

# Japan and Fukushima: Culture of Complicity Tied to Stricken Nuclear Plant

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TOKYO — Given the fierce insularity of Japan's nuclear industry, it was perhaps fitting that an outsider exposed the most serious safety cover-up in the history of Japanese nuclear power. It took place at Fukushima Daiichi, the plant that Japan has been struggling to get under control since last month's earthquake and tsunami.

In 2000, Kei Sugaoka, a Japanese-American nuclear inspector who had done work for General Electric at Daiichi, told Japan's main nuclear regulator about a cracked steam dryer that he believed was being concealed. If exposed, the revelations could have forced the operator, Tokyo Electric Power, to do what utilities least want to do: undertake costly repairs.

What happened next was an example, critics have since said, of the collusive ties that bind the nation's nuclear power companies, regulators and politicians.

Despite a new law shielding whistle-blowers, the regulator, the Nuclear and Industrial Safety Agency, divulged Mr. Sugaoka's identity to Tokyo Electric, effectively blackballing him from the industry. Instead of immediately deploying its own investigators to Daiichi, the agency instructed the company to inspect its own reactors. Regulators allowed the company to keep operating its reactors for the next two years even though, an investigation ultimately revealed, its executives had actually hidden other, far more serious problems, including cracks in the shrouds that cover reactor cores.

Investigators may take months or years to decide to what extent safety problems or weak regulation contributed to the disaster at Daiichi, the worst of its kind since Chernobyl. But as troubles at the plant and fears over radiation continue to rattle the nation, the Japanese are increasingly raising the possibility that a culture of complicity made the plant especially vulnerable to the natural disaster that struck the country on March 11.

Already, many Japanese and Western experts argue that inconsistent, nonexistent or unenforced regulations played a role in the accident — especially the low seawalls that failed to protect the plant against the tsunami and the decision to place backup diesel generators that power the reactors' cooling system at ground level, which made them highly susceptible to flooding.

A 10-year extension for the oldest of Daiichi's reactors suggests that the regulatory system was allowed to remain lax by politicians, bureaucrats and industry executives single-mindedly focused on expanding nuclear power. Regulators approved the extension beyond the reactor's 40-year statutory limit just weeks before the tsunami despite warnings about its safety and subsequent admissions by Tokyo Electric, often called Tepco, that it had failed to carry out proper inspections of critical

equipment.

The mild punishment meted out for past safety infractions has reinforced the belief that nuclear power's main players are more interested in protecting their interests than increasing safety. In 2002, after Tepco's cover-ups finally became public, its chairman and president resigned, only to be given advisory posts at the company. Other executives were demoted, but later took jobs at companies that do business with Tepco. Still others received tiny pay cuts for their role in the cover-up. And after a temporary shutdown and repairs at Daiichi, Tepco resumed operating the plant.

In a telephone interview from his home in the San Francisco Bay Area, Mr. Sugaoka said, "I support nuclear power, but I want to see complete transparency."

## Revolving Door

In Japan, the web of connections between the nuclear industry and government officials is now popularly referred to as the "nuclear power village." The expression connotes the nontransparent, collusive interests that underlie the establishment's push to increase nuclear power despite the discovery of active fault lines under plants, new projections about the size of tsunamis and a long history of cover-ups of safety problems.

Just as in any Japanese village, the like-minded — nuclear industry officials, bureaucrats, politicians and scientists — have prospered by rewarding one another with construction projects, lucrative positions, and political, financial and regulatory support. The few openly skeptical of nuclear power's safety become village outcasts, losing out on promotions and backing.

Until recently, it had been considered political suicide to even discuss the need to reform an industry that appeared less concerned with safety than maximizing profits, said Kusuo Oshima, one of the few governing Democratic Party lawmakers who have long been critical of the nuclear industry.

"Everyone considered that a taboo, so nobody wanted to touch it," said Mr. Oshima, adding that he could speak freely because he was backed not by a nuclear-affiliated group, but by Rissho Kosei-Kai, one of Japan's largest lay Buddhist movements.

"It's all about money," he added.

At Fukushima Daiichi and elsewhere, critics say that safety problems have stemmed from a common source: a watchdog that is a member of the nuclear power village.

Though it is charged with oversight, the Nuclear and Industrial Safety Agency is part of the Ministry of Trade, Economy and Industry, the bureaucracy charged with promoting the use of nuclear power. Over a long career, officials are often transferred repeatedly between oversight and promotion divisions, blurring the lines between supporting and policing the industry.

Influential bureaucrats tend to side with the nuclear industry — and the promotion of it — because of a practice known as amakudari, or descent from heaven. Widely practiced in Japan's main industries, amakudari allows senior bureaucrats, usually in their 50s, to land cushy jobs at the companies they once oversaw.

According to data compiled by the Communist Party, one of the fiercest critics of the nuclear industry, generations of high-ranking officials from the ministry have landed senior positions at the country's 10 utilities since Japan's first nuclear plants were designed in the 1960s. In a pattern

reflective of the clear hierarchy in Japan's ministries and utilities, the ministry's most senior officials went to work at Tepco, while those of lower ranks ended up at smaller utilities.

At Tepco, from 1959 to 2010, four former top-ranking ministry officials successively served as vice presidents at the company. When one retired from Tepco, his junior from the ministry took over what is known as the ministry's "reserved seat" of vice president at the company.

In the most recent case, a director general of the ministry's Natural Resources and Energy Agency, Toru Ishida, left the ministry last year and joined Tepco early this year as an adviser. Prime Minister Naoto Kan's government initially defended the appointment but reversed itself after the Communist Party publicized the extent of amakudari appointments since the 1960s. Mr. Ishida, who would have normally become vice president later this year, was forced to step down last week.

Kazuhiro Hasegawa, a spokesman for Tepco, denied that it was an amakudari appointment, adding that the company simply hired the best people. The company declined to make an executive available for an interview about the company's links with bureaucrats and politicians.

Lower-ranking officials also end up at similar, though less lucrative, jobs at the countless companies affiliated with the power companies, as well as advisory bodies with close links to the ministry and utilities.

"Because of this collusion, the Nuclear and Industrial Safety Agency ends up becoming a member of the community seeking profits from nuclear power," said Hidekatsu Yoshii, a Communist Party lawmaker and nuclear engineer who has long followed the nuclear industry.

Collusion flows the other way, too, in a lesser-known practice known as amaagari, or ascent to heaven. Because the regulatory panels meant to backstop the Nuclear and Industrial Safety Agency lack full-time technical experts, they depend largely on retired or active engineers from nuclear-industry-related companies. They are unlikely to criticize the companies that employ them.

Even academics who challenge the industry may find themselves shunned. As Japan has begun looking into the problems surrounding collusion since March 11, the Japanese news media has highlighted the discrimination faced by academics who raised questions about the safety of nuclear power.

In Japan, research into nuclear power is financed by the government or nuclear power-related companies. Unable to conduct research, skeptics, especially a group of six at Kyoto University, languished for decades as assistant professors.

One, Hiroaki Koide, a nuclear reactor expert who has held a position equivalent to assistant professor for 37 years at Kyoto University, said he applied unsuccessfully for research funds when he was younger.

"They're not handed out to outsiders like me," he said.

In the United States, the Nuclear Regulatory Commission, the main regulatory agency for the nuclear power industry, can choose from a pool of engineers unaffiliated with a utility or manufacturer, including those who learned their trade in the Navy or at research institutes like Brookhaven or Oak Ridge.

As a result, the N.R.C. does not rely on the industry itself to develop proposals and rules. In Japan, however, the Nuclear and Industrial Safety Agency lacks the technical firepower to draw up comprehensive regulations and tends to turn to industry experts to provide that expertise.

The agency “has the legal authority to regulate the utilities, but significantly lacks the technical capability to independently evaluate what they propose,” said Satoshi Sato, who has nearly 30 years’ experience working in the nuclear industry in the United States and Japan. “Naturally, the regulators tend to avoid any risk by proposing their own ideas.”

Inspections are not rigorous, Mr. Sato said, because agency inspectors are not trained thoroughly, and safety standards are watered down to meet levels that the utilities can financially bear, he and others said.

## **Dominion in Parliament**

The political establishment, one of the great beneficiaries of the nuclear power industry, has shown little interest in bolstering safety. In fact, critics say, lax oversight serves their interests. Costly renovations get in the way of building new plants, which create construction projects, jobs and generous subsidies to host communities.

The Liberal Democrats, who governed Japan nearly without interruption from 1955 to 2009, have close ties to the management of nuclear-industry-related companies. The Democratic Party, which has governed since, is backed by labor unions, which, in Japan, tend to be close to management.

“Both parties are captive to the power companies, and they follow what the power companies want to do,” said Taro Kono, a Liberal Democratic lawmaker with a reputation as a reformer.

Under Japan’s electoral system, in which a significant percentage of legislators is chosen indirectly, parties reward institutional backers with seats in Parliament. In 1998, the Liberal Democrats selected Tokio Kano, a former vice president at Tepco, for one of these seats.

Backed by Keidanren — Japan’s biggest business lobby, of which Tepco is one of the biggest members — Mr. Kano served two six-year terms in the upper house of Parliament until 2010. In a move that has raised eyebrows even in a world of cross-fertilizing interests, he has returned to Tepco as an adviser.

While in office, Mr. Kano led a campaign to reshape the country’s energy policy by putting nuclear power at its center. He held leadership positions on energy committees that recommended policies long sought by the nuclear industry, like the use of a fuel called mixed oxide, or mox, in fast-breeder reactors. He also opposed the deregulation of the power industry.

In 1999, Mr. Kano even complained in Parliament that nuclear power was portrayed unfairly in government-endorsed school textbooks. “Everything written about solar energy is positive, but only negative things are written about nuclear power,” he said, according to parliamentary records.

Most important, in 2003, on the strength of Mr. Kano’s leadership, Japan adopted a national basic energy plan calling for the growth of nuclear energy as a way to achieve greater energy independence and to reduce Japan’s emission of greenhouse gases. The plan and subsequent versions mentioned only in broad terms the importance of safety at the nation’s nuclear plants despite the 2002 disclosure of cover-ups at Fukushima Daiichi and a 1999 accident at a plant northeast of Tokyo in which high levels of radiation were spewed into the air.

Mr. Kano’s legislative activities drew criticism even from some members of his own party.

“He rewrote everything in favor of the power companies,” Mr. Kono said.

In an interview at a Tepco office here, accompanied by a company spokesman, Mr. Kano said he had served in Parliament out of “conviction.”

“It’s disgusting to be thought of as a politician who was a company errand boy just because I was supported by a power company and the business community,” Mr. Kano said.

### **Taking on a Leviathan**

So entrenched is the nuclear power village that it easily survived postwar Japan’s biggest political shake-up. When the Democratic Party came to power 20 months ago, it pledged to reform the nuclear industry and strengthen the Nuclear and Hearings on reforming the agency were held starting in 2009 at the Ministry of Economy, Trade and Industry, said Yosuke Kondo, a lawmaker of the governing Democratic Party who was the ministry’s deputy minister at the time. But they fizzled out, he said, after a new minister was appointed in September 2010.

The new minister, Akihiro Ohata, was a former engineer at Hitachi’s nuclear division and one of the most influential advocates of nuclear power in the Democratic Party. He had successfully lobbied his party to change its official designation of nuclear power from a “transitional” to “main” source of energy. An aide to Mr. Ohata, who became Minister of Land, Infrastructure, Transport and Tourism in January, said he was unavailable for an interview.

As moves to strengthen oversight were put on the back burner, the new government dusted off the energy plan designed by Mr. Kano, the Tepco adviser and former lawmaker. It added fresh details, including plans to build 14 new reactors by 2030 and raise the share of electricity generated by nuclear power and minor sources of clean energy to 70 percent from 34 percent.

What is more, Japan would make the sale of nuclear reactors and technology the central component of a long-term export strategy to energy-hungry developing nations. A new company, the International Nuclear Energy Development of Japan, was created to do just that. Its shareholders were made up of the country’s nine main nuclear plant operators, three manufacturers of nuclear reactors and the government itself.

The nuclear power village was going global with the new company. The government took a 10 percent stake. Tepco took the biggest, with 20 percent, and one of its top executives was named the company’s first president.

**By NORIMITSU ONISHI and KEN BELSON**

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