A foundation that provides high-paying jobs for retired industry ministry officials has held a two-decade monopoly on the program that pays benefits to residents living near nuclear power plants, The Asahi Shimbun has found.

The Center for Development of Power Supply Regions receives contracts from local governments for the work. But the center has outsourced most of the operations to electric power companies, enabling it to secure a profit of around 38 million yen ($435,000) in fiscal 2010.

The benefit program is part of the grant system under the three laws on electric power sources. The central government provides grants to local governments that host or are located near nuclear-related facilities. The money comes from part of the electricity bills paid by consumers and businesses.

The center has long been in control of the benefit program. But the accident at the Fukushima No. 1 nuclear power plant in March 2011 sparked heavy criticism against the “nuclear village” of pro-nuclear politicians, industry bureaucrats and utilities. The central government ordered prefectural governments to open up the benefit program to other bidders.

“Under the guidance of the central government, the prefectural governments in fiscal 2012 changed the system to one in which the business that undertakes the operation is chosen from a wide range of applicants,” the center said in a statement to The Asahi Shimbun. “As a result, the center has been conducting the work.”

In response to questions from The Asahi Shimbun, 14 prefectural governments involved in the benefit program said they started accepting applications from any business to run the program in fiscal 2012.

They all said the center was the only one that applied.

The center outsources such work as calculating the size of the benefits for individual households and providing the payments, but it remains in charge of making plans and reporting the results to the local governments.

In its 22 years of existence, the center has been engaged in amakudari, the “descent from heaven” practice of retired bureaucrats landing jobs at organizations or companies once under their jurisdiction.

After its foundation in 1990, the center’s first four presidents were former industry ministry officials. The current president, Kinju Atarashi, is former director-general of the Small and Medium Enterprise Agency, an affiliate of the Ministry of Economy, Trade and Industry.

According to published data, being president of the center is considered a full-time job, with annual compensation of 16.58 million
yen.

Makoto Yagi, chairman of the Federation of Electric Power Companies of Japan and president of Kansai Electric Power Co., is the current chairman of the center.

The names of executives at utilities and companies that build nuclear plants are on the lineup of part-time directors at the center. And 15 of the 46 staff members are temporarily on transfer from utilities.

The benefit program itself has been criticized as a way to offer “bribes” to residents to prevent them from opposing nuclear power facilities in their neighborhoods.

In fiscal 2011, the 14 prefectures provided 7.6 billion yen in benefits to 1.03 million households, according to figures obtained by The Asahi Shimbun.

(This article was written by Satoshi Otani and Takuho Shiraki.)

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