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A Study on the Goal-Setting of Financial Investment to Prepare the Natural DISASTER in KOREA

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Abstract

This research observed the discussion about the existing disaster management policy, and present the aim set of the budget for natural digester prevention by government. Like mentioned above, a recognition of necessity of digester management in Korea is start from increasing, diversity, large scale and etc. of digesters. But the investment for digester prevention by central government and local government is stopping in support of the rehabilitation expense, but still can’t set the scope of aim setting of budget investment for digester management and prevention and minimization of damage. Additionally, the public policy like the cost-benefit analysis and etc. also do not have its analysis of evaluation. This research indicated the limitation of budget investment in digester management policy and examined the approach method and approach direction for investment in disaster management and prevention business.

[Keywords] Disaster Management, Disaster Prevention, Financial Investment, Natural Disaster, Republic of Korea

1. Introduction

It occurs every year that damaging of life and property when meeting with disasters such as storm and flood etc., every time government is pointed out with disaster system problem and take criticism because of negligence of disaster prevention investment. Especially, the effect of prevention investment can’t notice immediately, so local government meet the difficulty to invest in disaster prevention which is different with government policy confrontion.

There is more point is that what is the safe which means well enough safe? This question derives different reactions depending on each countries and techniques. In other words, the scholar claim that the choice of danger acceptance level is decided by cultural code or make that question as an political thing. The point is clear that those choice is not the value neutral selection as minimum[1]. This fact present a necessity of proper budget investment by government for prevention before the disaster.

Things of this critical mind, this study observes the discussion about the disaster management policy, and makes a setting up the goal which is government budget investment in natural disaster prevention.

2. A Restriction of Disaster Prevention Business Investment

2.1. A restriction which follows in quality of disaster management

A disaster management has public sectors. In other words, the disaster management has
non-excludability, non-rivalry and etc. which bring out the externalities.

In case of disaster management which is necessary to joint responsibility in part, a local government is difficult to take a active position for disaster prevention because an investment into disaster management get a reflected profit or reflected effect.

At the time of disaster restoration process, the center government support the restoration expenditure, and it produce the result which calls a moral relaxation because of the distortion of prevention business investment.

2.2. A restriction which follows in organization logic

After disregarding a safety, it looks like earning a profit individually in a short time, but it appears everyone's loss include individual in a long time. A safe is concluded by dynamic factors not static factors[2]. But, the reason why budget investment is difficult same as improvement of disaster management system is seeking from the organization logic which governs the regulative agency.

In order to accomplish the task, organization have to operate by regular logic. The dominative operation principle of modern bureaucracy organization is efficiency logic. But, in crisis management organization, the precaution principle is dominative. To prepare in emergency situation, the absentmindedness is prohibited things. It is necessary to make a preparation with the best training and the newest equipment for emergency situation that happens occasionally.

By this way, the logic that expense does not to be liberal without knowing of when and how much expenditure be used, is almost opposite to efficiency logic. That is, from government dimension, it is difficult to expend a finances because of the uncertainty of when is the disaster occurring and damage degree. In this manner, it is possible to understand the local government's negative approach to disaster expenditure compare with providing the convenience directly to public.

2.3. A restriction of disaster management in budget

The original point of disaster management is possible to call as political supporting problem which is related with various disaster policy[3]. Again, the disaster management, which have to be prepared in advance, come into the spotlight after the disaster among people who concerned in emergency. And difficulty of financial expenses can be found in timely intensive character of disasters with people's acute reaction.

Just for the prevention and management of disaster, it is also need lots of financial resources. There are case of the low recognition on disaster and its nation wide scope, however, almost every disaster is local, so center government hard to promise the financial resources.

That is, the disaster management policy is pushed from other priority policy, so it is easy to estrangement from allocation of financial resources[4].

3. A Goal-Setting for Disaster Prevention through Social Cost-Benefit

The way of cost-benefit analysis is also of use to make a budget investment scope and aim for natural disaster prevention. In order to evaluate or decide the public policy as a cost-benefit analysis, expense of policy and convenience must be accurately calculated.

The cost-benefit analysis method is used as officially or tacitly in various way in around countries to decide the many public policy or many investment in private sector[5]. Especially, the cost-benefit analysis is used to calculate which is relatively easy to calculated area such as road construction etc.

But the case of disaster management policy is difficult to get a accurate calculation, so there is limitation of strict application a cost-benefit analysis method.

Namely, the disaster management policy is especially operated in order to sectors such as non-currency, invisibility, indirectness, and long period.

But, the central government of local government have been not so changed in public investment of digester management policy
regardless of necessity and changed recognition to disaster management, fixation of social safety culture and consideration of law legitimate in country level. And the budget investigation in local governmental dimension is almost in the lowest ranking, and apportionment of budget is also not on a highly consideration in actual circumstance. The cost-benefit analysis is important to definite the concept of cost and benefit.

Because, according to the conceptualize of the cost and benefit, the result of cost-benefit analysis is possible to appear considerable difference. The cost and expense can be divided into two large scales as individual cost and benefit and social cost and benefit. The individual cost and benefit is purely individual cost and benefit, and social cost and benefit is social whole cost and benefit.

Giving a example of the disaster prevention policy, a individual cost is a private or a enterprise taxes, natural disaster insurance bill and etc., a individual benefit is damage compensation which are reduction of damage put up as reduction damage or payment by disaster management policy.

On the other hand, social cost and benefit is social benefit getting through all society and social expense possible to loss by disaster management policy. In this case, in the concept of disaster management policy, the necessity of clear the conceptual scope is demanded. For instance, when the government invest 100 billion during one year, a social cost is not only 100 billion but also reduction of social property which is possible to expended with 100 billion by inefficient apportionment of social resources.

Also, an uncertainty of size and scope and damage type of disaster is difficult to connect with damage reduction or damage degree in social benefit, and have to consider with the effect through the whole society. Therefore, how far is social benefit and concept have to discuss.

There is limitation of disaster prevention policy in budget expenditure or investment which is not given a priority in disaster prevention policy but put aside as proper budget expenses scope. That is, a business investment for the disaster prevention lead to reduction of social resources by its inefficiency of resource allocation. And the financial expenditure is possible to allocate according to how far is sector of social benefit, based on accuracy of digester prediction, still it is hard to get a priority among the others.

4. Conclusion

This research observed the discussion about the existing disaster management policy, and present the aim set of the budget for natural digester prevention by government.

Like mentioned above, a recognition of necessity of digester management in Korea is start from increasing, diversity, large scale and etc. of digesters. But the investment for digester prevention by central government and local government is stopping in support of the rehabilitation expense, but still can not set the scope of aim setting of budget investment for digester management and prevention and minimization of damage.

Additionally, the public policy like the cost-benefit analysis and etc. also do not have its analysis of evaluation.

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5. Reference

5.1. Journal articles


5.2. Books

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Research field
- The Relationship between Organizational Culture and Organizational Competency of Fire Fighting Organizations, Crisisonomy, 12(2) (2016).

Major career
- 2009~present. The Korean Association for Crisis and Emergency Management, Director
- 2016~present. International Society for Disaster Management, Member