

Zensuido President Takeo Nikaido Testimony
House of Councillors Committee on Health, Labour and Welfare
on Water Supply Act Revision Bill

My name is Takeo Nikaido and I chair the Central Executive Committee of the All-Japan Water Supply Works Union, "Zensuido" for short. I thank you for giving me this opportunity today to express my views regarding the Water Supply Act revision bill put forth by the House of Councillors Committee on Health, Labour and Welfare.

First, waterworks constitute an infrastructure that is very highly public in nature and indispensable to civic life. The work in this field involves a constant struggle against natural forces. From safeguarding watershed protection forests, to handling water intake, water quality control, purification, pipeline maintenance and so on, 24 hours a day, 365 days a year, our colleagues in the water workforce strive to provide water to all places in our nation.

In performing our services we take pride that waterworks are an industry supporting the basis of society, including civic life and corporate activities, from its very foundations. At the same time, waterworks are a gigantic infrastructure industry, so we engage in our work every day with the sole aim of supplying water safely and stably at as low a cost as possible, cooperating with everyone at the many companies involved, be they public or private.

I understand the current legal reforms to be aimed at promoting sustainable waterworks by strengthening the foundations of the waterworks industry. On the other hand, however, there are indications that bill has problems that pose an extreme danger in creating "public private partnerships" and enabling the establishment of concession rights in the waterworks projects.

To begin with, conditions of decreased earnings for waterworks projects that are emerging due to the declining population in Japan are certainly one factor creating a situation in which the foundations of waterworks projects need to be strengthened. However, lapses in the technological foundations of each waterworks entity due to factors like reduced personnel numbers, constraints on new employment, excessive outsourcing and more active personnel reshuffling that have been occurring recently are considered to be another big factor. Japan's Ministry of Health, Labour and Welfare also recognizes that there have been personnel shortages. Among the reasons this has come to pass, however, are national policies promoting administrative reforms in excess. Adopting policies that cause lapses in the technical and human foundations of waterworks projects, while citing those lapses as reasons for legal reform and then introducing concession rights systems lacks consistency as a policy and is absolutely impossible to comprehend.

Nonetheless, if the current legal reforms are to protect the waterworks industry, particularly in regions facing severe management challenges, legal reforms are inevitable. To think, however, that introduction of concession rights systems will make waterworks projects in local municipalities suffering from depopulation sustainable is utterly unreasonable.

The waterworks entities in each municipality have continued in the midst of a severe business environment to make efforts not to raise prices unnecessarily. The number of local public workers engaged in waterworks projects has also declined over the past 40 years from 76,000 to 45,000 people, a decrease of about 40 percent. Even under those conditions, except in cases of unforeseen accidents or disasters, the water they have supplied has not fallen below water quality standards, and suspensions of water supply have almost never continued for long.

People tend to assume that waterworks are trouble-free as a matter of course, and they fail to examine this assumption. If disasters occur, however, they call for restoration as soon as possible. Even we deem it unnecessary to re-examine this assumption of being able to use safe water consistently.

Our colleagues carry out their work with pride at supporting the foundations of society.

The government asserts that a concessions system is one option. However, in the case of waterworks entities in areas facing increasing depopulation that are attempting to introduce concessions systems, can it really be an option?

Some people are of the opinion that to introduce a concessions system would promote expansion and integration of waterworks projects, resulting in economies of scale, but such thinking sets priorities backwards. What is important is that the projects be publicly managed. If they are expanded and integrated under public management, it is possible to continue them. There is talk of establishing a monitoring organ for introducing concessions, but the biggest problem with concessions systems is that without monitoring, safety and security are not guaranteed.

Currently, the waterworks projects of the several municipalities that are considering introducing concessions systems are by no means suffering from weak project foundations. They are not entities in need of support from the national, prefectural or local governments to strengthen their foundations.

If we are seriously hoping for municipalities to fulfil their responsibilities to their citizens and protect the water that supports their citizens' lives, we shouldn't "select" the introduction of a concessions system. The measures we should take are clear.

What I am trying to say is that municipalities and businesses facing severe business management conditions may not be able to introduce concessions systems even if they want to.

We would like to protect the citizens' water and waterworks, supporting the sustainability of a society that can use waterworks with assurance, with no discrimination between people anywhere. To achieve that, I would like for there to be a more explicit discussion of supportive measures for municipalities and waterworks entities continuing to strive under severe conditions.

Next, I would like to talk about times of disaster.

This year has seen one catastrophe after another in Japan. When disasters have occurred in the past as well, such as the Great Hanshin Earthquake and the Great East Japan Earthquake, where conditions allowed no delay immediately following the disaster, waterworks personnel from across Japan rushed to the scene to provide water and aid. Even now, seven years after the Great East Japan Earthquake, personnel from waterworks entities mostly in large cities are still dispatched long-term to Miyagi and Fukushima to continue providing support for restoration of waterworks facilities.

In providing such disaster countermeasures and support, waterworks entities have gained much experience and accumulated knowledge and techniques. That technical strength is contributing to the development of techniques and equipment for waterworks such as purification techniques, pipeline maintenance and water service installations for Japan's waterworks projects. Japan takes pride before the world in its technical strength in waterworks technology.

I myself also rushed to Iwaki, Fukushima Prefecture after the Great East Japan Earthquake in 2011. As I stood before people forming long lines to the water station, I gained renewed awareness of my social accountability and role as a worker involved in water service.

Also, in early November, I visited the area damaged by heavy rains that struck western Japan last July. I went to the cities of Onomichi, Mihara and Kure in Hiroshima Prefecture, then crossed over to Shikoku, where I visited Uwajima. The landslides and river flooding caused by the torrential rains had caused enormous damage to their water supply facilities.

The disaster-stricken municipalities and businesses received aid from across the nation. Some areas have only been temporarily restored so far but are able to provide an unimpeded supply of tap water. In the case of disasters, even while the affected entities receive assistance from other municipalities and businesses, they themselves must bear the responsibility for their ultimate recovery on their own initiative.

The discussion of the bill the other day also included questions and answers on disaster response. The government's responses included no clear explanation of responsibilities for restoration in the case concessions systems being introduced.

I do not mean to imply that disaster aid is possible only by public workers. If they are given work under the same conditions, it makes no difference if they are public workers or company workers, they will without question exert themselves toward the same goal. All of us workers who engage in waterworks business, including those of us at the private companies involved, take pride in our work and feel strongly that we must preserve an environment in which we can work with assurance.

It is from this standpoint that the introduction of concessions systems is considered problematic. We have no objections regarding the necessity of a public-private partnership. Waterworks projects involve many people working for private companies. We think, however, that concessions systems would not be good at all for the workers at those

private companies. There are concerns that to achieve cost reductions and the like, personnel costs would be cut, the working environment would change for the worse, wages would be cut, and the employment situation would deteriorate.

This is not to reject all forms of streamlining. There are strong apprehensions, though, that pursuing only efficiency could result in conditions that might impact safety and reliability.

It is probably not possible to accomplish the disparate goals of protecting life-giving water and supporting citizens' livelihoods on the one hand and emphasizing economic orientation of waterworks in specific regions and allowing particular enterprises to profit on the other. It could lead to loss of the very foundations of our country.

Finally, I would like to ask everyone on the committee a substantial discussion about how to protect the citizens' water and what would be needed to accomplish that. I would also like to request the national and prefectural governments to provide strongly supportive policies for municipalities facing notable losses to their human foundations or extreme difficulties with their financial foundations. These are my views as a witness.