Empirical Economics Letters, 24 (5): pp. 127-152, (May 2025) ISSN 1681 8997 https://doi.org/10.5281/zenodo.15504806

Vertical and Horizontal Education-Job Mismatch and Heterogeneity in the return to Schooling in Cameroon: Do Employment Contracts Matter?

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Abstract: This paper aims to assess the effect of education-employment mismatch on labor market earnings in Cameroon, with a particular focus on the moderating role of employment contracts. The analysis is based on data from the National Institute of Statistics survey on employment and the informal sector, collected in 2021. The results obtained using the control function method demonstrate that the education-employment mismatch negatively and significantly affects remuneration. The findings further suggest that, under comparability conditions, workers lacking formal employment contracts or those with fixed-term contracts are more likely to encounter a wage penalty associated with the mismatch between education and employment.

Keywords: Education-Employment Mismatch, Earnings, Employment Contracts, Cameroon

JEL Classification Number: I21, J24, J31, J4

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