

# The Returns to Occupations: The Role of Minimum Wage and Gender in Nigeria

## Abstract

This paper examines the economic returns to being employers, paid workers and self-employed own account individuals in a lower middle income economy using quantile regressions while accounting for selection using Heckman selection models. The results suggest that although the majority of employers experience labour wage premiums throughout the income distribution, self-employed own account individuals experience a wage penalty at the lower quantiles of the income distribution where paid workers reap benefits from minimum wage guarantees, suggesting that minimum wage legislations may push individuals with low skills into self-employment. Furthermore, female employers and paid workers tend to be relatively well educated implying that education enables females to escape the job glass ceiling although males typically earn significantly more than females.

**Keywords:** Entrepreneurship; Occupational Choice; Wages; Gender; Nigeria; Africa

**JEL Classification Codes:** J24, E24, J16, J23, J46, J21

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