

# **Recovery and the Promotion of Employment in the Areas of Tohoku Damaged by the East Japan Earthquake**

## 1. Employment Recovery

### (1) Labor resources in major cities (e.g. Sendai, Miyagi)

- ① Sendai, the largest city in Tohoku Region, lacks labor resources due to a concentration of demand for post-quake restoration.
- ② Ratio of jobs to job seekers is 1.18 (as of July 2012).

### (2) Coastal area restoration and employment situation.

- ① Slow progress in restoration in the seriously damaged coastal area has exacerbated the severe employment situation.
- ② Ratio of jobs to job seekers is 0.96 in Ishinomaki (Miyagi), 0.82 in Shiogama, and 0.82 in Kesenuma.

### (3) Reemployment following expiration of the unemployment insurance benefit period

- ① Job seekers in Iwate, Miyagi, and Fukushima whose unemployment insurance benefit period expired at the end of June 2012 totaled 15,243.
- ② Among the 15,243 job seekers, 5,355 individuals found employment (35%) and 9,888 individuals were still unemployed (65%).

## 2. Restoration of Industry

### (1) Manufacturing

- ① Automobile assembly plants and parts manufacturers were restored within a short period of time. Many companies started production in July and August 2011. Supply chains have also recovered quickly. In addition, Toyota and a number of other companies dispatched staff to help with the rebuilding of plants for the manufacture of important parts (Renaissance Technology, etc.).
- ② Many small- and medium-size manufacturers outside the direct supply chains of major companies decided against reestablishment and discontinued business.

### (2) Fishery & Marine Product Processing

- ① Restoration of fishery and marine product processing, a major coastal-area industry, has lagged significantly.
- ② Major causes are delay in the restoration of fishing ports and the lack of aid due to the presence of many small- and medium-size manufacturers in the area.

③ The significant delay in harbor facility restoration is due to inflexibility in task-sharing between local and national governments. Although the restoration of large harbor facilities was directly managed by national government and completed within a short period of time, the restoration of small- and medium-size fishing ports, managed by local governments, has been hampered due to delays in financial measures by the national government and the lack of human resources in construction.

④ It is essential for the national and local governments to show flexibility in sharing roles in emergency situations.

### 3. Industry Job Offers

#### (1) Industries with large numbers of job openings

① Major cities: Service, wholesale/ retail, medical care & welfare, construction (demand for post-quake restoration)

② Inland areas excluding major cities: Medical care & welfare, construction (demand for post-quake restoration), manufacturing

③ Coastal area: Construction (demand for post-quake restoration), medical care & welfare

#### (2) Mismatch between job offers and job seekers

① While job offers in construction (demand for post-quake restoration) have been increasing, only few job seekers pursue or qualify for employment in construction. Job seekers cite heavy labor as a reason for avoiding construction jobs, and industry cites a lack of applicant skill and capabilities in not hiring.

② While job seekers in large cities are often employed in jobs they have no work experience in, job seekers in coastal areas are reluctant to be employed in such jobs.

③ The majority of job seekers in coastal areas lost jobs in marine product processing, and the rate of the middle-aged females is extremely high.

④ Job seekers that visited the three Hellowork sites (Ofunato, Kesenuma, and Ishinomaki) in coastal areas (as of July 2012)

- Females 45 years of age or older: 3,488    Female younger than 45 years of age: 2,363
- Males 45 years of age or older: 2,363    Men younger than 45 years of age: 2,033

### 4. Effects and Limits of Employment Promotion Measures

#### (1) Areas in which measures are effective

① Large cities and surrounding areas: Extension of unemployment insurance benefits, introduction of jobs and enhancement of vocational training for reemployment through

Helpwork were effective.

② Many young mid-level individuals were reemployed in industries with more openings for jobs that were different from those in which job seekers had experience.

(2) Areas in which measures are showing low effectiveness

① Middle-aged females in coastal areas show a tendency to hesitate accepting reemployment in jobs for which they have no experience, which resulted in prolonging unemployment.

② Delay in restoration of the fishery and marine product processing industry has caused delay in reemployment.

(3) Restoration of Industries and Employment through New Methods

① Restoration support measures initiated by local and national governments were insufficient because the damage was tremendous.

② The general public started contributing funds, known as citizen funds, for the restart of small- and medium-size manufacturers, which resulted in the reopening of many businesses.

③ Citizen fund recipients are selected on the basis of business plans created by applicants; therefore, applicants need to propose new plans for the restart of business.

④ Notable cases of business restarts using citizen funds

- Collaborative business management among companies and business owners in fishery and marine product processing (improvement of productivity, creation of high-value added jobs)
- An agricultural production corporation started multiple crop production using hydroponic methods at a planting house built on farmland damaged by seawater.
- A business owner in his 30s returned to his hometown from a large city and started a new business model.

(4) New Industries with High Expectations

① Floating wind-power generation system (creation of large employment through mechanized production)

② Building a smart city utilizing renewable energy

③ Enticement and development of robotic, bio-technology based and pharmaceutical industries