

Analysis on the Present Situation of Chinese Government Disaster Relief and the Development Trend of Disaster Management

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Abstract

Based on the elaboration of the development of government disaster relief, this paper discusses the government's relief expenditure structure and uses the regression analysis method to analyze the current situation of government disaster relief expenditure. We conclude that the government's relief expenditure is lack of elasticity relative to the fiscal expenditure. The paper puts forward that the development of disaster management in China needs to construct a new type of disaster management mode which plays an important role in government leading and market mechanism.

Keywords

Disaster management, Catastrophe Risk ,Government Disaster relief.

1. The development course of government disaster relief

In order to improve the effect of disaster relief in the early stage of the PRC, the traditional disaster management model with central Government assuming primary responsibility was established in the course of disaster relief. The main features of this phase are as follows:

First, the Government has actively formulated the disaster relief Policy. By forming the national mobilization, the whole nation's disaster relief system was established. Central Government had carried forward the spirit mind that one side has the difficult, the other sides rescue for guaranteeing the victims' production life positively.

Second, in order to do a good job of disaster prevention and relief work, new China attached great importance to the construction of Water Conservancy. A series of instructions to prevent disaster had been issued. During this period, the Government repeatedly launched the Mass Water conservancy construction movement. Besides, it also formulated the effective measures to solve the flood problem of Dahe River. As a result of strengthening the construction of water conservancy facilities and the improvement of agricultural production environment, the national disaster relief system was initially established. It not only plays a role in disaster prevention and relief, but also promotes the development of agricultural production. In summary, in order to deal with disaster losses, the central Government as the main responsibility of the disaster relief model has been established, which played an important role in guiding and managing.

On March 25, 2004, the Ministry of Civil Affairs issued a circular on speeding up the establishment of a system of regular social donations, which highlighted the importance of regular relief efforts, as well as a specific provision for our country's approach to ongoing social contributions. In other words, the regular social assistance work should be led by civil affairs, departmental collaboration and social participation. In addition, the notice further proposes to encourage public welfare social groups to actively participate in social donations, the government in policy, management, coordination and other

aspects of support. We also need to further explore the market-oriented mode of operation, including social donations.

In short, the stage of disaster relief system construction and capacity-building as the center, by clarifying the government's responsibility in disaster management, to promote the diversification of disaster relief subjects, to give full play to the insurance market subject and the role of non-governmental organizations. It not only significantly improve the disaster management process in the comprehensive coordination of capacity and emergency relief capacity, but also improve the socialization level of disaster management work.

2. Analysis on the current situation of government disaster relief expenditure

Judging from the characteristics of risk, the disaster relief has the public and the commonweal characteristic, especially when the sudden catastrophic disaster occurs, the government can organize the massive manpower, the material resources, the financial resources to carry on the first aid in a short time. This is the other group or the organization is not competent, therefore, the government financial disaster relief has the irreplaceable function.

From the composition of financial disaster relief funds, our government's financial aid and compensation to agricultural natural disasters mainly include: care and welfare expenditure special funds, including some pension expenditure, agricultural expenditure, science and technology expenditure, social security subsidy expenditure and policy subsidy expenditure. In addition, in the face of major natural disasters, it can also be through the central and local special reserve funds for disaster relief compensation, these relief and compensation funds together constitute the government's financial disaster relief system.

The level of financial disaster relief not only can directly reflect the level of financial disaster relief and the relationship between supply and demand of disaster relief funds, but also indirectly reflect the effect of natural disaster financial relief and compensation, the rapid recovery of farmers' production and social stability. Since the financial disaster relief expenditure on agricultural catastrophe risk has been included in the national fiscal natural disaster expenditure, this paper is based on this data. Comparing the national financial disaster expenditure, the national fiscal expenditure and the national GDP value: China's natural disaster relief expenditure increased from 4 billion yuan in 2002 to 12.13 billion yuan in 2013, each year from the overall view of natural disaster expenditure in the growth state, of which, in 2008, China's natural disaster relief expenditure of 30.38 billion yuan, which is a large fluctuation. According to the data, as China's economic strength continues to improve, the level of fiscal expenditure is improving, the level of disaster relief expenditure in our country is also rising, but it is also affected by different annual disaster situation and fluctuations. Using the data in the table, the regression analysis method was used to get the financial expenditure to increase by 1%, and the financial relief expenditure would be 0.61%. This means that fiscal relief spending is inflexible relative to fiscal spending, and the growth in fiscal relief spending has been slower than the growth in fiscal spending in recent years. However, from the point of view of individual year, the scale of financial disaster relief expenditure has increased greatly, showing a rapid growth trend. Such as the 2008 financial disaster relief expenditure scale of 30.38 billion yuan, compared with the previous year has a substantial increase, which mainly stems from the Wenchuan region of China in the Year 8 or more earthquakes, earthquake-generated catastrophe risk brought significant economic losses and personal casualties, resulting in a rapid increase in the scale of fiscal expenditure. Therefore, in order to reduce the annual financial expenditure of the catastrophe growth, smooth different annual fiscal expenditure levels. It is necessary to establish the financial support for Catastrophe Risk fund system.

3. Development trend of disaster management in China

With the development of China's market economy and the transformation of disaster management mode, the Government's disaster compensation through financial expenditure is not a single form of

disaster relief, market-oriented, the subject of disaster relief has been developed and perfected, such as: Insurance companies have launched a disaster-oriented insurance contract. The intermediary agencies with risk assessment function also play an important role in the risk identification, risk measurement and risk prevention of disaster loss. The risk decentralization through the capital market has become a positive approach, etc. Therefore, the basic idea of disaster management in our country is to establish government guidance, market as the main body, broad participation of society, multi-level and multiple-subject catastrophe risk transfer decentralized system. In order to realize the efficiency and the fair in the catastrophe loss compensation mechanism. We must exert the market and the government two kinds of means. According to the magnitude of catastrophe loss and the bearing capacity of regional economy, it is shared by the insured, insurance market, domestic and international reinsurance market, catastrophe fund, capital market and government rescue, which forms a diversified mechanism of agricultural catastrophe risk. In order to mobilize the resources of the whole society to assume the catastrophe losses, the Government undertakes to share the welfare of the whole society.

Among them, the government's strong policy guidance and sufficient financial support have always been the important conditions for the market mechanism to play a role in the spread of catastrophe risk transfer. In particular, the Government can intervene in the catastrophe risk market through various forms. The government can through active intervention, such as the direct establishment of various types of catastrophe insurance projects, with financial subsidies and tax incentives to support the development of catastrophe insurance undertakings, to assume the role of "final reinsurance", and so on. The government can also intervene passively, such as providing only post-disaster relief, the redistribution of the financial and taxation after the disaster. In this paper, we hope the government intervene in the catastrophe risk market actively, strengthen the intervention to the catastrophe risk market failure, give full play to the function of financial subsidy and tax preference and promote the construction and perfection of catastrophe insurance system in China.

Beyond that, the role of market in catastrophe risk transfer should be actively played. Through the market means to disperse catastrophe losses, the first is to give full play to the function of insurance. The insurance means can introduce the market risk management and the loss compensation method into the disaster management system, and form the effective disaster compensation mechanism. Its function is not only limited to the ex post compensation of disaster loss, but also play an important role in precaution and supervision.

Insurance market can play the following important role in catastrophe risk dispersion system. First, catastrophe product pricing. Insurance companies can use their actuarial technology to provide actuarial support in the pricing of disaster insurance products. Second, catastrophe insurance and reinsurance sales and claims service. The use of a perfect sales network, in the form of additional insurance or insurance in the form of the main risk of the sale and catastrophe reinsurance business and provide catastrophe insurance products services. In addition, it can play the insurance company catastrophe loss Compensation qualification audit, compensation payment and other work. Third, participate in catastrophe risk management. Through the risk assessment of catastrophe, the disaster prevention and loss prevention function is played well.

In addition, after the continuous improvement of capital market, it can also disperse catastrophe risk through catastrophe risk securitization, and further play the role of market in catastrophe risk transfer dispersion.

In short, the government, by virtue of its national credit, financial backing and policy making, provides policy support for the construction of the catastrophe risk dispersion system, the construction of the legal system, the public propaganda, and the construction and perfection of the agricultural catastrophe Insurance system, and undertakes the "reveals" compensation responsibility for the loss exceeding a certain limit. The market mechanism, especially the insurance mechanism, plays an important role in the whole catastrophe risk transfer system by virtue of the experience of risk management in related

fields, professional talents and technological advantages. The combination of the two organic, the establishment of a hierarchical catastrophe security system, and the formation of a reasonable complementarity and the relationship between the link, is the key to the construction of catastrophe risk decentralized transfer mechanism. The final realization: When the catastrophe occurs, the original insurance company is responsible for the specific compensation work, and from the reinsurance company to obtain the reimbursement, beyond the reinsurance compensation limit (conditions mature into the capital market after the securitization product compensation), currently can be borne by catastrophe risk fund. The Government assumes the role of the ultimate responsible person for the rare catastrophe and the inability of the market mechanism to provide protection..

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