

Extracts from “Considering Kashiwazaki 30 Years Hence”, *Niigata Local Government*, (an information magazine from Niigata about local government), published by Niigata Institute for Local Government, January 2009, vo. 38.

**From Chapter 2: Kashiwazaki City’s Financial Situation and Issues**

TEPCO’s Fixed Asset Taxes (since the peak)

1995	12,705 million yen		2002	7,089 million yen
1996	11,331.4 million yen		2003	6,315.6 million yen
1997	10,671.1 million yen		2004	5,845.7 million yen
1998	10,734 million yen		2005	5,336.4 million yen
1999	9,695 million yen		2006	4,841.7 million yen
2000	8,589 million yen		2007	4,600 million yen
2001	7,775 million yen			

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(Explanatory note by CNIC

The nuclear reactors at Kashiwazaki-Kariwa started up in the following years: KK-1 in 1985, KK-2 in 1990, KK-3 in 1993, KK-4 in 1994, KK-5 in 1990, KK-6 in 1996, KK-7 in 1997.)

Financial Outlook (May 1, 2008)

(1) The key issue is that it is predicted that for the ordinary account base, from the 2009 Fiscal Year both the formal balance and the real balance will go into the red. If the basic assumptions are accurate, such as continuing population decline, predicted revenue from various sources and the total value of major construction projects, it will be necessary to continue to confirm the appropriateness of the revenue outlook from ongoing disaster rehabilitation projects.

In addition, depending how one assesses the scale of the real deficit, in FY2010 the deficit will be around 2,470 million yen. In FY 2011 the real deficit will fall slightly to 2,450 million yen, but thereafter the deficit problem will move towards a resolution. The reason for this is that it is estimated that the ordinary construction component of investment expenses will peak in FY2010 at 10,700 million yen and thereafter fall to 3,200 million yen in FY2017. However, in FY 2015 there will be an exceptional expense of 2,270 million yen for national land improvement works.

(2) In terms of the new Financial Restructure Law, the peak real deficit of 2,500 million yen was around 11% of the standard scale for public finances (22,700 million yen in 2006). It is a borderline case as to whether a plan should be rapidly developed to rectify the situation. It is quite a long way from requiring financial restructuring. However, considering the possibility that local tax revenues might continue to fall and grants from the central government might not be as high as expected, [the City] should voluntarily produce a financial reform plan ... and check the plan and draft a financial outlook each year.

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### **From Chapter 3: 30 Years After Construction of the Nuclear Power Station Commenced – How Has Kashiwazaki Changed?**

Did the nuclear power station bring wealth to the local people?

The total cost of construction of the nuclear power station over the 20-year (sic) period from December 1978, when construction of Unit 1 began, to July 1997, when Unit 7 was completed, was 2.6 trillion yen...

The only time TEPCO was really serious about placing orders locally was when Unit 1 was being constructed. Thereafter, orders were monopolized by companies raised in the TEPCO fold...

Population continues to fall...There is a continuing trend for young people, who are needed to vitalize the region, to leave. In particular, there is a strong tendency for women to leave...

Over the long-term, it is not possible to discern any significant change connected to the nuclear power station in the number of factories in the city, outward shipments of manufactured goods, the number of shops, the number of people employed in these industries and the total value of goods sold. It can be said that the nuclear power station was not connected to the cities core industry of small and medium machinery and metal manufacturing enterprises...

If the nuclear power station had any flow-on economic effect, obviously there should at least be a discernable improvement in the incomes of Kashiwazaki City residents, but it is impossible to find a significant difference in income compared to residents of other towns in Niigata Prefecture, the prefecture as a whole, or Japan as a whole...

Since 1998 the trend of negative economic growth in Kashiwazaki City has continued, although in the last few years there has been a gradual increase in the value of outward shipments of manufactured goods...

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### **From Chapter 4: Kashiwazaki Post Nuclear Power Station**

Direct Orders from TEPCO (million yen) (Kashiwazaki-City data)

Fiscal Year	Purchases	Construction	Subcontracts	Total
2001	1,752	1,397	897	4,046
2002	2,075	1,168	1,177	4,420
2003	1,347	2,153	702	4,202
2004	1,685	611	2,036	4,332
2005	1,272	1,525	1,065	3,862
5 Year Total	8,131	6,854	5,877	20,862

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Employment dependence on the nuclear power station is not overwhelmingly high. Contrary to predictions when it was first planned, the impact of demand from the nuclear power station on Kashiwazaki City's civil economy was "not small, but nor was

it decisive”.  
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According to Kashiwazaki City, the number of people employed by the nuclear power station is about 4,700 people and, according to the Yomiuri Shimbun newspaper, employment in businesses related to the power station is about 5,500, so the impact on total employment, including in the surrounding cities, towns and villages, comes to about 10,000 people. The majority of the related businesses are in service industries, such as cleaning and management of related facilities.  
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## **Concluding Remarks**

### From the “Afterword”

...The damage caused by the Chuetsu-oki Earthquake amounted to about 229 billion yen. The expenses arising from the damage to public facilities and public works and the restoration of gas and water infrastructure were a big blow to the finances of Kashiwazaki City, which was already experiencing a deteriorating financial situation. Since 1969, when it was first decided to construct the nuclear power station, and in 1978, when construction of Unit 1 began, many sources of income related to the station have been obtained. Over a period of approximately 30 years, income sources associated with the nuclear power plant amount to 220 billion yen.

However, Kashiwazaki City’s current financial situation has crossed the point of requiring special attention, and the City has prepared a financial restructuring plan. Many residents are unable to conceal their bewilderment at the fact that, despite having so many sources of income, the City’s finances have gone into the red. Concern that unless the nuclear power station is restarted it will be impossible to revive Kashiwazaki City. But is this really true?

There is a limit to the life span of nuclear power plants. In other words, town planning which relies on income sources arising from nuclear power cannot be sustained indefinitely. This proposal is made in light of this reality, in order to generate debate among Kashiwazaki City residents directed towards town planning for Kashiwazaki City in 30 years time.  
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