

Peer Effects in Employment Status: Evidence from Housing Lotteries for Forced Evacuees in Fukushima

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Abstract

Does a high employment rate among peers increase one's own employment probability? We exploit the random assignment of temporary housing to evacuees from the Fukushima Daiichi nuclear power plant accident to identify the effect of neighbors' employment rate on the probability of finding a job after evacuation. We use unique survey data collected in 15 clusters of temporary housing 2.5 years after the accident, to estimate the effect of the ratio of neighbors who had already been working on the length of time that passed until the evacuees restarted work. We find a significantly positive peer effect—a one-standard-deviation increase in the initial employment rate of one's peers makes the hazard of restarting work 1.3 times larger. This finding is robust to controls for individual-level job experience prior to the earthquake and housing cluster fixed effects.

Full paper will be available at <http://akondo.ynu.ac.jp/index.html>

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