

**Indexes for Recovery and Reconstruction
following the Great East Japan Earthquake
- December 2011 Update -**

Executive Summary

Nine months have now passed since the devastating Great East Japan Earthquake. In early September 2011, NIRA published the report *Indexes for Recovery and Reconstruction following the Great East Japan Earthquake* to provide an overview of the status of recovery and reconstruction in the affected areas. Three months later, we have updated the indexes using the latest data in order to survey the current state of progress in recovery and reconstruction.

Taking the region struck by the tsunami following the Great East Japan Earthquake (37 cities, towns and villages / Three prefectures) as their focus, the indexes synthesize a number of indicators which show trends in the status of recovery and reconstruction.

What are indexes for recovery and reconstruction?

The indexes for recovery and reconstruction are made up of two different indexes: An index expressing the status of recovery of basic infrastructure, and an index expressing the status of activity, for example in the areas of production and distribution. In both cases, figures for the period immediately prior to the earthquake and tsunami are considered as 100. The index expressing the status of activity was formulated in two versions: One which analyzed ten fields providing a representative indication of the status of activity in the region in question (Version I), and one which additionally incorporated the number of passengers using regional airports and the volume of freight shipped through them (Version II).

*For a more detailed discussion of the method employed in formulating the indexes for recovery and reconstruction, see Appendix 7, pp. 50-51, in *Indexes for Recovery and Reconstruction following the Great East Japan Earthquake –December 2011 Update-* (In Japanese)

Figure 1 Trends in index expressing status of recovery of basic infrastructure

The recovery of basic infrastructure in the three prefectures affected (ratio of residents living in temporary accommodation, rate of recovery of public infrastructure such as electricity, gas, and rail, rate of removal of debris, amount of aid payments, number of convenience stores, etc.) has been at a standstill since August. (The overall recovery rates of Iwate and Miyagi Prefectures are approximately 80%, while Fukushima’s is approximately 70%). The ongoing nuclear crisis in Fukushima Prefecture is restricting recovery efforts, and the index for Fukushima is therefore lower than those for the other prefectures. The rate of recovery is slow in all three of the affected prefectures because there has been insufficient progress in the recovery of rail services, the removal of rubble, and recovery in the number of medical facilities.

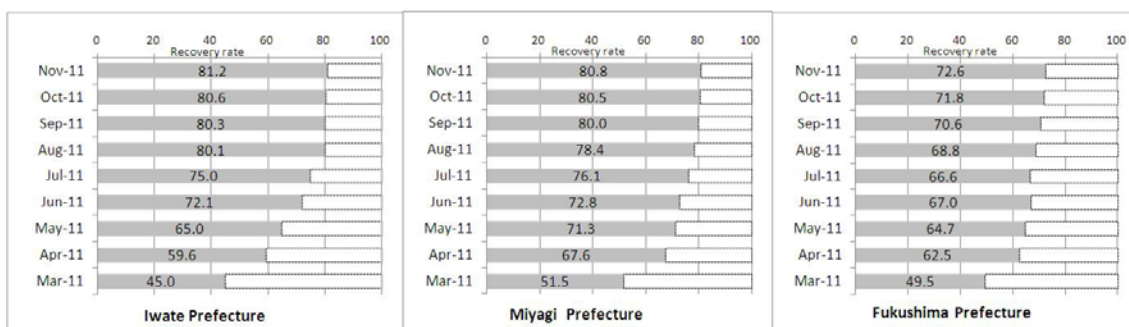


Figure 2 Trends in index expressing status of activity (Version II)

As of September, all of the three affected prefectures exceeded the figure for the entire country for this index. Increases in sales value at large retail stores, payments of fees for medical services, expenditure on public works contracts, and the ratio of job openings to job seekers contributed to this result. However, these trends are believed to be merely temporary, and cannot be considered to indicate a full-fledged recovery. Activity in the private sector is still recovering, and index of industrial production and large industrial power consumption are currently stagnant. It should be noted in particular that factories in the iron and steel, chemical, seafood processing, and other industries have not returned to full-fledged operation.

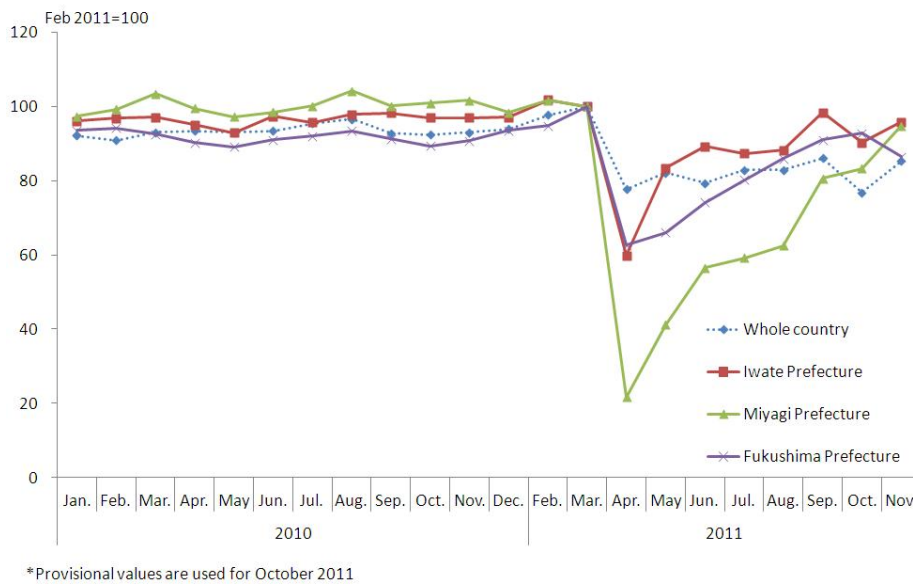
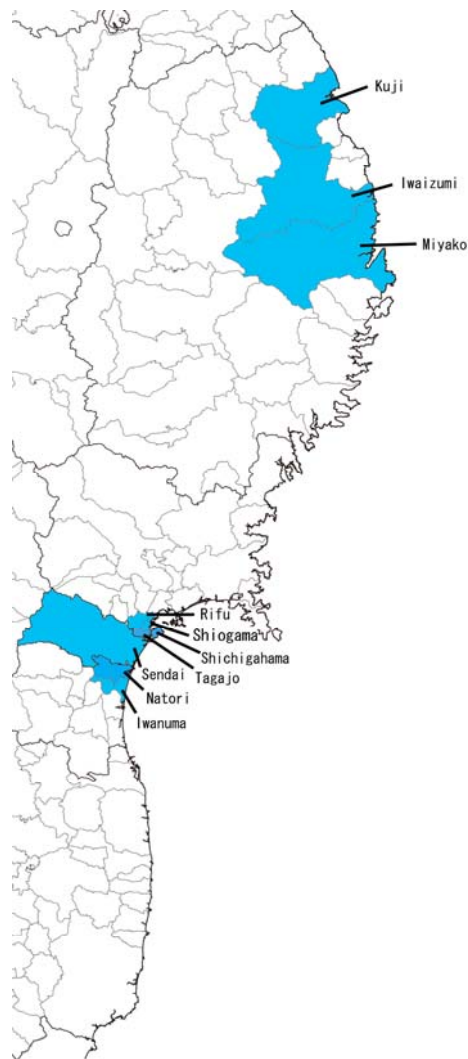


Figure 3 Status of recovery of basic infrastructure by city, town and village

A comparison of the status of recovery in the 37 affected cities, towns and villages with figures from the period when the previous report was published indicates that while some municipalities are gradually achieving recovery, others have come to a standstill.

The 10 municipalities displaying the highest level of recovery are shown on the figure below. These comprise: 1) Cities, towns and villages which are displaying steady recovery overall (Iwaizumi in Iwate Prefecture and Iwanuma, Natori and Shiogama in Miyagi Prefecture); 2) Cities, towns and villages which are displaying steady recovery despite the fact that the removal of debris represents an impediment to recovery (Shichigahama, Rifu and Tagajo in Miyagi Prefecture); and 3) Cities, towns and villages which have problems, but in which recovery of gas, electricity, roads and other infrastructure is boosting the overall high level of recovery (Sendai in Miyagi Prefecture, and Miyako and Kuji in Iwate Prefecture).



See Appendix1, pp. 11-18, in *Indexes for Recovery and Reconstruction following the Great East Japan Earthquake –December 2011 Update-* (in Japanese), for a list of the data employed in formulating the indexes for recovery and reconstruction.

NIRA Report

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The Japanese version of the full report: <http://www.nira.or.jp/pdf/1103report.pdf>

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