

Abstracts

An Empirical Analysis of the Wage-Tenure Profile Using Firm-Level Panel Data in Japan

Ryo Akahane (Nihon University) and **Jiro Nakamura** (Nihon University)

It is recognized, mainly from Japanese aggregate data, that the wage-tenure profile is affected by conditions in external labor markets, productivity and population aging. We estimate the effects of these factors on the profile using matched employer-employee panel data at the firm level after the bursting of the bubble economy in Japan. The results show that *ceteris paribus*, the steepness of the wage-tenure profile is positively related to labor productivity, but negatively related to tightness of external labor markets and aging of employees. We also find that the wage-tenure profile tends to flatten in firms which reduced employment.

Transition into Regular Employment among Separating Non-regular Employees

Yuji Genda (University of Tokyo)

This paper examines the determinants of transition probability into regular employment among persons separating from previous non-regular jobs, using micro data from the Employment Status Surveys in 2002, which contain the largest sample size of movement between different employment statuses. First, we find that labor supply constraints such as house-keeping and aging prevent people from moving into regular employment. Secondly, it is relatively easy for those living in areas of low unemployment to find regular jobs, and individual labor demand for highly skilled jobs specified as medical and welfare services and that based on higher education enable appropriate persons to become regular employees. The key finding of this paper is that non-regular employees who had worked for 2 to 5 years for the same firm before separation, are more likely to get regular jobs. This result is consistent with the signaling hypothesis that a career of working continuously for a certain period is a signal for potential ability and retention propensity under the situation of information asymmetry between firms and job applicants.