The Asia-Pacific Journal: Japan Focus
In-depth critical analysis of the forces shaping the Asia-Pacific...and the world.

Business as Usual - Controversy Flares Over Japanese Nuclear Exports　平常通り営業――日本の核輸出をめぐって論争高まる
Jan. 15, 2012

Matthew Penney

Even as the Japanese public turns against nuclear power at home, the Japanese government and corporations such as Toshiba are moving swiftly to expand the country's nuclear business by exporting reactor technology abroad.

In a December 10 editorial, the *Mainichi Shimbun* said that an agreement for nuclear power cooperation and export to Jordan, Vietnam, Russia, and South Korea was based on a decision that "… came too hasty and has not been thought through."

The *Mainichi* editors are concerned that the agreements have no details about how nuclear power stations will be regulated and safety ensured. There are worries that an accident involving Japanese nuclear technology abroad could further undermine international confidence in Japanese technology and industry already shaken by the 3.11 earthquake tsunami and nuclear disaster.

The editors also detect a hint of hypocrisy. The Fukushima crisis took place following claims from business, government, and officialdom in the wake of numerous smaller accidents that Japanese nuclear technology is essentially safe. Following the Chernobyl disaster in 1986, conservative politicians and the nuclear industry repeatedly insisted that a similar accident was impossible in Japan. Now, with Japanese technology again being projected as a marker of safety, the *Mainichi* editors ask whether technology export is the best way to promote nuclear safety internationally, or if more investigation into the root causes of the Fukushima disaster and the sharing of accurate and detailed information would be a more significant step toward assuring safety. They write, "…the prime minister also emphasized that it is Japan's responsibility to share its experiences learned from the nuclear crisis with the international community. While this is correct, Japan should put greater emphasis on sharing with the world its knowledge on how to prevent nuclear accidents based on its thorough investigation into the Fukushima nuclear crisis."

The Fukushima meltdown has prompted Japanese critics of the government's nuclear policies to take a more holistic view of nuclear safety than was common previously. For example, they find problematic a lack of recognition by Japanese lawmakers of Jordan's unique geographic circumstances: "[The government] failed to carry out thorough discussions on safety measures even though Jordan is an earthquake-prone country and it is reportedly difficult to secure the massive amount of water needed to cool down reactors that are expected to be built in inland areas of the country." This is an example of more responsible ways of thinking about nuclear safety entering Japan's public discourse while being skirted in the political and corporate spheres.

The *Mainichi* concludes: "To prevent Japan from exporting danger and anxiety to the world while decreasing its reliance on nuclear energy, the executive and legislative branches of the government are urged to hold more in-depth discussions on nuclear energy safety based on verification of the cause of the Fukushima nuclear crisis."

Other voices such as the *Hokkaido Shimbun* echo the *Mainichi* point of view, raising additional problems such as the potential for colossal compensation claims if Japanese technology is blamed for an accident. As with TEPCO, the Japanese public would have final responsibilities to pay for damages through taxes. Nuclear companies may not exactly be "too big to fail", but there is a parallel with the financial industry behavior behind the 2008 derivatives meltdown in which liability for irresponsible acts continues to be absorbed by the public. Indeed, rumors are rife of a Japanese government takeover of TEPCO that would formally make it liable for the company's obligations. In *Fooled by Randomness* and *The Black Swan*, Nassim Nicholas Taleb describes the behavior of some investors who become superstars and reap steady profits until one day they lose more than all of their gains combined. With the price tag of Fukushima's liability likely to run well over one hundred billion US dollars, even without counting damage to industries like tourism which in 2010 looked to be gearing up to attract more and more big spending Chinese tourists, Taleb's ideas seem applicable to the Japanese nuclear industry as well.

The *Yomiuri Shimbun* is known for its close ties to business. For example, despite a generally conservative stance, the *Yomiuri* opposed Prime Minister Koizumi Junichiro's visits to Yasukuni Shrine in part because of justified fears that they would erode Japanese business opportunities in growing markets such as China and Korea. It is thus no surprise that the world's largest newspaper strongly supports nuclear exports. Its editors quote Prime Minister Noda: "There are countries saying 'we absolutely want Japan's high level technology.'" This is no doubt true. The newspaper puts forward these points of view, however, along with statements that Japan can assist in training personnel in other countries before a thorough study has been conducted of the personal, institutional, regulatory, and technological failings that allowed the Fukushima nuclear accident to take place. Both Noda and the *Yomiuri*'s editorial orientation turn the discussion back to technology without considering that technology exists in an always fallible human context and facing nature's vagaries. They argue that technological exports could "restore faith" in Japanese nuclear power without serious discussion of how the opposite could take place – that any accident abroad could strike a critical blow to the reputation of Japanese industry.

The Japanese government has made much of the country's "soft power". Anime and manga often take center stage in these discussions, but Japan's reputation as a manufacturer of products and industrial technology of the highest quality is vitally important, especially as it engages with rapidly growing East Asian economies. Before the earthquake shook domestic production, Japan enjoyed balanced trade with China, importing a range of manufactured or processed goods while exporting high-tech industrial technology. As close competitor South Korea as well as developing economies like China's itself diversify, Japan must work hard to maintain its export edge. While nuclear exports have the potential to secure significant financial gains in the short term, without a deeper understanding of the Fukushima crisis and its consequences, Japan could be setting itself up for a further blow to the reputation of its technology and industry that could undermine its place in globalized networks of production. This is particularly true at a time when many countries, led by Germany, Switzerland and Italy, are concluding not only that higher standards of nuclear safety are essential, but that nuclear technology must be phased out in favor of renewables such as solar and wind power as has been outlined by Andrew DeWit. Japan is among the countries whose technological strengths could position it in the vanguard of what may be the most important new global energy developments.

The *Yomiuri*'s business first orientation introduces another wrinkle into the argument that Japan should aggressively work to export its nuclear technology. The editors argue that Japan must maintain its domestic nuclear industry lest a shift away from nuclear undermine confidence in Japanese tech and cause "misunderstanding" among foreign countries. In this way, they use "export power", a point of economic nationalism that harkens back to the high growth period, in an attempt to reverse the decline in the Japanese public's support for nuclear power, with a solid majority asserting that no new plants should be built or calling for a gradual phase-out in favor of renewable energy. *SankeiBiz*, the *Sankei* newspaper's business publication, echoed the *Yomiuri* stance when it argued on December 21 that exports of nuclear technology should be an "indispensable part of our country's growth strategy" that could offset any declines brought about by the stalled domestic industry. They also suggest that the domestic nuclear industry should be strengthened to support exports.

The Japanese government's nuclear export decision has proven to be a controversial one with the plan facing opposition from within ruling Democratic Party ranks. Arita Yoshifu, a former journalist and DPJ Upper House member, opposed the plan, saying that he has a "responsibility to history", essentially an argument that Fukushima should be a turning point in Japanese energy policy.

There are many other critics. For example, Shizuoka Governor Kawakatsu Heita, whose prefecture is host to a concentration of reactors, has described Japan's plan to export nuclear technology with safety at home still in doubt as "rife with contradictions". He calls selling technology claimed to "safe" with no concrete plans for "aftercare" a form of "irresponsible behavior". Meanwhile the *Tokyo Shimbun* reported on January 14 that 80% of representatives in Jordan's lower house of government are opposed to nuclear imports, raising serious doubts about popular support for atomic energy in one of Japan's primary (and riskiest) export targets.

Matthew Penney is an Assistant Professor at Concordia University and an Asia-Pacific Journal Coordinator.

Asia-Pacific Journal articles on related subjects include:

Hiroshi Onitsuka, Hooked on Nuclear Power: Japanese State-Local Relations and the Vicious Cycle of Nuclear Dependence

Andrew DeWit and Peter Lynch, Feed-in Tariffs the Way Forward for Renewable Energy

Kaneko Masaru, The Plan to Rebuild Japan: When You Can't Go Back, You Move Forward. Outline of an Environmental Sound Energy Policy

Created by Datamomentum