

TURNING KNOWLEDGE TO ACTION

Facilitating the School to Work Transition of Young Women

In Latin America and the Caribbean, the school-to-work transition is more challenging for girls than boys due to societal norms. Young women who drop out of school are more likely than young boys to be unemployed, or employed in less stable, lower-paid jobs in the informal sector. Work-study programs can help to address these gender gaps in the school-to-work transition.

In Uruguay, a national work-study program offered by a lottery system significantly improved the school-to-work transition for young girls and boys. Key features of the program included providing high-quality jobs with a focus on human capital accumulation that is compatible with schooling. This note is based on the policy brief that presents novel evidence on the effects of the Uruguayan work-study program by gender.

New evidence from young girls in Uruguay



Transitioning from school to work is a crucial period in the lives of girls. The evidence shows that the number of youth not in education, employment, or training (NEETs) is significantly higher among women than men in Latin America. This gender gap may be due to the burden of teenage pregnancy, unpaid care work for girls, early marriage, and the disconnect between the labor market and the educational system.

To tackle this issue, governments often offer active labor market policies such as training, which are typically focused on out-of-school youth. Work-study programs targeting youth while they are still in school can positively affect education outcomes and earnings too. However, evidence of their effectiveness is limited as this area has been less studied.

Le Barbanchon et al. (2021) studied the effects of a national work-study program allocated by lottery in Uruguay called *Yo Estudio y Trabajo*, which targeted students aged 16 to 20. Participants had to be enrolled in secondary education or university at the time of application and throughout the program, which consisted of well-paid, formal work experience within the main state-owned companies of the country.

How can work-study programs help close the gender earnings gap?



The program led to a substantial increase in time spent working for both boys and girls, with limited impacts on time spent studying. Youth offered the program compensated by studying more at night. Additionally, the program reduced the time spent on household chores and leisure, particularly for girls. Overall, both boys and girls significantly benefited from the program. They saw significant positive effects on earnings without seeing their schooling outcomes affected. Moreover, there were positive effects on the probability of being enrolled in high school both during and up to two years after the program.

Girls participating in the program broke the gender earnings gap. After two years, their earnings equaled those of boys' who did not participate in the program. In

other terms, if only offered to girls, the program would effectively close the gender gap in earnings. That said, the gender gap persists when comparing girls to boys who participated in the program.

Work-study programs could divert students' efforts away from school, potentially damaging academic outcomes (Dynarski et al., 2022). Many undergraduates today already work while enrolled, often in low-skill, off-campus jobs with no connection to students' majors and with little consideration for students' academic schedules and goals (Scott-Clayton, 2017). Work-study programs could reduce scheduling friction and provide students with access to better-quality, more career-relevant jobs. Scaling up this kind of program requires engaging private sector firms.

Three features of a work-study program that can be crucial for their effectiveness are:

- 1) High-quality jobs-. These jobs must offer opportunities for hands-on learning that allow young people to network within the industry and expose them to new environments and expectations. The high-quality job should have clear job tasks and expectations, some level of responsibility, access to applied learning in a specific industry context, and feedback from supervisors and peers (Ross et al., 2020),
- **2) Appropriate monetary compensation-** Remuneration must be fixed. Participants are supposed to work during the regular operating hours of the firm, with the condition that working hours do not prevent them from attending school.
- **3) Compatibility with schooling-** The program administrators should prioritize the compatibility between schooling and work hours over the relevance of the job tasks with respect to the studies specialization.

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