Problems and Countermeasures in the Management and Use of Our Public Emergency Funds

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Keywords: Public emergency, Emergency funds, Management and use

Abstract. Emergency funds are the material basis for emergency management. Scientific and rational management and use of the emergency funds can effectively improve the efficiency of emergency management. Based on the analysis of Japan, the United States Emergency funds management experience, aiming at the existing problem of China, this article puts forward some suggestions like adjusting the structure of financial expenditure, increasing the proportion of preventive expenditure in advance, using the standard specification of funds and improving financial management.

Introduction

Emergent public events is a sudden event, which causes or may cause heavy casualties, property damage, damage to the ecological environment, serious social harm and public safety emergencies. Public emergencies have the characteristics of sudden, harmfulness and complexity. How to effectively deal with public emergencies has become an important community issues of common concern and social development cannot be avoided.

Emergency funds are the funds used for emergency preparedness and rescue work, including the purchase of emergency supplies, disaster relief personnel assistance, resettlement cost, reconstruction costs and so on. Adequate and stable supply of emergency funds is the guarantee of effective emergency management, among which, emergency funds raising is the premise and effective management and use of emergency funds is the key. [1]

The importance of emergency funds management is self-evident, while China's current management and use of the emergency funds are facing the facts that the legal protection is insufficient, capital expenditure structure is irrational, efficiency and transparency is not high, affecting the long-term development of emergency management. [2] It is necessary to put forward effective suggestions to perfect the emergency fund management in China on the basis of learning from international experience and combining with China's specific national conditions.

The Current Situation of the Use of Emergency Funds in China

The use of emergency funds involved in the various stages of emergency management, different sources of emergency funds have different use of content and methods. This paper focuses on the use and supervision of fiscal emergency funds.
The use of financial funds equates with the distribution and allocation of the funds. The distribution of fiscal emergency funds should be conducted on the principle that the fiscal emergency funds should be under specific management and preserved for specific program, meaning any unwarranted diversion, abuse or embezzlement of disaster relief funds should be prohibited. Secondly, it’s necessary to make overall plans with prominence on key points. It’s hard to take every aspect into consideration in face of huge demand of funds. Hence, to put limited resources into vital areas on the basis of co-ordination and to scientifically distribution funds are essential. Disaster serious, frequent areas and the basic livelihood of the affected people to protect, is the need to focus on the field of emergency funding and investment. Thirdly, the appropriation of emergency funds should be on time and transparent to the public. The effect of emergency management to large extent depends on whether the funds arrived on time. Thus, adaption of approaches should be made to ensure the efficient appropriation while sticking to the principles. The use of emergency fiscal funds is related to social justice so the part of information that is accounted as government information should be open and transparent to the public supervision.

Scientific and reasonable management and use of emergency funds is crucial to the improvement emergency management ability of China. Currently, there are several obstacles impeding the efficiency of use of emergency funds such as the imbalanced input and output, the immature carrying out of regulation and unscientific management.

Irrationality in the Structure of Emergency Funds Expenditure

Our country’s conditions of emergency funds expenditure in recent years show that our financial investment towards public emergency concentrates generally in these two phases: relief during the emergency and addition after the event.

In essence, the most effective way to use emergency funds, is to strengthen the prevention of investment in advance. The practice in emergency management in Japan proves that it would reduce the disaster probability, the loss as well as the overall pressure in emergency management by increasing continuously the investment in disaster prevention. [3,4]Therefore, our structure of emergency expenditure which focuses on "during-the-disaster" and "after-the-disaster" would do no good to improve the usage efficiency of emergency funds fundamentally.

Lack of Standard in the Use of Emergency Funds

This problem is mainly represented by the absence of a unified standard. Lacking a specific standard in disaster relief and an explicit expenditure limit, our country’s financial relief shows a peculiarity of "one project one discussion". There is no unified standard in fund use and the quality of disaster relief depends on the financial situation of that specific year. If that year’s emergency funds are rich, the financial relief efforts would be greater. Otherwise, the relief would be stretched and lack of unified standard. This method of work, on the one hand, is not conducive to reach the fairness in public finance. On the other hand, it is also likely to waste money and cause a lack of relief.

Unreasonable Methods of Funds Management

The unreasonable methods of emergence funds management are mainly manifested as the flow-style management of budget reserve, the quasi-fiscal funds management of social endowment, and the lack of emergency surplus management.
The Flow-style Management of Budget Reserve
At the current stage, our government implements the flow-style management of budget reserve, under which the annual dispatching and balance of budget reserve cannot be achieved. The non-cumulative flow-style management causes that the budget reserve can’t be carried down between the years of high or low incidence of disasters, and thus making the budget lost the function of flexible dispatching and accumulation. This kind of capital management, the essence is not conducive to the government's financial pressure balance among different years.

The Quasi-financial Funds Management of Endowment
A large amount of donation funds in our country is as "quasi fiscal funds" through the government and the financial system to use and supervision, the concentration of the use of funds is very high. However, this kind of “quasi fiscal funds" management practices actually hindered the donor's right to know, therefore weaken the enthusiasm of social donation.

The Complicated and Inefficient Allocation Procedure
After public emergencies, civil sectors announce the situation of disasters in public. Financial sectors, after the coordination with civil sectors at the same level, report the amount of applied emergency financial funds to the superior. Then the financial funds are appropriated from the central government, namely the financial and civil departments, through the provinces, the municipals, the counties, to the towns and villages through the specific account of disaster relief. Governments at all levels distribute the emergency funds to different regions according to the applied amount of funds and local conditions of disaster. Emergency management emphasizes the timeliness. Emergency reporting of funds and the allocation process are so cumbersome that a serious reduction in the efficiency of emergency management.

The Lack of Management of Emergency Funds Balance
In the emergency fund management, China still has the characteristics of heavy investment, light output, re distribution and light management. When public emergencies occurred, large quantities of emergency financial funds and endowment flow into disaster areas. The government and the society generally pay great attention to the input and distribution of funds, rather than the actual output effect. At present, China is lack of relevant management methods to later emergency funds balance.

The Countermeasures of Improving the Efficiency of Emergency Fund Management in China

Improve the Structure of Emergency Funds Expenses
When governments make their financial budget, it is essential to pay more attention to improve the their prevent capacity, increase its investment in the propaganda and education on the disaster prevention and reduction, the technique of emergency management and the study and manufacture of emergency equipment and the training of first aid personnel, augment the capacity of emergency management of the overall society as well as the capacity to prevent and predict emergency in order to avoid the loss, which can reduce the cost of emergency management radically.[5]
Establish a Clear and Unified Standard

It is necessary to normalize the applicable objects, standard, available amount and relative procedure of financial budget used for emergency, detail the management procedure and make the information more open and clear. On the one hand, the government should define its responsibilities and reinforce the public and social supervision. On the other hand, it is necessary to give clear expectations of the affected people.

Improve the Management Method of Emergency Funds

**Change the "Flow-type" Management to "Fund-type"**

In the present, one feasible way is to change this pattern to the "fund-type". During the years when natural disasters are rare, the emergency funds could be collected in a fund pool to expend the total amount of the fund; during the years when catastrophe happens, the fund in the pool could be used as a swift, abundant and flexible supply.[6]

**Elevate the Declaration and Appropriation Efficiency of the Fund**

It is crucial to reform the present system, establishing a new one that operates closely, appropriates practically and acts swiftly. One feasible solution is to establish a "form up to bottom" information platform which collects information about disaster situation, process of disaster relief and the usage and management of emergency funds from different administrative sectors. In this way, the government could master the relief information and make the proper decision. [7]

**Improve the Management of Social Donation**

It is supposed to specialize and normalize the management of social donation. As for the donated fund accepted by the government, a special account should be set and its usage should follow the principle that "specific money should be used in a specific way" and the usage should be clear and transparent. As for the donation raised by nongovernmental organizations, it is supposed to advance the ability to manage and use the fund from the point of improving NGOs’ management ability and enhancing the government guidance as well as social supervision. [8]

Conclusion

The efficient management and application of emergency funds is the key to advance our manage level and the difficult point that cannot be avoided during the reform. On the current situation of our country, the effective measures to improve the efficiency of the use of funds is to improve the structure of the emergency fund expenditure, to establish a clear use of standards, to improve the use of funds.

Acknowledgement

This research was financially supported by the special funds of the basic scientific research funds of University of International Relations.
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