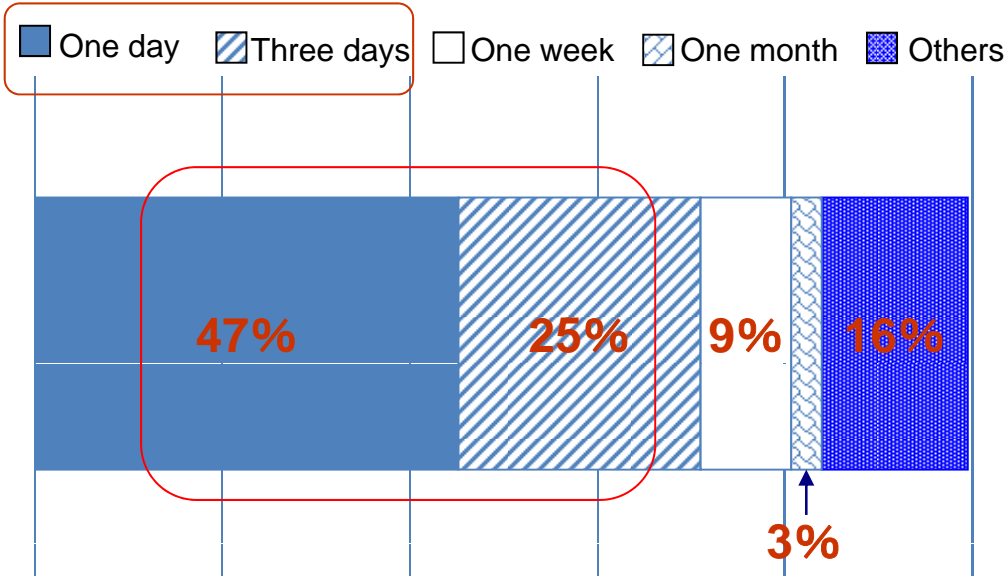


Regarding Item 11 “ Provide a secondary power supply system i.e., in-house power generation”,  
57% of a respondents do not have an in-house power generation system. And 72% of a respondents that do indicated only three days or less supply available.

<Figure 7-1 The state of having in-house power generation or not>



<Figure 7-2 The state of available number of days on in-house power generation supply>



## 1-b: Major actions in an incident, emergency, restoration phase

- (1) Quick setup of an emergency response HQ and task team
- (2) Execution of BCP
- (3) Restoration of critical infrastructure (lifeline)
- (4) Support actions for a victims and stricken communities

## 2: Required measures of the governments

### 2-a: Major actions in ordinary times

#### (1) Legislation

##### (a) Strengthen National laws and infrastructure to prepare against large scale disaster.

- Revise the basic act on disaster control measures and their related laws and rules
- Review the role of designated public institutions in charge of lifelines

##### (b) Facilitate and promote private sector actions

- Revise and introduce effective incentives for a disaster risk prevention and reduction

#### (2) Governments actions to be improve effectiveness

- Revise regional disaster prevention plan
- Implement more advanced disaster prevention information system
- Introduce regional based collaboration to prepare for large scale disasters

## 2-b: Major actions in incident, emergency, restoration phase

### (1) Temporary changes on application of laws and rules

We urge making a common understanding of how to apply laws and rules flexibly and getting quicker permission to deal with emergency affairs. For instance, the laws and rules listed below should be reviewed. (See 2-c)

- Act on Standardization and Proper Labeling of Agricultural and Forest Products
- Food Sanitation Act
- Act against Unjustifiable Premiums and Misleading Representations
- Agreement on Overtime Work and Work on Days Off, based on Article 36 of the Labor Standards Act
- Act on the Protection of Personal Information

### (2) Governments actions to be improved

- Effective, practical collaboration among three emergency response teams - police, fire-fighting, and a self-defense force.
- Establish more comprehensive sending and receiving support system based on local communities and interested parties during a large scale disaster

## 2-c: Cases of regulatory obstacles hindering emergency actions against the March 11- Earthquake (KEIDANREN survey)

<example>

- (a) Transporting gasoline by truck - more flexible application on rules on load capacity, storage places, parking time, etc. is required.
- (b) Transporting relief supplies - gaining quicker and easier passage permission in limited transportation areas is required.
- (c) Supply shortage of product labels - more flexible products indication on rules of food sanitation and others is required.
- (d) Working hours and conditions - more flexible labor laws are required.
- (f) Information sharing of victims - more flexible rules on the protection of personal information is required.



### 3: Required measures taken by cooperation between public and private sectors

- (1) More concrete plan on collaborative steps among companies and local government
- (2) Resiliency and recovery of critical infrastructure (Lifelines)
- (3) Development of on-demand, interactive, one-stop, effective communication systems to the public regarding real-time disaster information of risk and safety, evacuation, etc.
- (4) Creation of emergency support system for victims unable to return home in stricken areas

## C: Permanent measures to be taken

1. Promotion of the advancement of disaster risk prevention and reduced utilization by ICT systems and solutions
2. Promote the advancement of town planning for a resilient civil society, and promote advancement of primary central functions of the metropolitan areas in regard to disaster risk prevention and reduction to achieve a more competitive and attractive Japanese economy in the world
3. Improve nation-wide community awareness of disaster risk prevention and reduction, and develop its national awareness
4. Create world's most advanced safety and relief prepared society on disaster risk prevention and reduction as "Smarter City" to increase economic vitality and to achieve Japan's better presence in the world