

Is good news really good news? Evidence from Japanese fish market after the nuclear accident

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The massive earthquake happened in March, 2011 has made significant damage on the Japanese daily life and economy. As of October 2019, there are still 50,000 people remaining in evacuation status and more than 5,000 people are living in temporary housing. The primary sector, among others, was affected severely because of the following nuclear plant accident at Fukushima. The direct damage on the primary sector was estimated about 1.7 trillion JPY (16 billion USD) only in the first 2 month since the accident. Although the house reconstruction and manufacturing industry have been making the recognizable progress, the primary sector still suffers. Especially in sherry industry, the production level in Fukushima prefecture remains almost half of the level before the accident. One of the reason is that consumers avoid buying things from Tohoku region even though the scientific inspection clears its safety.

In this paper, we analyze the causal effect of providing the nuclear safety information on seafood to the public for the first time. Using daily bidding price information at the several wholesale markets in Japan, we estimate the effect of the good news on the food safety with the regression-discontinuity-design method.

