Collective reputation, rice market, and externality:  
 Evidence from Fukushima nuclear accident

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Abstract

The existence of collective reputation implies an important externality. Among farmers, reputational damage could affect the demand of agricultural product, nonetheless they do not have causes. We study such a reputational damage in the context of a sensational issue that affected the Japanese agrarian sector in 2011 due to Fukushima Nuclear Accident. Leveraging detailed household-level agriculture census data and a natural experiment stemming from the accident, we document sizable externalities on uncontaminated areas. We further investigate potential mechanisms that could mediate the strength of collective reputation, including information accuracy, observability of the supply chain, and prior export experience.

1. Introduction

In a commodity market, information friction may cause

1. Background on rice market in Japan and Fukushima nuclear accident
2. Rice brand in Japan
3. Fukushima nuclear accident

On 11th March, 2011, Great East Japan Earthquake (also known as 2011 Tohoku earthquake) hit Tohoku region in Japan. Following the earthquake, Fukushima nuclear power plants exploded and emitted radioactive

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