

# Japan - Special Report. Help wanted in Fukushima: Low pay, high risks and gangsters

Saturday 26 October 2013, by [SAITO Mari](#), [SLODKOWSKI Antoni](#) (Date first published: 25 October 2013).

IWAKI, Oct 25 (Reuters) - Tetsuya Hayashi went to Fukushima to take a job at ground zero of the worst nuclear disaster since Chernobyl. He lasted less than two weeks.

Hayashi, 41, says he was recruited for a job monitoring the radiation exposure of workers leaving the plant in the summer of 2012. Instead, when he turned up for work, he was handed off through a web of contractors and assigned, to his surprise, to one of Fukushima's hottest radiation zones.

He was told he would have to wear an oxygen tank and a double-layer protective suit. Even then, his handlers told him, the radiation would be so high it could burn through his annual exposure limit in just under an hour.

"I felt cheated and entrapped," Hayashi said. "I had not agreed to any of this."

When Hayashi took his grievances to a firm on the next rung up the ladder of Fukushima contractors, he says he was fired. He filed a complaint but has not received any response from labor regulators for more than a year. All the eight companies involved, including embattled plant operator Tokyo Electric Power Co, declined to comment or could not be reached for comment on his case.

Out of work, Hayashi found a second job at Fukushima, this time building a concrete base for tanks to hold spent fuel rods. His new employer skimmed almost a third of his wages - about \$1,500 a month - and paid him the rest in cash in brown paper envelopes, he says. Reuters reviewed documents related to Hayashi's complaint, including pay envelopes and bank statements.

Hayashi's hard times are not unusual in the estimated \$150-billion effort to dismantle the Fukushima reactors and clean up the neighboring areas, a Reuters examination found.

In reviewing Fukushima working conditions, Reuters interviewed more than 80 workers, employers and officials involved in the unprecedented nuclear clean-up. A common complaint: the project's dependence on a sprawling and little scrutinized network of subcontractors - many of them inexperienced with nuclear work and some of them, police say, have ties to organized crime.

Tepco sits atop a pyramid of subcontractors that can run to seven or more layers and includes construction giants such as Kajima Corp and Obayashi Corp in the first tier. The embattled utility remains in charge of the work to dismantle the damaged Fukushima reactors, a government-subsidized job expected to take 30 years or more.

Outside the plant, Japan's "Big Four" construction companies - Kajima, Obayashi, Shimizu Corp and Taisei Corp - oversee hundreds of small firms working on government-funded contracts to remove radioactive dirt and debris from nearby villages and farms so evacuees can return home.

Tokyo Electric, widely known as Tepco, says it has been unable to monitor subcontractors fully but has taken steps to limit worker abuses and curb the involvement of organized crime.

“We sign contracts with companies based on the cost needed to carry out a task,” Masayuki Ono, a general manager for nuclear power at Tepco, told Reuters. “The companies then hire their own employees taking into account our contract. It’s very difficult for us to go in and check their contracts.”

The unprecedented Fukushima nuclear clean-up both inside and outside the plant faces a deepening shortage of workers. There are about 25 percent more openings than applicants for jobs in Fukushima prefecture, according to government data.

Raising wages could draw more workers but that has not happened, the data shows. Tepco is under pressure to post a profit in the year to March 2014 under a turnaround plan Japan’s top banks recently financed with \$5.9 billion in new loans and refinancing. In 2011, in the wake of the disaster, Tepco cut pay for its own workers by 20 percent.

With wages flat and workers scarce, labor brokers have stepped into the gap, recruiting people whose lives have reached a dead end or who have trouble finding a job outside the disaster zone.

The result has been a proliferation of small firms - many unregistered. Some 800 companies are active inside the Fukushima plant and hundreds more are working in the decontamination effort outside its gates, according to Tepco and documents reviewed by Reuters.

Tepco, Asia’s largest listed power utility, had long enjoyed close ties to regulators and lax government oversight. That came under harsh scrutiny after a 9.0 magnitude earthquake and a massive tsunami hit the plant on March 11, 2011. The disaster triggered three reactor meltdowns, a series of explosions and a radiation leak that forced 150,000 people to flee nearby villages.

Tepco’s hapless efforts since to stabilize the situation have been like someone playing “whack-a-mole”, Minister of Economy, Trade and Industry Toshimitsu Motegi has said.

## **‘NUCLEAR GYPSIES’**

Hayashi is one of an estimated 50,000 workers who have been hired so far to shut down the nuclear plant and decontaminate the towns and villages nearby. Thousands more will have to follow. Some of the workers will be needed to maintain the system that cools damaged fuel rods in the reactors with thousands of tonnes (1 tonne = 1.102 metric tons) of water every day. The contaminated runoff is then transferred to more than 1,000 tanks, enough to fill more than 130 Olympic-sized swimming pools.

Dismantling the Fukushima Daiichi plant will require maintaining a job pool of at least 12,000 workers just through 2015, according to Tepco’s blueprint. That compares to just over 8,000 registered workers now. In recent months, some 6,000 have been working inside the plant.

The Tepco hiring estimate does not include the manpower required for the government’s new \$330 million plan to build a massive ice wall around the plant to keep radiated water from leaking into the sea.

“I think we should really ask whether they are able to do this while ensuring the safety of the workers,” said Shinichi Nakayama, deputy director of safety research at the Japan Atomic Energy Agency.

Japan's nuclear industry has relied on cheap labor since the first plants, including Fukushima, opened in the 1970s. For years, the industry has rounded up itinerant workers known as "nuclear gypsies" from the Sanya neighborhood of Tokyo and Kamagasaki in Osaka, areas known for large numbers of homeless men.

"Working conditions in the nuclear industry have always been bad," said Saburo Murata, deputy director of Osaka's Hannan Chuo Hospital. "Problems with money, outsourced recruitment, lack of proper health insurance - these have existed for decades."

The Fukushima project has magnified those problems. When Japan's parliament approved a bill to fund decontamination work in August 2011, the law did not apply existing rules regulating the construction industry. As a result, contractors working on decontamination have not been required to disclose information on management or undergo any screening.

That meant anyone could become a nuclear contractor overnight. Many small companies without experience rushed to bid for contracts and then often turned to brokers to round up the manpower, according to employers and workers.

The resulting influx of workers has turned the town of Iwaki, some 50 kilometers (30 miles) from the plant, into a bustling labor hub at the front line of the massive public works project.

In extreme cases, brokers have been known to "buy" workers by paying off their debts. The workers are then forced to work until they pay off their new bosses for sharply reduced wages and under conditions that make it hard for them to speak out against abuses, labor activists and workers in Fukushima said.

Lake Barrett, a former U.S. nuclear regulator and an advisor to Tepco, says the system is so ingrained it will take time to change.

"There's been a century of tradition of big Japanese companies using contractors, and that's just the way it is in Japan," he told Reuters. "You're not going to change that overnight just because you have a new job here, so I think you have to adapt."

A Tepco survey from 2012 showed nearly half of the workers at Fukushima were employed by one contractor but managed by another. Japanese law prohibits such arrangements, in order to prevent brokers from skimming workers' wages.

Tepco said the survey represents one of the steps it has taken to crack down on abuses. "We take issues related to inappropriate subcontractors very seriously," the utility said in a statement to Reuters.

Tepco said it warns its contractors to respect labor regulations. The company said it has established a hotline for workers, and has organized lectures for subcontractors to raise awareness on labor regulations. In June, it introduced compulsory training for new workers on what constitutes illegal employment practices.

Tepco does not publish average hourly wages in the plant. Workers interviewed by Reuters said wages could be as low as around \$6 an hour, but usually average around \$12 an hour - about a third lower than the average in Japan's construction industry.

Workers for subcontractors in the most-contaminated area outside the plant are supposed to be paid an additional government-funded hazard allowance of about \$100 per day, although many report it has not been paid.

The work in the plant can also be dangerous. Six workers in October were exposed to radioactive water when one of them detached a pipe connected to a treatment system. In August, 12 workers were irradiated when removing rubble from around one of the reactors. The accidents prompted Japan's nuclear regulator to question whether Tepco has been delegating too much.

"Proper oversight is important in preventing careless mistakes. Right now Tepco may be leaving it all up to the subcontractors," said the head of Japan's Nuclear Regulation Authority, Shunichi Tanaka in response to the recent accidents.

Tepco said it will take measures to ensure that such accidents are not repeated. The utility said it monitors safety with spot inspections and checks on safeguards for workers when projects are divided between subcontractors.

The NRA, which is primarily charged with reactor safety, is only one of several agencies dealing with the Fukushima project: the ministries of labor, environment, trade and economy are also responsible for managing the clean-up and enforcing regulations, along with local authorities and police.

Yousuke Minaguchi, a lawyer who has represented Fukushima workers, says Japan's government has turned a blind eye to the problem of worker exploitation. "On the surface, they say it is illegal. But in reality they don't want to do anything. By not punishing anyone, they can keep using a lot of workers cheaply."

Economy Minister Motegi, who is responsible for Japan's energy policy and decommissioning of the plant, instructed Tepco to improve housing for workers. He has said more needs to be done to ensure workers are being treated well.

"To get work done, it's necessary to cooperate with a large number of companies," he told Reuters. "Making sure that those relations are proper, and that work is moving forward is something we need to keep working on daily."

## **FALSIFIED PASSBOOK**

Hayashi offers a number of reasons for his decision to head to Fukushima from his home in Nagano, an area in central Japan famous for its ski slopes, where in his youth Hayashi honed his snowboarding skills.

He says he was skeptical of the government's early claim that the Fukushima plant was under control and wanted to see it for himself. He had worked in construction, knew how to weld and felt he could contribute.

Like many other workers, Hayashi was initially recruited by a broker. He was placed with RH Kogyo, a subcontractor six levels removed from Tepco.

When he arrived in Fukushima, Hayashi received instructions from five other firms in addition to the labor broker and RH Kogyo. It was the sixth contractor up the ladder, ABL Co. Ltd that told him he would be working in a highly radioactive area. ABL Co reported to Tokyo Energy & Systems Inc, which in Fukushima manages some 200 workers as a first-tier contractor under Tepco.

Hayashi says he kept copies of his work records and took pictures and videos inside the plant, encouraged by a TV journalist he had met before beginning his assignment. At one point, his boss from RH Kogyo told him not to worry because any radiation he was exposed to would not "build up".

"Once you wait a week, the amount of radiation goes down by half," the man is seen telling him in

one of the recordings. The former supervisor declined to comment.

The statement represents a mistaken account of radiation safety standards applied in Fukushima, which are based on the view that there is no such thing as a safe dose. Workers are limited to 100 millisieverts of radiation exposure over five years. The International Atomic Energy Agency says exposure over that threshold measurably raises the risk of later cancers.

After Hayashi's first two-week stint at the plant ended, he discovered his nuclear passbook - a record of radiation exposure - had been falsified to show he had been an employee of larger firms higher up the ladder of contractors, not RH Kogyo.

Reuters reviewed the passbook and documents related to Hayashi's employment. The nuclear passbook shows that Hayashi was employed by Suzushi Kogyo from May to June 2012. It says Take One employed Hayashi for ten days in June 2012. Hayashi says that is false because he had a one-year contract with RH Kogyo.

"My suspicion is that they falsified the records to hide the fact that they had outsourced my employment," Hayashi said.

ABL Co. said Hayashi had worked with the firm but declined to comment on his claims. Tepco, Tokyo Energy & Systems, Suzushi Kogyo and RH Kogyo also declined to comment. Take One could not be reached for comment.

In September 2012, Hayashi found another job with a subcontractor for Kajima, one of Japan's largest construction companies. He didn't want to go back home empty-handed and says he thought he might have been just unlucky with his first bad experience at the plant.

Instead, his problems continued. This time a broker who recruited several workers for the subcontractor insisted on access to his bank account and then took almost a third of the roughly \$160 Hayashi was supposed to be earning each day, Hayashi says.

The broker, according to Hayashi, identified himself as a former member of a local gang from Hayashi's native Nagano.

Ryo Goshima, 23, said the same broker from Nagano placed him in a crew doing decontamination work and then skimmed almost half of what he had been promised. Goshima and Hayashi became friends in Fukushima when they wound up working for the same firm.

Goshima said he was fired in December after complaining about the skimming practice. Tech, the contractor that had employed him, said it had fired another employee who was found to have skimmed Goshima's wages. Tech said Goshima left for personal reasons. The firm paid Goshima back wages, both sides say. The total payment was \$9,000, according to Goshima.

Kajima spokesman Atsushi Fujino said the company was not in a position to comment on either of the cases since it did not have a contract with Hayashi or Goshima.

"We pay the companies who work for us and instruct those companies to pay the hazard allowance," the Kajima spokesman said in a statement.

## **THE YAKUZA CONNECTION**

The complexity of Fukushima contracts and the shortage of workers have played into the hands of the yakuza, Japan's organized crime syndicates, which have run labor rackets for generations.

Nearly 50 gangs with 1,050 members operate in Fukushima prefecture dominated by three major syndicates - Yamaguchi-gumi, Sumiyoshi-kai and Inagawa-kai, police say.

Ministries, the companies involved in the decontamination and decommissioning work, and police have set up a task force to eradicate organized crime from the nuclear clean-up project. Police investigators say they cannot crack down on the gang members they track without receiving a complaint. They also rely on major contractors for information.

In a rare prosecution involving a yakuza executive, Yoshinori Arai, a boss in a gang affiliated with the Sumiyoshi-kai, was convicted of labor law violations. Arai admitted pocketing around \$60,000 over two years by skimming a third of wages paid to workers in the disaster zone. In March a judge gave him an eight-month suspended sentence because Arai said he had resigned from the gang and regretted his actions.

Arai was convicted of supplying workers to a site managed by Obayashi, one of Japan's leading contractors, in Date, a town northwest of the Fukushima plant. Date was in the path of the most concentrated plume of radiation after the disaster.

A police official with knowledge of the investigation said Arai's case was just "the tip of the iceberg" in terms of organized crime involvement in the clean-up.

A spokesman for Obayashi said the company "did not notice" that one of its subcontractors was getting workers from a gangster.

"In contracts with our subcontractors we have clauses on not cooperating with organized crime," the spokesman said, adding the company was working with the police and its subcontractors to ensure this sort of violation does not happen again.

In April, the Ministry of Health, Labor and Welfare sanctioned three companies for illegally dispatching workers to Fukushima. One of those, a Nagasaki-based company called Yamato Engineering, sent 510 workers to lay pipe at the nuclear plant in violation of labor laws banning brokers. All three companies were ordered by labor regulators to improve business practices, records show.

In 2009, Yamato Engineering was banned from public works projects because of a police determination that it was "effectively under the control of organized crime," according to a public notice by the Nagasaki-branch of the land and transport ministry. Yamato Engineering had no immediate comment.

Goshima said he himself had been working for the local chapter of Yamaguchi-gumi since the age of 14, extorting money and collecting debts. He quit at age 20 after spending some time in jail. He had to borrow money from a loan shark to pay off his gang, which demanded about \$2,000 a month for several months to let him go.

"My parents didn't want any problems from the gang, so they told me to leave and never return," Goshima said. He went to Fukushima looking for a well-paying job to pay down the debt - and ended up working for a yakuza member from his home district.

## **DECONTAMINATION COMPLAINTS**

In towns and villages around the plant in Fukushima, thousands of workers wielding industrial hoses, operating mechanical diggers and wearing dosimeters to measure radiation have been deployed to scrub houses and roads, dig up topsoil and strip trees of leaves in an effort to reduce

background radiation so that refugees can return home.

Hundreds of small companies have been given contracts for this decontamination work. Nearly 70 percent of those surveyed in the first half of 2013 had broken labor regulations, according to a labor ministry report in July. The ministry's Fukushima office had received 567 complaints related to working conditions in the decontamination effort in the year to March. It issued 10 warnings. No firm was penalized.

One of the firms that has faced complaints is Denko Keibi, which before the disaster used to supply security guards for construction sites.

Denko Keibi managed 35 workers in Tamura, a village near the plant. At an arbitration session in May that Reuters attended, the workers complained they had been packed five to a room in small cabins. Dinner was typically a bowl of rice and half a pepper or a sardine, they said. When a driver transporting workers flipped their van on an icy road in December, supervisors ordered workers to take off their uniforms and scatter to distant hospitals, the workers said. Denko Keibi had no insurance for workplace accidents and wanted to avoid reporting the crash, they said.

"We were asked to come in and go to work quickly," an executive of Denko Keibi said, apologizing to the workers, who later won compensation of about \$6,000 each for unpaid wages. "In hindsight, this is not something an amateur should have gotten involved in."

In the arbitration session Reuters attended, Denko Keibi said there had been problems with working conditions but said it was still examining what happened in the December accident.

The Denko Keibi case is unusual because of the large number of workers involved, the labor union that won the settlement said. Many workers are afraid to speak out, often because they have to keep paying back loans to their employers.

"The workers are scared to sue because they're afraid they will be blacklisted," said Mitsuo Nakamura, a former day laborer who runs a group set up to protect Fukushima workers. "You have to remember these people often can't get any other job."

Hayashi's experiences at the plant turned him into an activist. He was reassigned to a construction site outside Tokyo by his second employer after he posted an online video about his first experiences in the plant in late 2012. After a tabloid magazine published a story about Hayashi, his managers asked him to leave. He has since moved to Tokyo and filed a complaint with the labor standards office. He volunteered in the successful parliamentary campaign of former actor turned anti-nuclear activist, Taro Yamamoto.

"Major contractors that run this system think that workers will always be afraid to talk because they are scared to lose their jobs," said Hayashi. "But Japan can't continue to ignore this problem forever."

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\* <http://news.yahoo.com/special-report-help-wanted-fukushima-low-pay-high-050626106--sector.html>