An interval regression analysis for tenures of Japanese elder care workers using matched employer-employee data
Shinya Sugawara
sugawara@e.u-tokyo.ac.jp
Assistant professor, Faculty of Economics, University of Tokyo

Abstract
This paper analyzes job tenures of Japanese elder care workers in the home care service sector, using an econometric framework that can fully utilize information of available data. This sector reveals a large between-firm difference in workers' separation rates, despite a regulation policy that induces a limited wage dispersion. I rationalize this puzzling observation by a screening model in which firms try to avoid adverse selection caused by information asymmetry regarding workers' motivation. My model induces a separating equilibrium in which several firms cover training costs for general human capital accumulation of workers. To examine a testable implication of my screening model, I construct an interval regression model using cross-section data with matched employer-employee information. A standard Bayesian estimation provides empirical results that support my economics model.

Key Word: Econometrics; Bayesian statistics; Interval regression; Partial identification; Labor economics; Elder care in Japan