

The consequences of the earthquake disaster in Japan

Resentment and anger need a socialist expression

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The human cost of the Kan-to-Tohoku earthquake and tsunami will be immense. Two weeks after the disaster struck, over 10,000 are confirmed dead with nearly 20,000 missing. Police in the worst affected prefecture, Miyagi, expect the eventual death toll to reach over 15,000 in that area alone.

The 'Asahi' newspaper estimates there are over 330,000 people living in refugee centres as a result of evacuations, including because of the state of the nuclear power stations. Across the whole Tohoku area (north east Japan) there are two million without electricity and probably a similar number without gas and water.

On top of this, the people of the Tohoku and Kanto regions face the danger of nuclear contamination. Highly radioactive water has been detected outside the wrecked Fukushima nuclear power station. And higher than legal levels of radioactivity have been found in water supplies, (including Tokyo, 240 kilometres to the south) and in milk and spinach.

The government claims that there is presently no major threat to health, although many are sceptical about these claims. It is now advising people not to give tap water to children under one year old.

The authorities are building "kasetu jutaku" (prefabricated constructions) on school grounds and on public land. This is temporary accommodation though.

Earthquake insurance is expensive in Japan and very few people have it. Most people will have to pay to rebuild their homes by drawing from their savings or taking out fresh mortgages. Those who cannot afford this will probably receive little more than some kind of priority on what public housing is available, maybe with a subsidised rent.

Anger will mount

While there has generally been a mood of shock and a certain acceptance of having to cope with the situation, we are now beginning to see patience running out and anger being expressed. It is as yet mild, but it will spread.

The nuclear accident is definitely the biggest issue in Japan now.

Tokyo firefighters have been told to work on the plant for periods that expose them to radiation over the legal safety limit. If they refused, they would be disciplined.

Many unions have been active in organising relief efforts. They have also held a press conference in Tokyo to protest about a statement from the Ministry of Labour and Welfare encouraging employers not to pay workers who are laid off in the present crisis. Under Japanese labour law, they should receive 60% of their wages.

Earthquakes have generally been treated as something beyond the control of the company, but the majority of lay-offs during this crisis are the result of power cuts which could and should have been avoided.

It is widely known that mismanagement and government collusion with the power companies is to blame for not being able to cope

Residents from the evacuation zone around the Fukushima nuclear plant are checked for radiation.

with the disaster. The vice-president of the main one, the Tokyo Electric Power Company (Tepco), actually went round some of the refugee centres apologising. But the governor of Fukushima, reflecting the simmering anger of millions of people, refused to accept Tepco's apology after the government ban on the sale of milk and other produce was announced.

The minister who made the announcement also said the government saw Tepco as legally liable for the losses farmers suffer as a result of the ban. The government is trying to make clear the responsibility for the ban is Tepco's so that anger is turned against the company rather than them! It would not be a surprise to see them use a bank bail-out type tactic and step in to nationalise Tepco. On their terms, this would then entail passing the bill on to the taxpayer - the workers and farmers of Japan.

The underlying anger and resentment amongst working and poor people in Japan at the way their fate is held in the hands of profiteers and corrupt politicians needs an expression. It could become a powerful force if harnessed by a genuine workers' party that fights for a socialist alternative to the anarchic and dangerously unplanned way society and industry develops under capitalism. Nationalisation and democratic planning are the only logical way to provide for people's needs.

As always, it is working people

Tap water contains radioactivity above legal limits

with scant resources who are responding with the biggest sacrifices in terms of donations and offers of help. The world's capitalists merely debate how much will be lost in profits and dividends through this massive human tragedy.

Effect on economy

The earthquake and tsunami damage could be as high as \$310 billion, the government said, making it the most costly natural disaster on record.

The World Bank expects it to take between three and six months to restore the basic infrastructure of the area and, overall, expect it to shave 0.5% off economic growth this year. The Japanese economy actually contracted by 0.3% in the last quarter of 2010, even before the earthquake, so growth is likely to be negligible this year.

The earthquake has hit important production networks supplying components to car and electronic companies. Power generation has been particularly hard hit with reports claiming that eleven nuclear and 21 thermal power plants have been shut down.

According to the Economist Intelligence Unit, three of the nuclear power stations have been written off totally and will never work again. This amounts to 3% of power production and means Japan boosting its imports of oil and Liquefied Natural Gas to maintain power supplies, helping to push up prices (and profits) of these alternative fuels.

One paradoxical effect of the quake is to send the yen (Japanese currency) soaring to new highs. This is probably the result of speculators buying yen on the expectation that insurance pay-outs and Japanese companies repatriating funds will force the currency higher.

The government is desperately trying to stop this by selling yen (as did the G7 in its unprecedented intervention). They fear Japanese exports being priced out of many markets.

This will not only affect Japan. According to the World Bank Report, a quarter of long-term debt in the East Asia Pacific Region is denominated in yen. It estimates that a 1% rise in the yen will lead to a \$250 million

rise in debt servicing.

Prime minister Naoto Kan has held out the prospect that the rebuilding may eventually lead to a recovery of the Japanese economy, as people in the affected areas are forced to spend savings to replace their houses and possessions and the economy also benefits from increased government spending on infrastructure. To a certain extent this is what happened following the Hanshin earthquake in 1995.

However, the crisis facing Japanese capitalism is much more severe than it was in 1995. In particular, government finances are in a much more desperate state. Having increased the amount workers have to pay for their pension, Kan and the Democratic Party government are now proposing an increase in the consumption tax, supposedly to shore up the pension system and welfare in a society with a rapidly ageing population.

While they might verbally oppose it, in practice this policy is supported by all of the right-wing parties. Government expenditure on rebuilding has to come from somewhere. While it may give a boost to the economy, an increase in the consumption tax to pay for it will have the opposite effect.

Even before the earthquake, Japanese capitalism was facing a serious crisis. The government was already unpopular. Nothing it has done has increased people's confidence in it or in any capitalist politicians.

In the past, left parties have been able to make some headway but neither the small Social Democratic Party nor the Japanese Communist Party (which has reached nearly 10% support in the recent past) advocates an alternative to struggling Japanese capitalism.

The years of double digit growth rates and increased living standards are long gone. The declining power of Japanese capitalism on a world scale will usher in a new era of instability and class struggle at home as the ruling class attempts to make workers pay for the earthquake and nuclear disaster.

The future will lead to a questioning of capitalism amongst workers and young people and a radicalisation in the Japanese labour movement.

The Committee for a Workers' International

The Committee for a Workers' International (CWI) is the socialist international organisation to which the Socialist Party is affiliated. The CWI is organised in 45 countries and works to unite the working class and oppressed peoples against global capitalism and to fight for a socialist world. For more details including CWI publications write to: CWI, PO Box 3688, London E11 1YE. email cwi@worldsoc.co.uk

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