

The Recovery of Production in Coastal Areas from the Great East Japan Earthquake at Municipal Level (2008-2013)

Moonen, Kirin Pepijn*

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Abstract

This paper estimates the recovery from the Great East Japan Earthquake in 2011 in coastal cities in Iwate, Miyagi, and Ibaraki prefectures. By using municipality-level data of Census of Manufacturing from 2008 to 2013, we estimate the treatment effect by the disaster by propensity score matching method and difference-in-differences analysis. We find that the damage is still remained and the process of recovery is slow. This result is robust on the gross value when controlling for the spillover effects of the treatment effects to neighboring municipalities. Further, we find that capital intensive industries had a quicker recovery than the labour intensive industries.

*University of Tohoku, Graduate School of Economics and Management, 27-1 Kawauchi, Aoba-ku, Sendai-city, Miyagi 980-8576 JAPAN; Tel: +81 22 795 6265; Fax: +81 22 795 6270; Email: moonenkipe@gmail.com.