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## How Policy Changes Affect Shareholder Wealth: The Case of the Fukushima Daiichi Nuclear Disaster

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### Abstract:

This paper analyzes how policy changes affect shareholder wealth in the context of environmental regulation. We exploit the unique and unexpected German reaction to the Fukushima Daiichi nuclear disaster, which involved the immediate shutdown of almost half of Germany's nuclear reactors while safety checks were carried out, and a three-month moratorium on extending the lives of others. Using the event study methodology, our findings indicate a wealth transfer from nuclear energy companies to renewable energies companies in Germany. We moreover find that the joint market capitalization of these firms has decreased, but the amount of this combined decrease is small. Substantial heterogeneity in the shareholder wealth effects across European countries can be linked to different nuclear energy policies. The shareholder wealth of nuclear and conventional energy companies in the United States has been unaffected.

**Text:** See [Discussion Paper No. 5896](#)



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