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### Labour Contracts and Performance of Cameroonian Firms

by Benjamin Fomba Kamga  
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**Abstract:**

The aim of this study is to evaluate employees' productivity in relation to their contract status. This study uses (a) survey data collected among manufacturing sector firms, having more than 15 employees, in Cameroon between April and May 2006 and (b) information issued by the National Institute of Statistics. Information collected concerned 45 firms spanning the period 2003-2005. This study uses the stochastic production frontier, distinguishing employees holding fixed-term contract (FTC) from employees that do not have fixed-term contracts (indefinite-term contract (ITC)). Results are estimated in 2 stages. First, we evaluate the determinants of the utilisation of FTC workers and second, we estimate the level of efficiency and productivity of two types of workers. Empirical results indicate that employees holding FTC are twice more productive than those holding ITC. Likewise, parameters indicating returns to scale are 1.3. This parameter, though not significant, is greater than one indicating constant returns to scale in the firm production function.

**Text:** See [Discussion Paper No. 6211](#)

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