

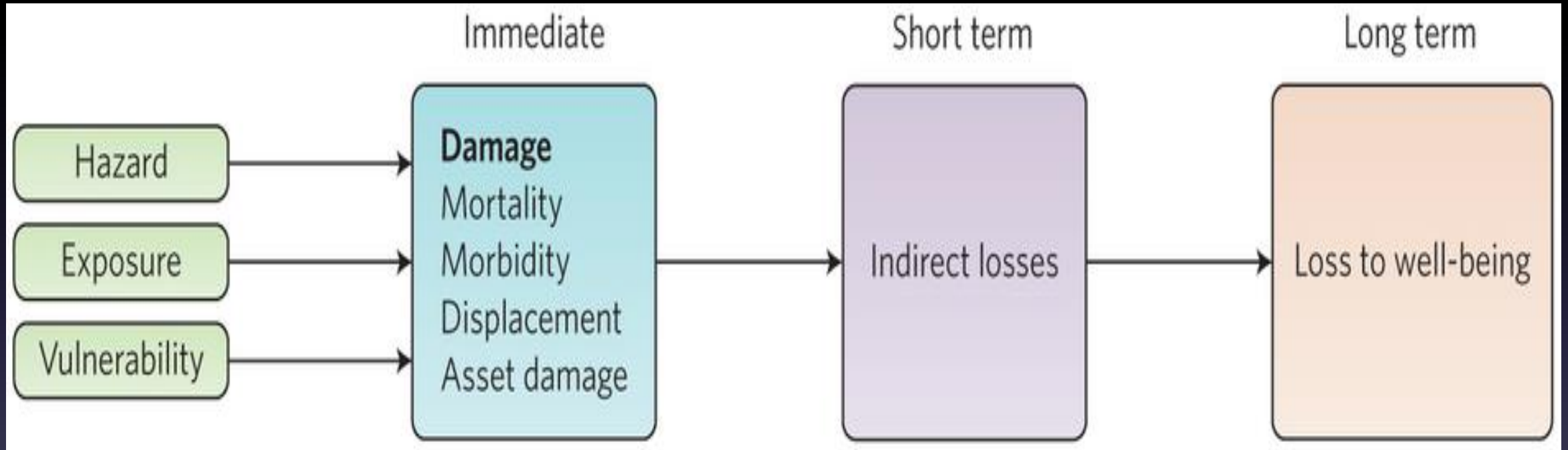
Recovery After Earthquakes

Ilan Noy

Chair in the Economics of Disasters and Climate Change

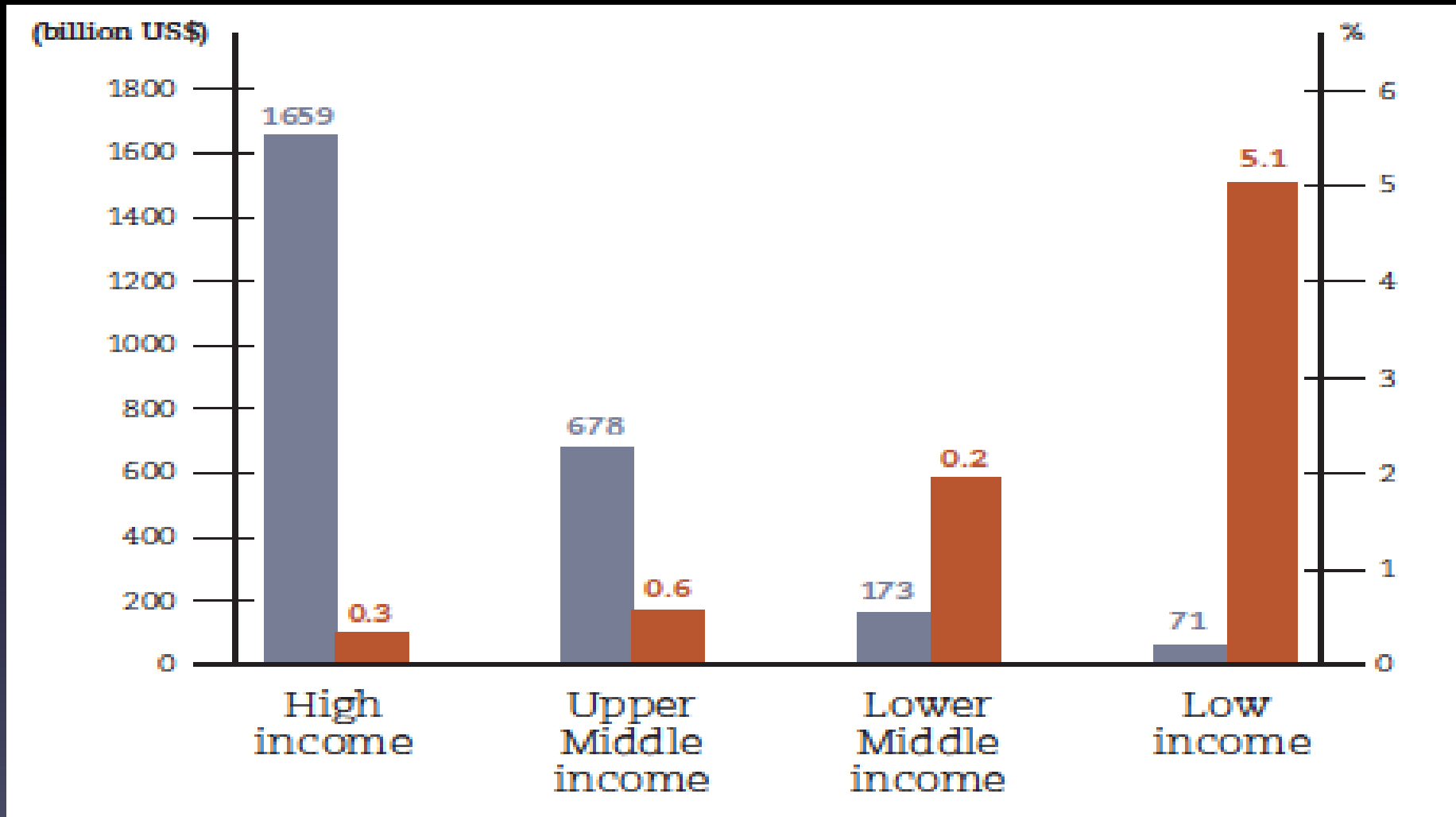
Victoria University of Wellington, New Zealand

What happens when a disaster strikes?



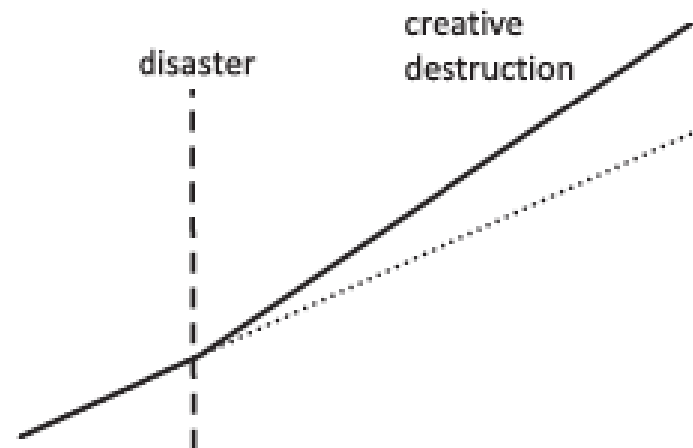
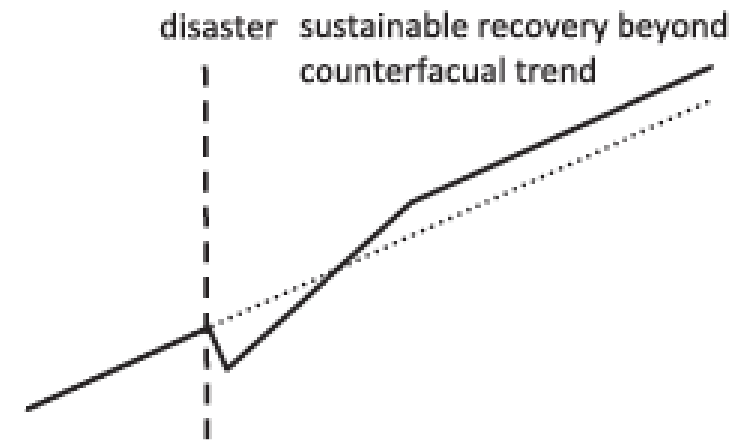
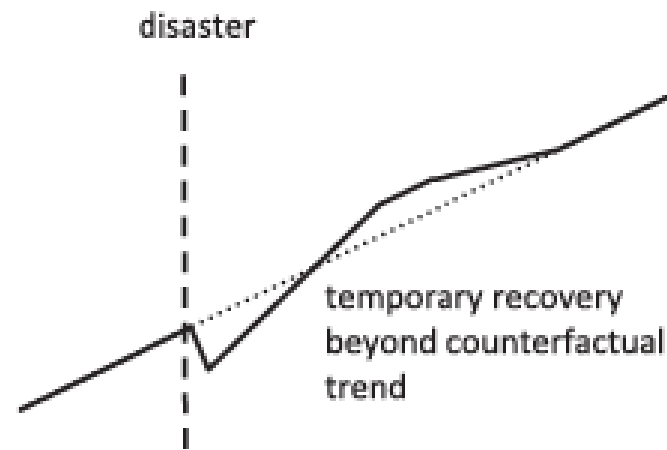
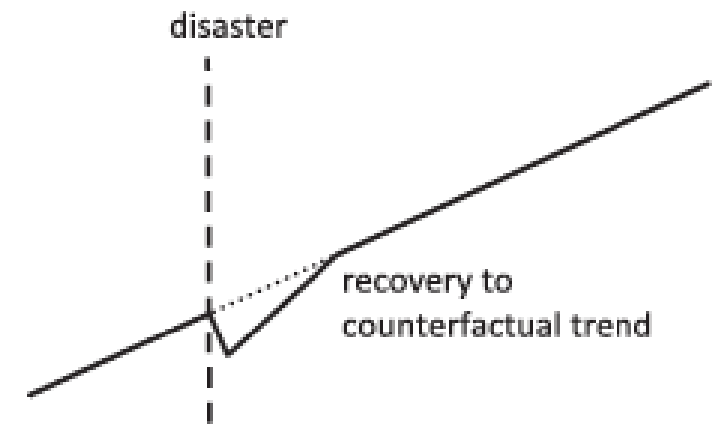
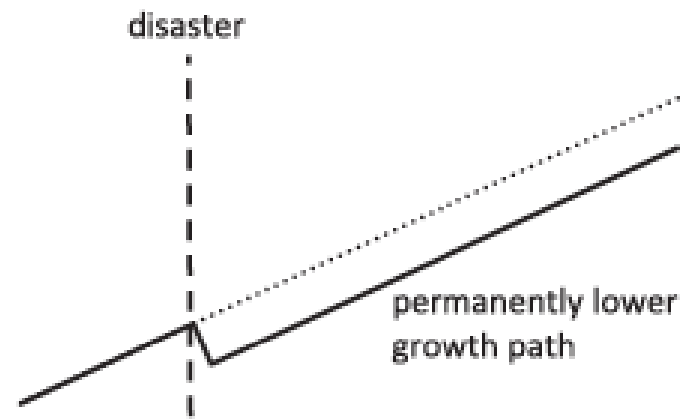
Source: Noy (2016)

Direct Economic Damage



Source: GAR (2015)

Plausible scenarios for an economy after an earthquake

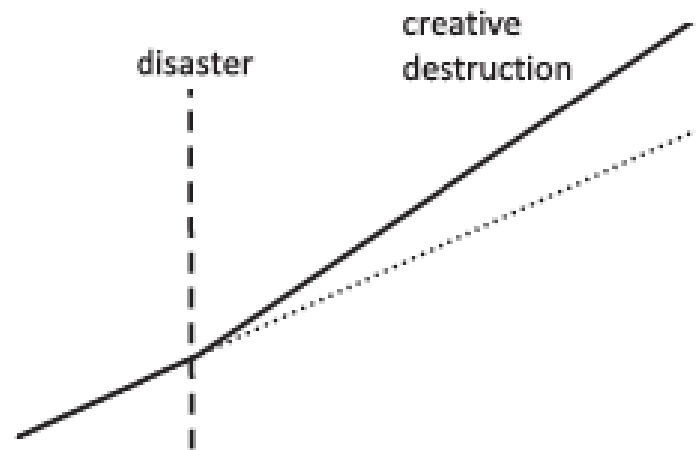
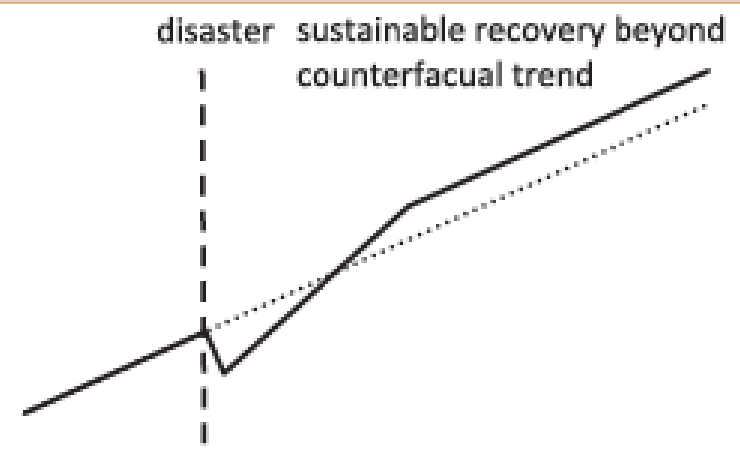
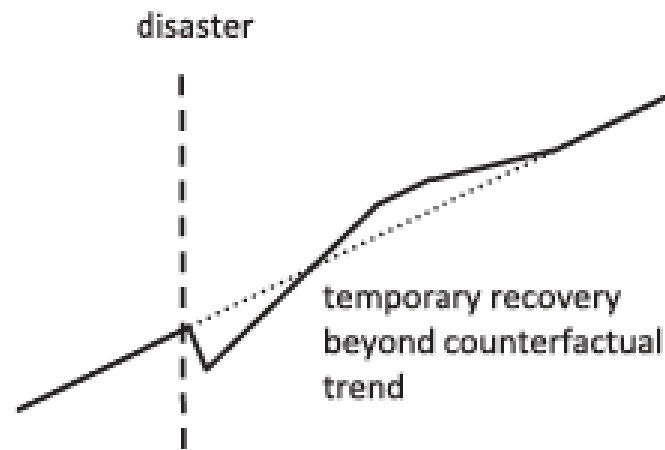
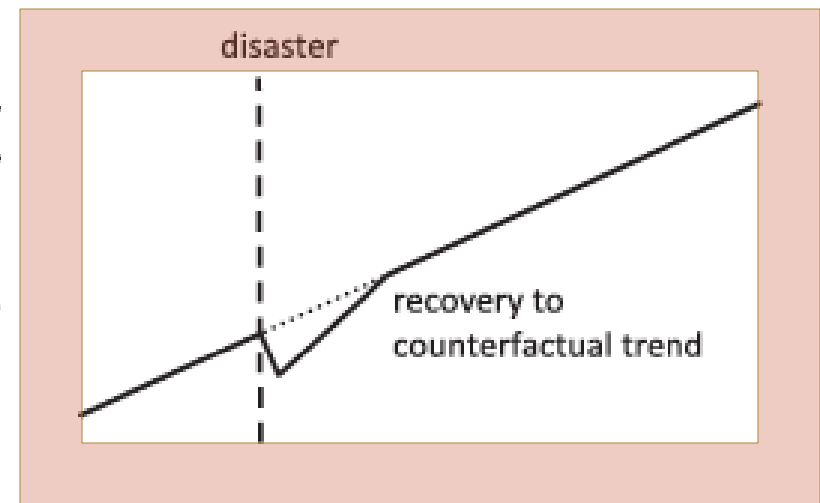
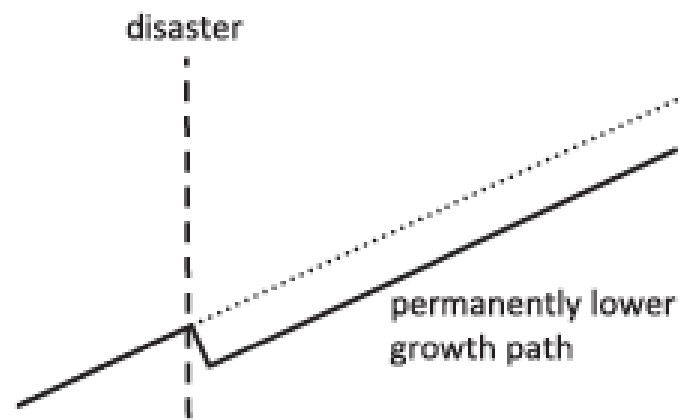


An old and common answer...

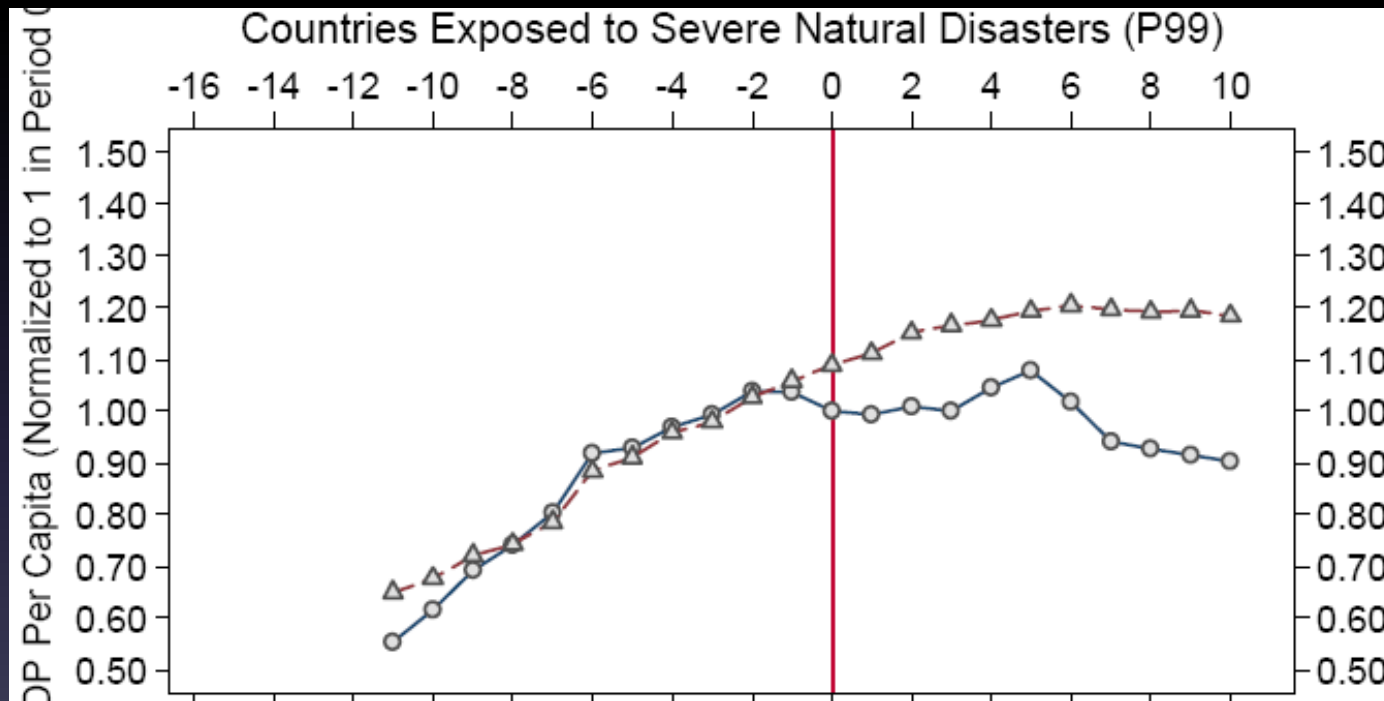
“...what has so often excited wonder, the great rapidity with which countries recover from a state of devastation; the disappearance, in a short time, of all traces of the mischiefs done by earthquakes, floods, hurricanes....”

(J. S. Mill, *Principles of Political Economy*, 1872)

Full recovery



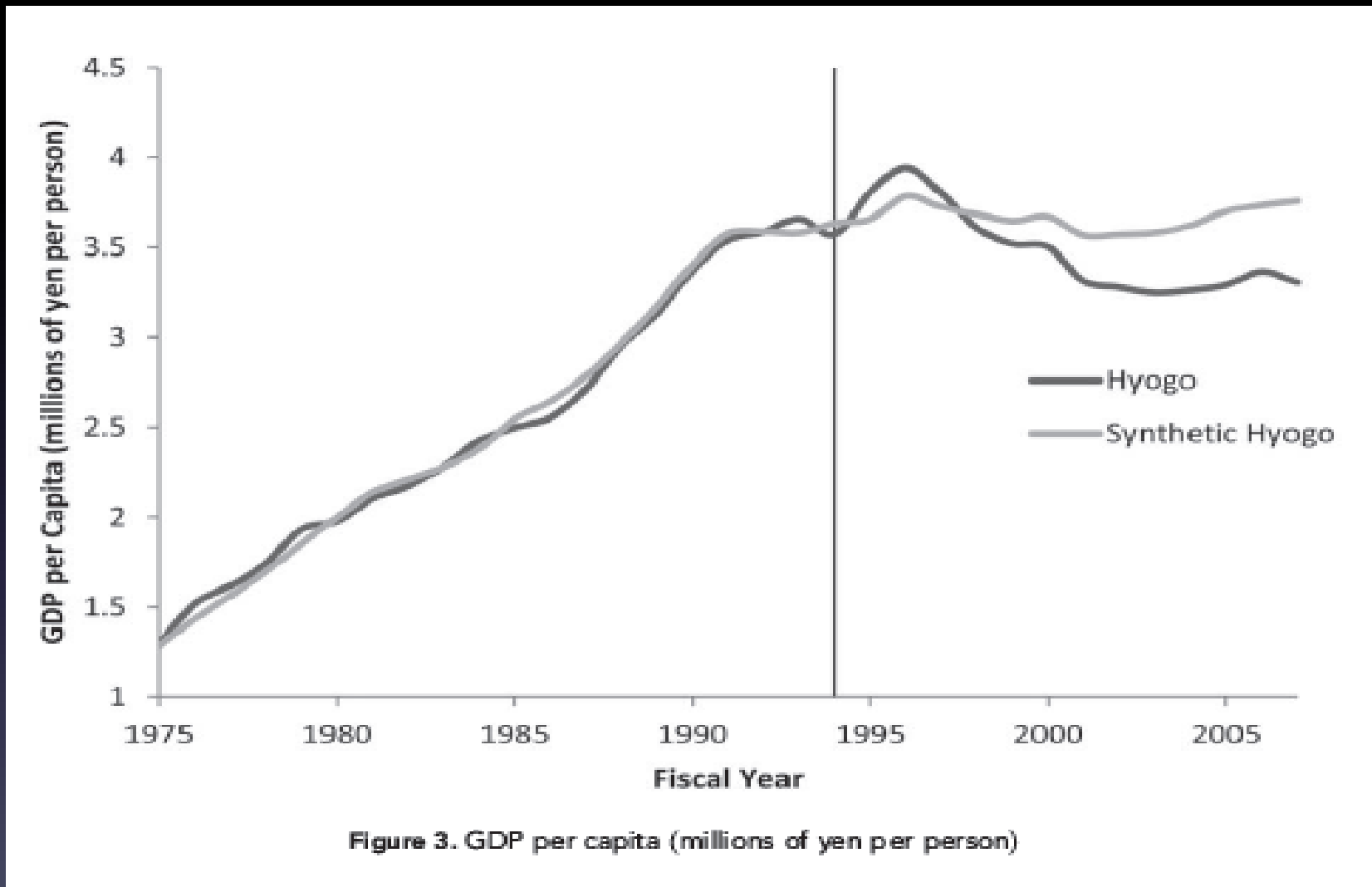
Results from Cavallo et al. (2013)





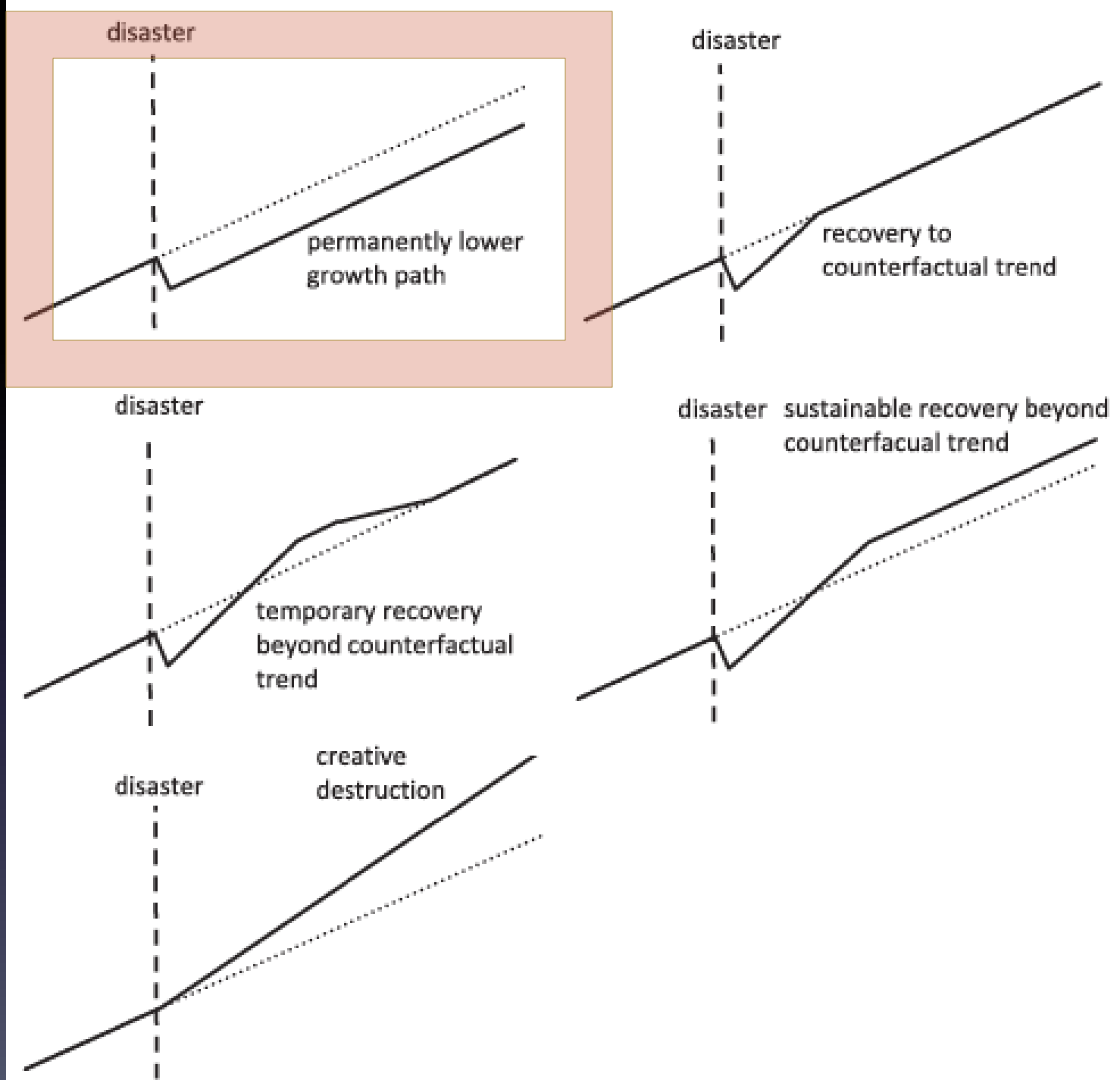
"I am so over the details."

Case study: Kobe 1995



Source: duPont and Noy (2015)

Permanently lower
income



Fast or slow?



Concepción (27/02/2010)

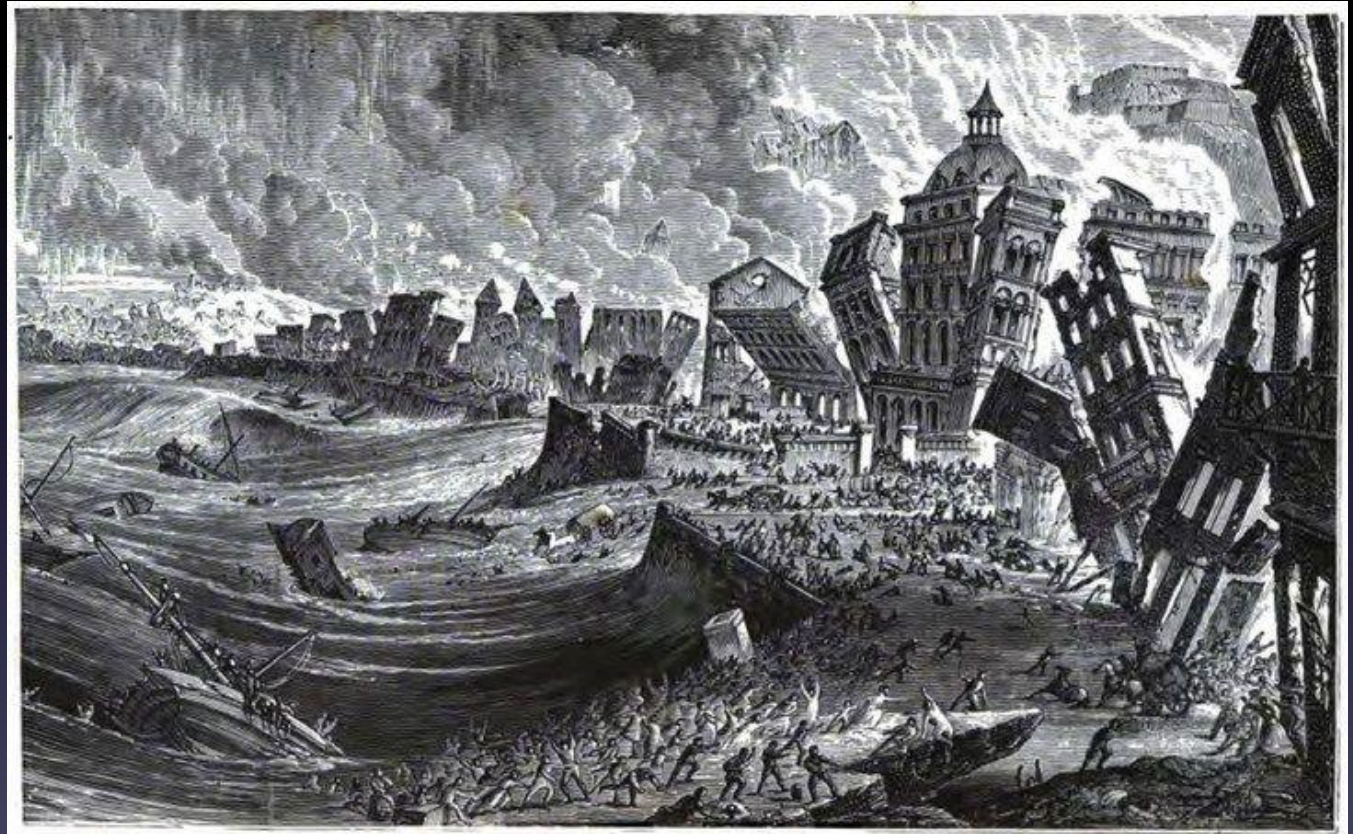


Christchurch (22/02/2011)

Impacts on Institutions: Lisbon 1755

“After the earthquake...the wise men of that country could discover no more efficacious way of preventing total ruin than by giving the people a splendid auto-da-fé....”

(from Voltaire's *Candide*)



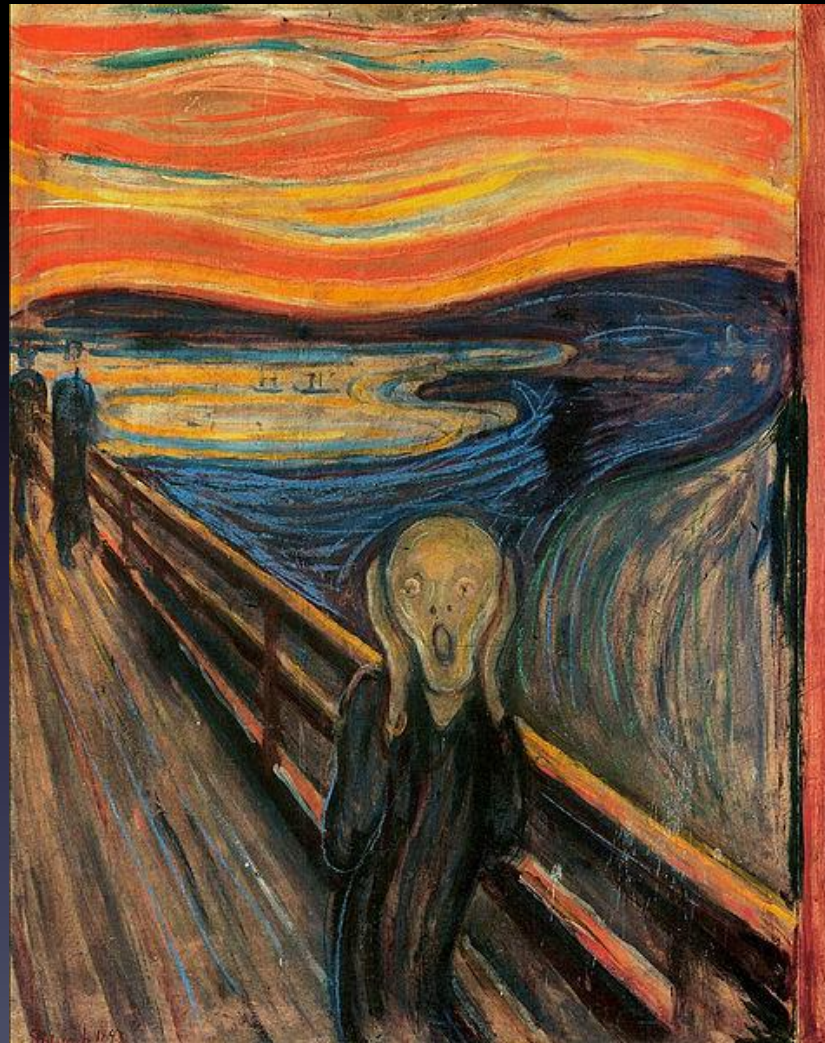
Impacts on Confidence



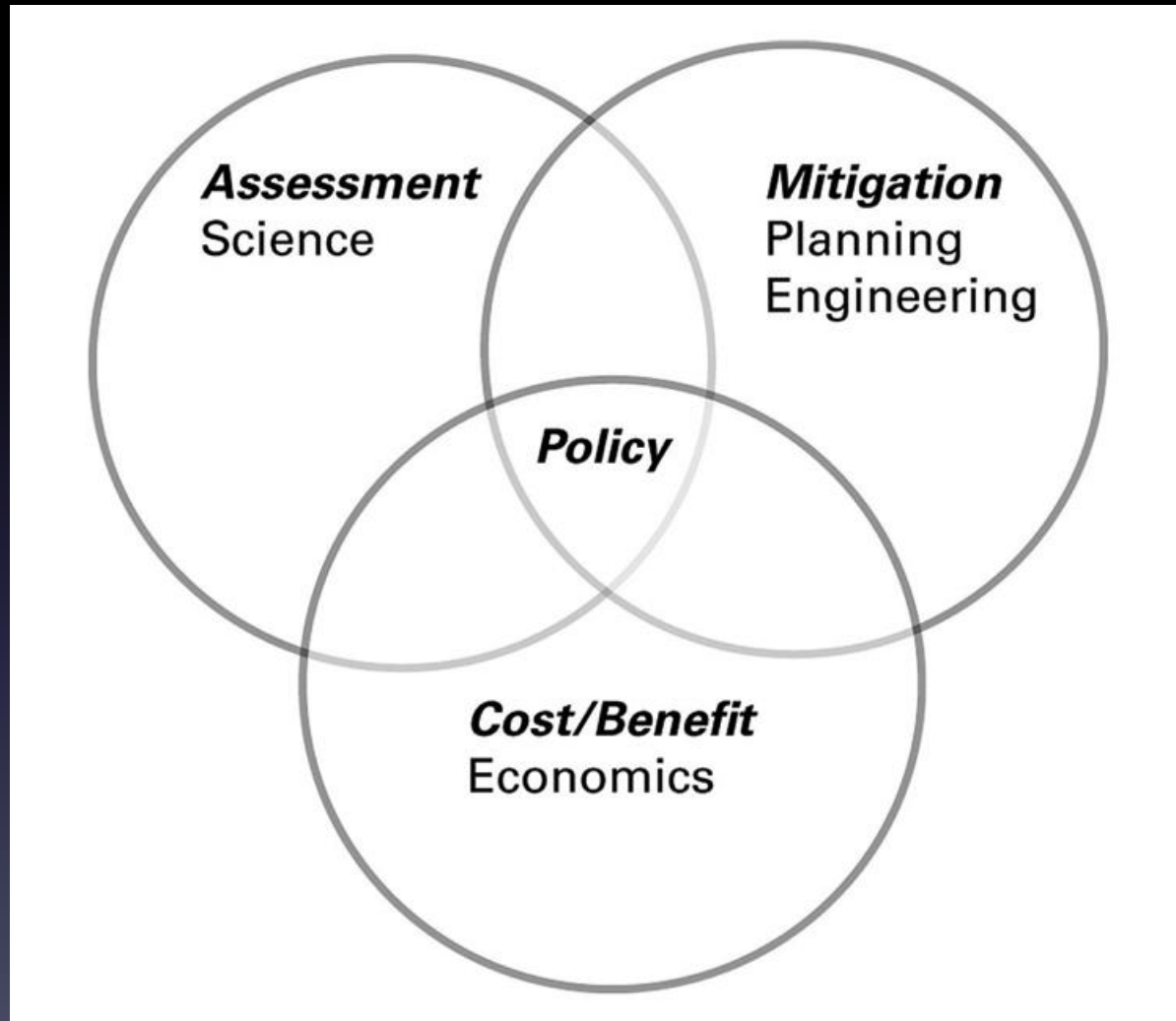
Other long-run impacts (besides on economic growth)

- On health
 - Stature and cognitive abilities
- On education
- On migration
 - Migration away vs. changing patterns of in-migration
 - In lower-income countries?
- On income inequality

Should we despair?



Seismic Policy?



Source: Stein and Stein (2014)

متشکرم

Danke

Thank you!