

# Contract labor and worker retention: Evidence from Nigeria

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## 1. Introduction

### Motivation

- Triangular employment relationship between employers, workers, and intermediaries
- Long history in the agricultural sector. Yet quantitative evidence on the implications of contract labor for workers is lacking<sup>1,2</sup>

### Contribution

- Links between contract labor, job quality, and worker retention

### Case study on Nigeria's tomato sector



Hands holding tomato harvest. (Source: Mythja on Dreamstime.com)

## 2. Materials

### Matched farm-to-worker survey data

- 394 farms and 559 hired (seasonal) workers

### Type of workers

- Contract (201) vs. directly recruited (358) workers

### Hypothesis

- Contract workers are more likely to be hired under poorer working conditions and, thus, are more likely to have higher intentions of quitting their jobs

## 3. Method

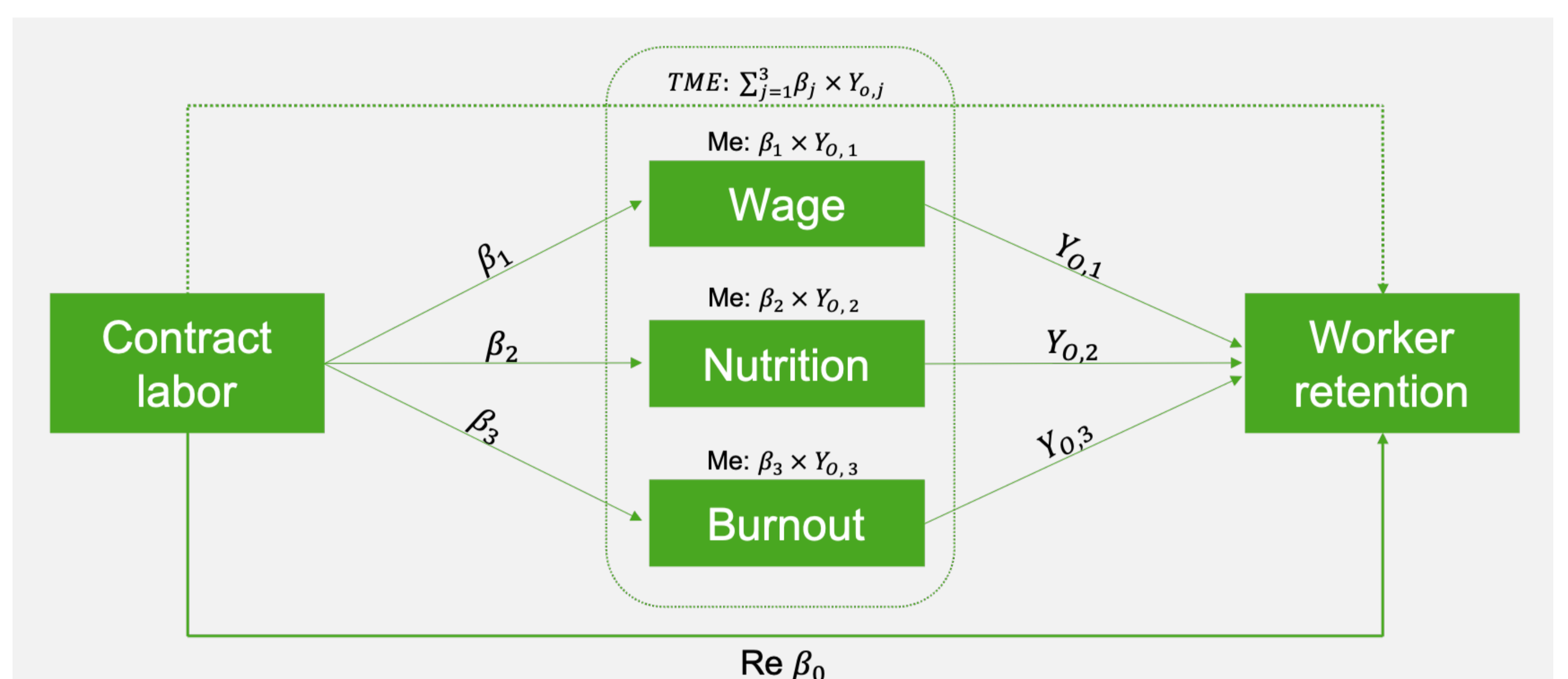


Figure 1: The estimated multiple mediation model linking contract labor to worker retention. TME, ME, and RE refer to the total mediation effect, mediation effect, and residual effect. Own graph

(Naira/hour)     
 (WHO well-being index)  
 (Food insecurity experience scale)



Source: Emily Shullaw for Wisconsin Watch (2019)

## 4. Preliminary results

### Job quality

- Contract workers are more likely to earn **lower wages**
- Contract workers are more likely to experience **severe food insecurity**
- Burnout scores are similar between contract and directly recruited workers

### Worker retention

- Contract workers report **higher intentions** to quit their jobs

## Reference

1. Nye, C. (2020). Agriculture's 'other' contingent labour source. Agricultural contractors and relationships of interdependence at the farmer-contractor interface. *Journal of Rural Studies*, 78, 223-233. <https://doi.org/10.1016/j.jrurstud.2020.06.031>
2. Taylor, J. E. (2010). Agricultural Labor and Migration Policy. *Annual Review of Resource Economics*, 2(1), 369-393. <https://doi.org/10.1146/annurev-resource-040709-135048>

