

日本経済学会 2018 年春季大会  
(独) 経済産業研究所 劉洋

Firm Age, Size, and Employment Dynamics:  
Evidence from Japanese firms

Yang LIU  
RIETI

Abstract

This study examines the effects of firm age and size on employment dynamics based on a large scale of panel data from Japan. It contributes to the literature by examining age and size effects on firm-level job creation and job destruction, which have not been clear in previous studies. The empirical result indicates that firm age has significantly negative effects on both job creation and destruction rates; however, firms size has a significantly negative effect on job creation while has a significantly positive effect on job destruction. The theoretical background of this study is the standard theory on job creation and destruction in labor economics theories, which considers that job creation is determined by expected profit from new created jobs, and job destruction is determined by whether the job is expected to be profitless. Age and size of firms affect their expected profit and therefore lead to effects on the behaviors of job creation and destruction. Finally, the results are similar for manufacturing firms and service firms.

Keywords: firm age, firm size, job creation, job destruction, productivity