



# Education and transition to work: Evidence from Vietnam, Cambodia and Nepal

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## ABSTRACT

Against the background of education expansion and economic transformations, little is known about how education shapes the transition to work in developing countries. Drawing on the cases of Vietnam, Cambodia and Nepal, this study examines the association between education and the timing and quality of transition to work. In Vietnam and Cambodia, school enrolment delays the transition to first paid employment, but upon leaving school, higher education attainment is associated with faster rate of transition. The education gradient is even stronger in probabilities and rates of transition to first stable, long-term employment. In Nepal, school enrolment does not preclude transition to paid employment, and the relation between education attainment and transition to work differs significantly by gender.

## 1. Introduction

Education expansion, coupled with the growing importance of knowledge and skills in the labour market, have the potential to transform the timing of life course transitions. In industrialized countries, as young people stay in school longer in order to acquire the necessary skills and credentials, increase in school-leaving age delays the entrance into the labour force, one of the markers of adulthood (Furstenberg, 2013; Shanahan, 2000). Upon completing school, higher education attainment is associated with higher rate of transition to better first jobs (Mills and Präg, 2014; Müller and Gangl, 2003; Ryan, 2001; Schoon and Silbereisen, 2009; Shavit and Muller, 1998), although the strength and nature of the association vary across countries (Brzinsky-Fay, 2007; Müller and Gangl, 2003; Ryan, 2001; Shavit and Muller, 1998). In contrast to the extensive research set in the industrialized countries, less is known about the timing and quality of transition to work in developing countries against the background of rapid education expansion and economic transformations. Even less is known about whether the relation between education and transition to work converges or diverges across developing countries, and how institutional differences in education and labour markets contribute to the cross-country variations.

Transition to adulthood might have a distinct pattern in the developing context from the industrialized world (Grant and Furstenberg, 2007). On one hand, children in the developing world run the risk of transitioning ‘too early’ (World Bank, 2006, 96). 168 million children were estimated to have entered work under age 15 (International Programme on the Elimination of Child Labour (IPEC) 2015). On the

other hand, youths who are stuck in a period of ‘waithood’ between childhood and adulthood have become a prevalent phenomenon in various parts of the developing world (Dhillon and Yousef, 2011; Honwana, 2012). In Latin America alone, about 19% of the total youth population was estimated to be neither in employment nor in education or training (NEET), and the number of young male NEET had grown by 46% between 1992 and 2010 (Navarro et al., 2016). Among the NEET population are children who have dropped out of school early and remained idle since (Utomo et al., 2014; Bacolod and Ranjan, 2008), as well as young people who are educated and yet unemployed (Jeffrey, 2010; Mains, 2011). These unique challenges raise the need for a better understanding of the role of education in shaping when and how children and youths enter the labour market in contexts where poverty, school and work are intricately linked.

This study draws on cases of Vietnam, Cambodia and Nepal to investigate how education is associated with the timing and quality of transition to work. Conceptually, I separate the effects of school enrolment from education attainment (Thornton et al., 1995; Blossfeld and Huinink, 1991; Raymo, 2003; Yabiku and Schlabach, 2009). I also examine transitions to two distinct definitions of ‘first employment’: paid employment and stable long-term employment, which excludes informal and irregular employment (International Labour Office, 2015, 43). Empirically, I draw on retrospective longitudinal survey data collected across the three countries and apply a series of parametric and semi-parametric survival models that take into account the right-censored cases (i.e. children and youths who had not yet entered employment at the time of survey). Past research was limited in using age-specific period measures of education and employment status that mix

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different cohorts of youths (National Research Council and Institute of Medicine, 2005, 288; [Ersado, 2005](#)). Cross-sectional data can also generate different employment levels depending on the time interval used in the analysis ([Hoek et al., 2009](#)). Moreover, with standardized measurement and definitions of employment applied across countries, I am able to conduct more valid cross-country comparisons than previous research ([Nahar et al., 2013](#); National Research Council and Institute of Medicine, 2005; [Byrne and Strobl, 2004](#)).

## 2. Conceptual framework

### 2.1. School enrolment and transition to work

According to the modernity argument, as labour market changes and the role of the state becomes more pronounced in people's lives, life course transitions become less controlled by the family and increasingly shaped by structured institutions ([Shanahan, 2000](#)). Specifically, education expansion and the movement from agricultural to knowledge-based economies are main contributing factors to protracted transition to work over time ([Furstenberg, 2013](#)). Using data collected in Burkina Faso, [Calvès and Schoumaker \(2004\)](#) found a significant delay in the median age of transition to first paid employment across cohorts of educated men but not among uneducated men, suggesting that longer duration of schooling over time contributes to the delay in labour market entry. In the Chitwan Valley of Nepal, averaged across cohorts, school enrolment tends to delay the transition to first paid employment; over time, the enrolment effect on delaying the transition to work becomes stronger, reflecting the increasing conflict between student and employee roles ([Yabiku and Schlabach, 2009](#)).

Although education expansion and compulsory school attendance have led to more standardized age patterns of transitions to labour force across industrialized countries ([Shanahan, 2000](#); [Furstenberg, 2013](#)), the age patterns might be more varied across developing countries due to the varying strengths of institutions that could potentially structure the life course, such as schools and the labour market ([Grant and Furstenberg, 2007](#); [Edmonds and Pavcnik, 2005](#); [Park et al., 2010](#)). Enforcement of policies such as compulsory education and bans on child labour remains challenging due to resource constraint and their effect on reducing child work doubtful ([Edmonds and Pavcnik, 2005](#)). Meanwhile, household poverty, credit constraints, together with weak local institutions such as schools, continue to provide economic incentives for children to enter work early ([Edmonds and Pavcnik, 2005](#)). Consequently, unlike the industrialized countries, not only do children in many developing countries transition to work at a much earlier age ([World Bank 2006, 96](#); International Programme on the Elimination of Child Labour (IPEC) 2015), but the sequence between school-leaving and job entry is also more varied ([National Research Council and Institute of Medicine, 2005](#); [Juárez and Gayet, 2014](#)). According to estimates using UNICEF Multiple Indicator Cluster Surveys covering 124 million children aged 5 to 14 from 36 developing countries, as much as 73% of children who attend school also work, and 74% of children who work attend school ([Edmonds and Pavcnik, 2005](#)).

Whether school enrolment precludes labour market participation and delays the transition to work in part depends on the cost and quality of schooling. While most previous studies theorize child labour and schooling as competing activities of children's time ([Ersado, 2005](#); [Bacolod and Ranjan, 2008](#); [Ray, 2002](#); [Fafchamps and Wahba, 2006](#); [Edmonds and Pavcnik, 2005](#)), fieldwork has challenged the assumption of school-work trade-off. Recent studies argue that child work enables and, in some cases, provides the only means for survival and funding further education ([Maconachie and Hilson, 2016](#); [Hilson, 2012, 2010](#)). These studies suggest that in contexts where education is valued but remains costly, rather than delaying the transition to work, school enrolment actually necessitates early transitions to work. On the other hand, poor school qualities and short instructional times make school attendance and work more compatible. Reduced institutional time due

to widespread teacher absences is symptomatic of weak schools ([Chaudhury et al., 2006](#); [Benavot and Gad, 2004](#)). Shorter time spent in school also indicates the inadequacy of school resource and students' opportunity to learn ([Baker et al., 2004](#)), directly correlated with lack of school infrastructure, teacher qualities and lower achievement ([Glewwe et al., 2011](#); [Lavy, 1996](#); [Pedro and Christel, 2007](#)). Taken together, in developing countries with weak labour market institutions and large informal sectors, I expect the effect of school attendance on timing of transition to paid labour market to vary by cost and quality of education: high cost and poor quality of schooling not only provide incentives for child work but also make school and work more compatible.

### 2.2. Education attainment and transition to work

Among school leavers, education attainment provides the main resource for successful school-to-work transition ([Mills and Präg, 2014](#); [Müller and Gangl, 2003](#); [Ryan, 2001](#); [Schoon and Silbereisen, 2009](#); [Shavit and Muller, 1998](#)). Within cohort, higher levels of education attainment among school leavers have been linked to faster transition to work in developing contexts as diverse as Chitwan Valley, Nepal ([Yabiku and Schlabach, 2009](#)), Cape Town, South Africa ([Lam et al., 2007](#)) and Ouagadougou, Burkina Faso ([Calvès et al., 2013](#)). In contrast, among youths who had dropped out of school at age 16 or below in Jakarta, Indonesia, less than a quarter of early school-leavers worked in the immediate year following school exit, and about 30% neither worked nor studied between the ages of 12 to 18 ([Utomo et al., 2014](#)). Similarly, among the out-of-school and out-of-work youths aged 19 to 24 in Latin America, 60% have failed to complete secondary school ([Navarro et al., 2016](#)).

The specific magnitude and direction of the association between education and transition to work depend on the labour market context, especially in terms of the relative demand and supply of education and skills. Studies of youth unemployment in sub-Saharan Africa and Middle East ([Calvès and Schoumaker, 2004](#); [Serneels, 2007](#); [Dhillon and Yousef, 2011](#)) have pointed to the lack of public sector jobs relative to the rapidly increasing number of educated youths with high aspirations. Meanwhile, in contexts with abundant job opportunities, poor education quality and the mismatch between education and labour market demand might still leave school leavers ill-prepared for the transition to work ([Garcia and Fares, 2008](#); [Lam et al., 2007](#); [Dhillon and Yousef, 2011](#); [Boccanfuso et al., 2015](#)).

Within countries, the effect of education attainment on the rate of transition to work might differ for males and females. Even though gender gaps have been closing in education attainment across developing countries ([Grant and Behrman, 2010](#)), the persisting gendered division of labour and cultural norms might collide with the changes and opportunities created through increasing education among young women ([Arnot et al., 2012](#); [Furstenberg, 2013](#)). Continuing pressure to specialize in domestic responsibilities might lead women of the same education attainment as their male counterparts to settle for worse jobs ([Blossfeld et al., 2015](#)). At the same time, women and men's education might be rewarded in the labour market differently ([Aslam, 2009](#); [Kingdon, 1998](#)) due to occupational segregation and discrimination in the workplace ([Blossfeld et al., 2015](#)). For example, [Malhotra and DeGraff \(1997\)](#) found that for women in Sri Lanka, higher education levels lead to greater labour force participation but highly educated women are more likely to be unemployed than employed, as more education does not make women more marketable on the job market. The same study found that, in addition to labour market demand and supply, family and cultural norms also shaped the behaviour of women. In Egypt, in contrast to a positive relation between education and transition to work for men, [Heyne and Gebel \(2016\)](#) found a downward trend in the transition probability for higher educated women, explained by the legal and cultural barriers to jobs in the private sectors faced by women but not men ([Dhillon and Yousef, 2011](#)).

Aside from the timing of the transition, education attainment is also

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