

The Impact of the Great East Japan Earthquake on the Labor Market and Industrial Production in the disaster-stricken prefectures. .

Isao Takabe *

Economic and Social Research Institute, Cabinet Office, Tokyo, Japan

isao.takabe@cao.go.jp

Minoru Nogimori

Financial & Economic Research Center, Nomura Securities Co., Ltd, Tokyo

minoru.nogimori@gmail.com

Tomohiko Inui

Nihon University, Tokyo, JAPAN

inui.tomohiko@nihon-u.ac.jp

On March 11, 2011, the Great East Japan Earthquake and tsunami hit the Tohoku region of Japan, causing the loss of a great number of lives and property. The earthquake and tsunami also damaged nuclear plants in Fukushima Prefecture, resulting in the release of radioactive substances into the environment. The extensive natural disaster brought numerous problems not only to the affected areas but also to the Japanese economy as a whole. This study examines the recovery process for one year after the disaster by using various official statistics, including changes in demographic characteristics, employment, and the industrial production mainly in the three disaster-stricken prefectures (Iwate, Miyagi and Fukushima Prefectures). The study also shows how national statistics offices in Japan compensate for the data loss caused by the earthquake and tsunami (including special estimation, supplementary survey and so on). The study focuses on the following aspects.

- 1) Accelerating population aging in the affected areas due to an exodus of younger generations in response to the disaster.
- 2) Worsening the employment situation in the affected areas, especially a mismatch in employment between job seekers looking for local industry jobs and employers recruiting construction and healthcare workers in the tsunami-hit region.
- 3) The industrial production dropped steeply in March and April immediately after the earthquake and it takes more than one year to recover pre-earthquake level.

Key Words: Natural Disaster, Demographic Change, Industrial and Employment Recovery