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**The transition from school to work among Chile Solidario and
Oportunidades beneficiaries.**

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**The transition from school to work among Chile Solidario and
Oportunidades beneficiaries**

by

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Dedication

This dissertation is dedicated to those women who, as Isa and Zulma, fight without success to give their grandchildren a better future.

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The transition from school to work among Chile Solidario and Oportunidades beneficiaries.

Denisse Andrea Gelber Nunez, Ph.D.
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Supervisor: Bryan R. Roberts

Conditional Cash Transfer (CCT) programs aim to reduce the inter-generational reproduction of poverty through human capital investment. By 2010, most Latin American countries offered these programs covering almost one fifth of the regional population. CCTs have remained in spite of government changes, economic crises and growth. However, long-term impact evaluations are not encouraging. CCTs have not promoted the completion of high school (the minimal level to obtain a salary above the poverty line), neither labor market mobility among youth. Therefore, CCTs are not achieving their long term goal.

In order to shed light on the aspects that explain this failure, my study explores the structural limitations that long-term CCT beneficiaries face in the transition from school to work, a crucial phase in the transition to adulthood and, therefore, in the reproduction of poverty. I analyze two emblematic CCTs in the region: Chile Solidario (Chile) and Oportunidades (Mexico). While Oportunidades is a pioneer CCT and is strictly focused on human capital investment (without connection with the labor market), Chile Solidario is the regional CCT that offers more connections with social programs, especially employment. With an exploratory-descriptive approach, I apply mixed-methods. I analyze CCTs surveys (Panel Chile Solidario for Chile and ENCELURB for

Mexico) and in-depth interviews with long-term young beneficiaries and their mothers (cash recipients), from an assets and vulnerability framework.

The dissertation sheds light on the heterogeneous characteristics of long-term beneficiaries and the variables that contribute the most to youth's transition from school to work. It also accounts for the main challenges faced by these policies to succeed: lack of local educational and employment opportunities, as well as lack of efficient connections between scholarships' worth, training programs and grants with beneficiaries' needs and situation.

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1. Research motivation

Latin America and Africa are the most unequal regions in the world. Latin America exceeds other developing regions inequality with an average Gini Index of 0.52 compared to 0.47 in Sub-Saharan Africa, 0.34 in Central Asia and 0.38 in East Asia (López and Perry 2008). To make matters worse, more than one every four individuals live under the poverty line (27.3%) (CEPAL 2013). The eradication of poverty is part of the United Nations' Millennium Goals for the developing countries (CEPAL 2010), something that in the 1960s would have been unthinkable. In those times, poverty was not considered a social problem. It was assumed that poverty was strictly economic and it would be eliminated through the economic growth produced by industrialization.

Urban poverty starts being considered a social problem in Latin America during the crisis of the 1980s, due to the increase of open unemployment, the reduction of the dynamism of the informal sector and the increase of urban poverty. With the introduction of the neo-liberal paradigm during the 1990s, the segmentation of the labor market increases as well as job insecurity. The new economic model required less labor supply, higher-qualified workers, lower paid workers and less stable jobs. The increasing unemployment and lack of dynamism of the informal sector, increased vulnerability among the poor (González de la Rocha 2006c). In this context, chances of social mobility were reduced (Roberts 2004). With the reform of the state, basic services, such as education and health, were decentralized and privatized. While low income individuals had access to public and low-quality services, quality was restricted to those who could

afford it. The increasing costs of renting and the lack of housing policies for the working class, promoted the location of low-income and vulnerable individuals in the periphery, contributing to spatial segregation (Kaztman 1999a). The ‘new’ poor are not marginalized from the system but have access to low quality services and goods. They are second class citizens (Roberts 1995).

In the context of neo-liberalism, state retrenchment is reflected in a new paradigm of social policies. They become decentralized, targeted to the neediest, focused on the demand (instead of the supply of services) and, cost-efficient (Franco 1996; Gerstenfeld 2002), making the relationship between the state and the poor more individualistic and dependent (Roberts 2006). It is in this context that Conditional Cash Transfer programs emerge in the region, first in Brazil and Mexico. While traditional safety nets, provided specific assistance for specific risks, CCTs are designed with a long-term approach. Their goal is to eliminate the inter-generational reproduction of poverty, through the provision of cash transfers in exchange for the fulfillment of conditionalities focused on human capital investment (such as attendance to school and health check-ups among children and teenagers) (Cohen and Franco 2006). These policies have been massively extended in the last decade: by 2010, 18 Latin American countries offered CCTs, covering one fifth of the region’s population (Cecchini and Madariaga 2011) and they have remained despite government changes and economic crises (Bastagli 2009).

CCTs short-term impact evaluations were encouraging, showing an increase in enrollment rates, reduction of poverty and inequality as well as improvement in infants’ health (Behrman, Duryea, and Székely 1999; Behrman, Segupta, and Todd 2001;

Fiszbein and Schady 2009; Rawlings and Rubio 2003; Villatoro 2005). However, the available medium and long-term impact evaluations reveal that the effects were not sustained over time (Attanasio, Battistin, and Mesnard 2011; Behrman and Skoufias 2006) or were not sufficient to promote social mobility (Yaschine 2012). For CCTs' critics, this is not surprising given that these programs aim to eliminate poverty without influencing in the structure of opportunities. For instance, CCTs do not promote a reduction of education segmentation through investments in infrastructure and teachers' training. They only promote an increased demand for low-quality services (both in health and education). To make matters worse, they assume that human capital investment will be enough to exit from poverty, disregarding the unfavorable characteristics of today's labor market and providing no or ineffective linkages with it (Cohen and Franco 2010; Ibararán and Villa 2009).

Considering that CCTs are here to stay and are still spreading to other continents, my study aims to shed light on one crucial aspect of the reproduction of poverty among urban youths: the transition from school to work. As long as CCT beneficiaries complete high school and get a formal job, their chances of exiting poverty in the long term will increase. Impact evaluations have proven no gains for beneficiaries compared with non-beneficiaries. But, what is behind this failure? To better understand why CCTs are not contributing to reduce poverty as expected, this study is exclusively focused on long-term beneficiaries. I explore the main characteristics of beneficiaries (aged 18-24) and their households, shedding light on the heterogeneity of this group and their potential to take advantage from CCTs. Which households' assets contribute to a successful transition?

How does the local structure of opportunities (including education, employment and public transportation) affect long-term beneficiaries' transition from school to work? On the one hand, exploring the heterogeneity of CCT beneficiaries will provide insight on the inadequacy of a uniform approach to different situations. Nowadays, all beneficiaries have to comply with the same conditionalities and they all get the same benefits. On the other hand, identifying which aspects contribute to a successful transition among beneficiaries will shed light on policy suggestions to improve CCTs' long-lasting impact.

But, how can CCTs contribute in the transition from school to work? Most CCTs promote the investment in human capital, assuming this will be enough to improve youth employability and their chances of exiting poverty. By conditioning the cash transfer on attendance at school, CCTs contribute to reduce early school dropout and early entrance into the labor market (child labor) strengthening beneficiaries' educational qualifications for a position. Some CCTs connect their beneficiaries with labor market programs (direct and indirect employment creation, training, employment services and mediation, promotion of self-employment and micro-business) (ECLAC 2008). How do these approaches contribute to youth's transition from school to work, and their potential exit from poverty? To answer this question, this dissertation explores the cases of Chile Solidario (the CCT that offers more linkages with the labor market in the region) and Oportunidades (the CCT which is exclusively focused on human capital investment with no connection with employment).

Before presenting my research, it is important to introduce the situation of youth in the Latin American labor market. The following section summarizes the disadvantaged

situation of youth in this area, and especially of the poorest. With this unfavorable context, the chances of CCTs to reduce poverty in the long term are scarce. More even, for those CCTs which have no connection with the labor market.

1.1. CONTEXT: THE DISADVANTAGED SITUATION OF YOUTH IN THE LATIN AMERICAN LABOR MARKET

Youth face a paradoxical situation in the labor market. Due to the educational expansion of the last decades, they are more educated than previous cohorts. However, they bear most of the unemployment burden, their jobs are mainly informal and precarious (without social security, contract and health insurance) and their income are among the lowest (Fawcett 2003; CEPAL 2004). This is partly explained because today's labor market requires high-qualified workers (able to use information technologies) and offers a reduced amount of jobs in the formal sector due to the expansion of trade and services (low-productivity and mostly unprotected jobs) (Fawcett 2003; Solís et al. 2008).

Youth unemployment is three times larger than adults' unemployment in Latin America (ILO 2013). Two out of five unemployed persons in Latin America are youth, being unemployment larger among young women (ILO 2013). Young women also tend to participate less in the labor market due to their dedication to house chores and child care. 20% of young women are economically inactive for this reason, compared to 2% of young men (ILO 2013). The higher burden of unemployment among youth is partly explained by the high proportion of first-time job seekers and youth high turnover (Weller 2003). Youth who get a job placement tend to work in precarious jobs (without a

signed contract and health insurance) or in informal jobs (self-employed, working as non-paid family member or in a small company of less than 5 members) (CEPAL-OIJ 2004; Fawcett 2003). By 2012, only 40% of youth employees had health insurance and 44% worked in a formal job (ILO 2013). The disadvantaged situation of youth in the labor market translates into low income (half than average adults' income), high turnover and lack of labor rights (ILO 2008). In Colombia, Ecuador, Mexico and Peru, eight out of ten youth work in an informal job (ILO 2010).

Low income and low educated youth are the most vulnerable in the labor market. They experience the highest unemployment rate as well as the highest participation in low-quality and low-income jobs (Bucheli 2006; ILO 2010; Jacinto 2004; SITEAL 2007). Since these jobs do not provide any learning skills opportunity, youth who enter the labor market without sufficient qualifications, will not be able to improve them in the labor market. Considering their high turnover rate, their chances of specialization, generation of networks and improving their labor market opportunities are scarce (Schkolnik 2006). To make matters worse, the spatial mismatch between youth place of residence and the location of labor market opportunities (Kain 1968), not only implies high costs in time and money but also lack of access to information regarding job opportunities.

A recent study based on interviews, surveys and focus groups with employers in Chile, Ecuador, El Salvador, Paraguay and Peru, presents some of the main tensions that low-income youth face in the labor market (Weller 2006). First, employers seek candidates with job experience while a large proportion of youth are first job seekers. The

most attractive jobs (protected, well-paid and stable) are for those who combine high education with specific experience in the available job, constraining the chances of most youth who lack of any experience or accumulate experience in different fields not valued to get an attractive position (Charlin de Groote and Weller 2006). Second, employers consider cultural capital aspects in the hiring process (attitudes, personal aspect and disposition), the neighborhood of residence and the school attended (Campusano and De La Lastra 2006). Since a high proportion of low-income youth attend low-quality public schools and live in popular (sometimes stigmatized) neighborhoods, they remain outside the pool of job candidates. Discrimination and stigmatization affect low-income youth and relegate them to seek for job opportunities in their own neighborhood, largely restricting their possibilities (Saraví 2002; Saraví 2009). Third, the most attractive jobs are mostly accessible through personal networks and references (Campusano and De La Lastra 2006). The quality of ties to get an attractive job varies by social origin, school attended and neighborhood of residence. Low-income youth living in urban areas in Latin America face two interconnected processes: residential segregation and educational segmentation. Residential segregation is characterized by the isolation of low-income households in the peripheral areas of the major cities. Since most schools recruit students from nearby areas, schools located in poor neighborhoods are reproducing the disadvantages of social origin. Studies in Santiago de Chile and Montevideo conclude that the neighborhoods' characteristics impact on children's educational achievement independent of individual, family and schools' characteristics (Flores 2008; Kztman and Retamoso 2007; Kztman 1999b). Studies in Buenos Aires, Santiago de Chile,

Montevideo, Monterrey (Mexico) and Mexico City, among other cities, corroborate the impact of neighborhood characteristics on the risk of unemployment and its duration, rotation among different status jobs (from manual to non-manual, for instance), risk of getting an informal/ precarious job (Kaztman and Retamoso 2005; Roberts and Wilson 2009). Ethnographic studies in Buenos Aires (Argentina) and Mexico City show how the social characteristics of the area of residence affect the labor market opportunities. While some areas offer local labor opportunities (through services, small enterprises or industries), others offer no opportunities at all so youth have to search for their own opportunities through self-employment which requires investment in time and money, usually scarce in these areas (Saraví 2002; Saraví 2009).

Considering all these aspects, it is not surprising that unemployment affects 25.5% of low-income youth compared to only 8.5% of high-income youth.¹ Moreover, only 12% of low-income youth have health insurance or social security protection through their jobs, compared to 60% of the richest income quintile. Finally, while youth from the lowest income quintile have 77% chances of being employed in the informal sector, this probability is reduced to 41% among high income youth (ILO 2013).^{e.g.2}

In most Latin American countries, secondary education is mandatory.³ However, secondary education has become a necessary but insufficient condition to get a formal job -protected by social security- or an income above the poverty line (ECLAC 2007; Jacinto 2004; Weller 2003). This is partly explained by the over-supply of a qualified

¹ The comparisons in this paragraph refer to the lowest income quintile compared to the richest one.

² The fact that almost half high-income youth may work in an informal job, reflects the precariousness that affects youth in general.

³ Completing secondary education refers to completing 12 years of education.

young workforce, product of Latin America's educational expansion in the last two decades. Due to the increasing supply of workers with complete Secondary in a context of limited creation of jobs, employers have increased educational requirements even though they are not necessary to fulfill the expected duties (Iguiñiz Echeverría 2005). The inconsistency between the required skills to obtain a job and the job duties increases the chances of turnover, affecting youth possibilities of a stable income (Filmus, Miranda, and Otero 2004).

More educated youth have better chances to access jobs with high productivity, social protection and better paid (Tokman 2004). However, the returns of education vary according to the population's average years of education. Evidence for Argentina, Brazil, Chile, Honduras, Mexico and Peru reveals that the higher the average educational achievement in the population, the lower the gains of education (Iguiñiz Echeverría et al. 2005). This is clearly reflected by the Chilean case, one of the highest educated countries in Latin America. Precariousness has increased among Chilean male youth with 13 or more years of education between 1990 and 2000 (from 19.2% to 39.1%) and there are no significant differences in youth employment in the informal sector by educational attainment (Labarca and Poblete 2005).

Education is positively associated with lower chances of unemployment and higher income, once 13 years of education have been completed. The least educated are overrepresented among the unemployed. Half of the unemployed in Argentina, Mexico and Uruguay have less than four years of formal education (CEPAL-OIJ 2004). In Uruguay, youth with 9-11 years of education have 15% lower chances of being

unemployed compared to those with lower educational achievement, and youth with 12-15 years of education have $\frac{1}{4}$ lower chances of unemployment than the least educated (Bucheli 2006). Only youth with higher educational level than Secondary are more protected in the labor market, and their situation varies by country.

Based on the presented evidence, CCTs face a major challenge to improve the transition from school to work among low socio-economic youth. In order to succeed, CCTs should promote high educational attainment (high school or beyond) and labor market programs including training in 'soft skills' and first-employment experiences.

1.2. THEORETICAL FRAMEWORK: ASSETS, VULNERABILITY AND STRUCTURE OF OPPORTUNITIES.

Since the long-term goal of CCTs is to avoid the inter-generational reproduction of poverty, the definition of this concept is crucial. From an economic perspective, poverty is the lack of income to cover basic needs and it is measured with the poverty line (individuals with earning below this threshold, are considered poor). Despite being the most common measurement used to currently define the target population for public policies to reduce poverty, this measurement is insufficient to understand the structural conditions of poverty, its potential exits as well the heterogeneity of the individuals and households who live in poverty. *'If life consists of the various things that people are able to do or to be, then it is the capability to function that has to be put at the center stage of assessment'* (Sen, 2006, p34). According to (Sen 1999; Sen 2006) poverty should be considered to be the deprivation of basic capabilities, such as the *'substantive freedoms a*

person enjoys to lead the kind of life s/he has a reason to value', namely avoiding premature mortality, being in good health, being educated, among others (Sen, 1999, p87). The main difference between these approaches is that while the first refers to the means to achieve an end (income is necessary to cover certain needs), the latter refers to ends that people pursue and the freedoms to satisfy these ends. Income is necessary to reduce capability deprivations, but it is not the only necessary factor. Personal factors (e.g. proneness to inherited diseases), political and social opportunities and the environment in which people live, affect capabilities as well. Moreover, the impact of income on capabilities is '*contingent and conditional*'. On the one hand, it varies by age, gender, and environmental conditions. In this sense, the same income in different countries can lead to different capabilities' deprivation. On the other hand, income and capabilities affect each other's impact (eg: an individual's handicap can reduce her ability to earn an income and this handicap makes her require more income to get the similar results as other non-handicapped individuals).

Rooted in Sen's capabilities approach (Sen 1985), (Swift 1989), (World Bank 1990) and (Putnam 1993), is the asset-accumulation approach in which assets are viewed as '*the means of resistance that individuals, households or communities can mobilize in face of hardship*' (Moser, 1996, p24). The current debate on poverty considers tangible and non-tangible assets, the capital assets of the poor being: natural, physical, social, financial and human (Moser, 2007: 84-86). Table 1.1. lists the main assets.

Table 1.1. Definition of assets

Type of asset	Definition
Physical capital	Productive resources owned by individuals such as land, housing, infrastructure
Financial capital	Financial resources available to people such as savings, income
Human capital	Investments in education, health and nutrition. These are highly related to labor. Health status determines individuals' capacity to work, and skills and education influence the return of their labor
Social capital	Rules, norms, obligations, reciprocity and trust embedded in social relations, social structures and societies' institutional arrangements
Natural capital	Stock of environmental resources such as soil, forests, minerals, water

Source: (Moser 2007).

In contrast to a static approach to poverty, the assets approach is dynamic. It focuses on vulnerability, which refers to the *'well-being of individuals, households or communities in the face of changing environment'* (Moser, 1996: 24). Vulnerability implies focusing on the risks as well as resistance to a changing environment. From this perspective, households' and individuals' strategies to accumulate assets are defined by agency, as well as household factors (changes in household structure, composition and headship); intra-household factors (control of decision making and resource allocation; asymmetries in rights and obligations by age and gender; control over productive resources) and community factors (access to or quality of social and economic

infrastructure, capability of community-based organizations (CBOs) to reduce vulnerability or ‘stocks of social capital’ in Putnam’s terms) (Moser 1996). The relationship between assets and capabilities is that one transform into the other (Bebbington 1999; Sen 1997). For example, human capital does not only allow individuals to read and write but can also lead to ‘human capability’, by providing individuals with information and the capability to gain a voice and make changes in the system. So assets are not simply resources; they produce capabilities to be and to do (Bebbington 1999).

Kaztman (1999) suggests an operationalization of assets, comparable for the region. He considers the property of the land, dwelling, animals, machines and car/ truck, as proxy of physical capital. As proxy of financial capital, he suggests the consideration of savings, pensions, transfers, remittance and access to credit. Human capital can be measured by individuals’ health condition; individuals’ skills, motivations and attitudes towards social integration mechanisms. At the household level, human capital is measured by the amount of individuals available to participate in the labor market and their educational attainment. Finally, social capital is approached by households’ composition (biparental/single-headed; number of minors and adults) and head of the households’ marital status (as a proxy of the stability of the relationship).

Kaztman (1999) also incorporates the concept of the structure of opportunities to the assets-vulnerability framework. In contrast to Moser’s approach, in this one household’s ability to reduce vulnerability depends on its initial assets and on its ability to transform these assets into income, food, etc., taking advantage of the opportunity

structure composed by the state, market and civil society. Institutions (laws, norms and legal framework) allow, block or facilitate asset accumulation in many different ways (such as the composition of the labor market, linkages between education and employment). Vulnerability is therefore defined as a result of the set of households' assets and the characteristics of the structure of opportunities which provide access to welfare (Kaztman and Wormald 2002).

Regarding the latter, Latin America faces today several limitations which contribute to households' vulnerability (Saraví 2006). While spatial segregation contributes to an increasing concentration of unemployment and precarious jobs, it also contributes to an increasing presence of stigmatized communities due to their high criminality levels and drug consumption (Kaztman and Retamoso 2005). On the other hand, the state's retrenchment has led to the commodification of basic services (such as health and education), relegating the poor to an 'unfavorable inclusion' (Sen 2000). The state guarantees their access but only to low-quality services promoting a second-class citizenship (Roberts 2004). Therefore, we need to understand the macro-social sphere in which households' and individuals' assets are built in order to understand their potential to exit from poverty.

1.3. CASE STUDIES

Cecchini & Martínez (2011) identify three 'ideal' types of CCTs based on the emphasis on short term or long term goals, the role of the cash transfers and the type of conditions. This dissertation analyzes emblematic cases of two types of CCTs.

Oportunidades (Mexico) is one of the pioneer programs in the region –and the most imitated in different countries and continents–. Its main goal is to promote the investment in human capital to promote the exit from poverty. The worth of the cash transfer is large, while monitoring and sanctioning are strongly enforced.

Chile Solidario, on the other hand, provides a network coordination system with conditions. Its goal is to guarantee access to services and public programs, promoting social inclusion. CCTs as Chile Solidario assume that social vulnerability is explained by a combination of aspects (including psycho-social, cultural, economic and geographic), but not only lack of human capital. Even though the cash transfer of Chile Solidario is lower compared to that of Oportunidades, its network system provides access to paid schools, medical treatments and benefits for the dwelling, that account for a large amount of money.

While Oportunidades offers no connection with the labor market, Chile Solidario is the regional CCT which offers more connections to their beneficiaries with employment programs (Cecchini and Madariaga 2011; Uthoff et al. 2011). I analyze how this difference affects the transition from school to work. Does Chile Solidario promote a better transition from school to work among youth?

Mexico and Chile present differences in terms of urbanization and economic development, leading to differences in the structure of opportunities available for CCT beneficiaries. Chile is among the early developers in Latin America, and Mexico is among the fast developers (Roberts 1996). This implies that, while Chile had almost completed its urbanization by 1940s, in Mexico urbanization was not completed until the

1950s but it was followed by fast economic growth. Considering social spending, the coverage of social protection and the quality of basic services, Chile is an example of a stratified welfare regime and Mexico of a dual welfare regime (Filgueira and Filgueira 2002). While in Chile, there was an early expansion of social security and health care, the coverage was sharply stratified. In Mexico, the coverage of social security was stratified, and the provision of social services was also unequal by region (urban/rural) (Filgueira and Filgueira 2002). Third, Chile is one of the most unequal nations in Latin America. Spatial and educational segmentation in Santiago, its capital city, are among the highest in the region (Flores, Wormald, and Sabattini 2009; Flores 2008). However, spatial segregation is not as prevalent in Mexico City (Villarreal and Hamilton 2009) and neither is youth unemployment. These contrasting aspects of the structure of opportunities should differently affect CCTs' potential long-term impact.

My study focuses on urban areas for three reasons. First, because more than 80% of the Mexican and Chilean population live in these areas (World Bank 2013). Second, because Chile Solidario beneficiaries are concentrated in urban areas (Larrañaga and Contreras 2010a). Third, because most research on Oportunidades exclusively refer to rural areas. Beneficiaries from urban areas have been left behind even though the proportion of inhabitants who live below the poverty line is larger than that from rural areas (CEPALSTAT 2012).

With a mixed-methods approach, I identify variables and dimensions that can be useful to understand other CCTs' limitations and failures, in particular those CCTs which are similar to Oportunidades and Chile Solidario.

1.4. RESEARCH QUESTION AND METHODOLOGICAL APPROACH

My research goal is to identify the aspects that contribute/affect the transition from school to work among long-term beneficiaries of Chile Solidario and Oportunidades living in urban areas. Following Kaztman (1999), I consider not only households' assets but the local structure of opportunities (e.g. supply of schools and employment opportunities in the neighborhood). I consider three different stages of the transition (ILO 2009a). Youth who 'have not started' their transition are full-time students and economically inactive youth who are not studying. Youth who are 'in transition' are those who are part-time students and workers, unemployed or employed in low-quality jobs (without health insurance). Youth who completed their transition are those who are full-time workers in a quality job.

I consider youth aged 18-24 because the latest available youth survey for Oportunidades beneficiaries considers 24 as the maximum age, and also because most of the employment programs related to Chile Solidario are targeted to youth in this same cohort. I restrict the analysis to youth living in urban areas due to the scarcity of studies in this region for the case of Oportunidades and the low presence of rural areas in Chile (13.4% of the total population, INE 2002).

I analyze the situation of girls and boys separately for two reasons. First, because young women tend to be less economically active in comparison to males due to their larger educational trajectory or early family formation (Acevedo, Foster, and Lobos 2013; IMJUVE 2011). Second, boys tend to have completed their transition earlier than

girls. Both scenarios may be reflecting different vulnerability situations that are specifically analyzed in each country.

I apply a mixed-methods approach. I analyze both CCTs available datasets (Oportunidades Urban Household Survey and Panel Chile Solidario) to describe the main characteristics of youth in each stage of the transition from school to work, and I also estimate the effect of household assets, individual characteristics and municipal characteristics in each of these stages with multinomial logistic models. I consider the proxies for households' assets used by previous studies with the assets-vulnerability-structure of opportunities approach (Kaztman et al. 1999; Kaztman and Filgueira 2001; Kaztman and Retamoso 2005; Kaztman and Wormald 2002; Kaztman 1999b; Kaztman 2000). Due to their relevance in Oportunidades' impact evaluations, I include two more variables in the analysis. First, I consider households' domestic cycle which is defined by the age of the sons/ daughters of the head of the household and their potential to economically contribute to the household's welfare. Second, I consider whether the youth is the first-born or not because first-born boys are more prone to drop out early from school to contribute to the households' income (Escobar-Latapí, González de la Rocha, and Cortés 2005; Escobar-Latapí and González de la Rocha 2003; González de la Rocha 2006a; González de la Rocha 2008). I analyze the effect of youth socio-demographic variables (gender, age and whether s/he is the first-born or not, parenthood and marital status); the effect of human capital (average years of education of the head of the household and the partner; occupational status of the head of the household and partner; maximum educational level of the youth; dependency ratio of non-employed by

employed in the household); the effect of social capital (sex of the head of the household, marital status of the head of the household, household composition and domestic cycle); the effect of physical capital (property of the dwelling; property of a car; overcrowded household) and financial capital (per capita household income).⁴

I also try to estimate the effect of community-level variables based on available indicators for each country. For the case of Mexico, I consider the Urban Marginality Index at the local level for 2005 (CONAPO 2002), which is defined by socio-demographic, economic and housing conditions. Among the first, the index considers the proportion of individuals aged 6-14 who do not attend school; the proportion of individuals aged 15 or more who have not completed middle school (nine years of education); the proportion of individuals that are not covered by health insurance; and the proportion of dead sons and daughters of women aged 15 to 49 years old. Among the economic and housing characteristics, it considers the proportion of dwellings without access to piped water; the proportion of dwellings without drainage; the proportion of dwellings with bathrooms without access to water; the proportion of dwelling with low quality floors (dirt); the proportion of overcrowded households and the proportion of households without refrigerator (CONAPO 2007).⁵

For the case of Chile, I consider the Local Human Development Index composed of health, educational and income indicators (literacy level, average years of schooling,

⁴ The definitions of the variables for each country are available in Appendix 1 and Appendix 2.

⁵ The Urban Marginality Index (2005) is available in:

http://www.conapo.gob.mx/es/CONAPO/Indice_de_marginacion_a_nivel_localidad_2005

school enrollment rate, average per capita income, incidence of income poverty and inequality distribution of income) (PNUD 2003).⁶

I develop and complement the quantitative results with in-depth interviews with youth and their mothers (cash recipients), collected between January and August of 2012. While the dataset analysis sheds light on the differential assets of the households to take the most advantage from the programs, the qualitative approach explores how the conditionalities and benefits of Oportunidades and Chile Solidario, respond to the ‘needs’ of the beneficiaries to successfully transit from school to work. In particular, I analyze how the employment programs from Chile Solidario improve youth’s chances of getting a formal job. I also analyze how Oportunidades’ scholarships, mandatory workshops and other programs focused on teenagers and youth, contribute to increase their educational attainment. The qualitative approach is also used to explore the structure of opportunities, an area that remains invisible in the available datasets. Not only do I explore the limitations of the local supply of schools and employment opportunities, but also how the educational system itself constrains beneficiaries’ chances of continuing studying.

I interviewed approximately 20 youth in Mexico City and 20 in Santiago de Chile, in two contrasting neighborhoods. In each city, I selected one predominantly low-income neighborhood surrounded by similar neighborhoods, and one surrounded by higher income or more heterogeneous neighborhoods. This was defined in order to identify and

⁶ The Local Human Development Index data is available through the Sistema Integrado de Información Territorial (SIIT, 2013). <http://siit.bcn.cl/siit/ui/pages/ConstructMap1.aspx>

present evidence on the aspects of the structure of opportunities that affect youth transition. In particular, I explore the incidence of educational segregation and labor spatial mismatch.

The main limitation of my approach is the lack of representativeness of the results. The findings are restricted to youth still living with their parents/ in their original household. This might lead to an overrepresentation of youth who have not started their transition and an under-representation of those who completed it. On the other hand, the impact of community-level variables is underestimated because the datasets only consider beneficiaries (whose eligibility is geo-referenced in the case of Mexico).

1.5. ORGANIZATION OF THE DISSERTATION

The dissertation is divided in three analytical chapters. First, I analyze the expansion of CCTs in Latin America and their main challenges to reduce the inter-generational reproduction of poverty. The evidence presented in this chapter (Chapter 2) justifies the dissertation's focus on the transition from school to work and its usefulness to explore the main limitations of CCTs to reduce poverty in the long term.

Then, I present one chapter for each case study. Chapters 3 and 4 are similarly structured because I use the same methodological and theoretical framework in each. However, since I consider the connection of Chile Solidario with the labor market and the focus of Oportunidades on human capital investment, I present specific analysis for each chapter in order to take the most out of the analyzed data. From this separated analysis, policy suggestions for each case study become clearer.

The last chapter of the dissertation (Chapter 5) outlines the main conclusions of the study from a comparative perspective. This chapter focuses on the main differences and similarities between the analyzed cases, the main contributions of the dissertation, and provides insight for future research.

2. Conditional Cash Transfers in Latin America: A chronicle of a failure foretold?

Conditional Cash Transfers (CCTs from now on) aim to reduce poverty in the short and long term, based on cash transfers (that increase current family's income) and investment in human capital (to avoid the inter-generational reproduction of poverty). These policies use three instruments: cash transfers, co-responsibilities (that promote human capital accumulation) and targeting on poor and extremely poor households. The first CCTs started in Brazil and Mexico by the end of the '90s. By 2010, most Latin American countries offered these programs.

CCTs have remained in spite of government changes, economic crises and growth. Why? Are they fulfilling their goals? Is it still too soon for a final verdict? I begin presenting a brief summary of the main characteristics of the social protection system in Latin America and its main reforms, in order to shed light on today's massive presence of CCTs.⁷ Second, I present CCTs main impacts and limitations. I conclude with reflections on CCTs' accomplishments and remaining challenges.

2.1. ORIGINS AND EXPANSION OF CCTS IN LATIN AMERICA.

In the early 20th century, social security in Latin America was a mirror of social stratification (Mesa-Lago 1978). Only formal workers, military/ police forces and civil servants had access to pensions, insurance and health care. The majority of workers -

⁷ CCTs are present in different countries and cities around the world including India, Turkey, Cambodia, Nigeria, the Philippines, Burkina Faso and New York City. In this study I only concentrate on the origins and expansion of CCTs in Latin America. Readers interested in CCTs in other regions, may check: (Banerjee and Dufflo 2011; Blattman, Fiala, and Martinez 2013; Fiszbein and Schady 2009)(Banerjee and Dufflo 2011).

which included rural, domestic and informal workers- were excluded from this social protection system (Filgueira and Filgueira 2002). While governments' social protection mainly benefitted the middle class, nuclear and extended families were the main means of providing social assistance to the poor (Roberts 1998).

Between the 1940s and 1970s, Latin American countries focused on industrialization aiming to reduce imports of manufactured products and to protect national production. This economic development model, Import Substitution Industrialization (ISI from now on), was mainly funded by loans from international agencies. ISI contributed to full employment, the predominance of male bread-winner families, benefits for the working class –especially those organized in unions- and relatively high wages. This led to economic growth, an accelerated urbanization, as a result of migration from rural areas, and high expectations for exiting poverty through education and labor mobility. The presence of the state as a provider of social protection was reduced. The main relationship between the state and the poor was through public services (schools and clinics). Instead of applying for housing, rural migrants settled through land invasion, built their own houses, obtained basic services through patronage and collective action, and obtained work and support through networks (exchanging favors with relatives, organizing in neighborhood committees) (Roberts 1996).

Based on social spending –amount and distribution-, the coverage of social protection and the quality of basic services, Filgueira & Filgueira (2002) identified three

different welfare regimes in the region.⁸ The Southern Cone (Argentina, Chile and Uruguay) were examples of stratified universalism. The majority of the population was protected by social security and health care, and there was an important expansion of primary and secondary education. However, there was a sharp stratification of benefits, levels of protection and quality of social security and health care. Brazil and Mexico were examples of dual regimes, where development and services were segmented by the territory (rural/ urban) and the provision of basic services and social security was stratified. Finally, most Central American countries (Dominican Republic, Guatemala, Honduras, El Salvador, Nicaragua), Bolivia and Ecuador were exclusionary welfare regimes, where only elites were covered by basic services and social protection (Filgueira and Filgueira 2002).

The oil crisis of 1973, and the consequent financial crisis in the United States, contributed to restricted loans, increased interest rates and, therefore, larger Latin American foreign debt. Without foreign credit, the economic model was infeasible. Latin American countries could not afford industrialization or foreign debt. As a consequence, the region experienced negative growth and stagnation during the 80s. The region was submerged in hyperinflation, economic instability, high unemployment rates and growth of the informal sector, poverty and inequality (Bulmer-Thomas 1996).

To cope with the crisis, the region accepted the conditions imposed by the international agencies (International Monetary Fund and World Bank): the Washington

⁸ Their typology is an adaptation of Esping-Andersen's typology of European welfare regimes (Esping-Andersen 1990).

Consensus. Based on states' retrenchment from traditional protections, the measures included: deregulation, privatization of national enterprises in core areas (such as energy and water), openness to foreign markets (and depreciation of the exchange rate to promote exports), elimination of protectionist rules, reduction of tax barriers and social spending (Gwynne 2000; Huber and Solt 2004). The dissolution of nationalized industries, the reduction of the public sector and economic liberalization led to massive layoffs, reduction of real wages and reduction of social protection for the poor. The reduction of the formal sector was compensated by an increase of the informal sector – with lower wages and no social protection-, self-employment and sub-contractors (Safa 2004). Measures were standardized by the international agencies, regardless national differences (Edwards 1995). The Structural Adjustment Programs, promoted by international agencies, aimed to re-establish financial stability and promote economic growth. These programs reduced inflation and recovered control of the balance of payments at the cost of increasing inequality, social exclusion and poverty (Gwynne 2000; Huber and Solt 2004; Huber 1995; Portes and Hoffman 2003). In 1989, four out of ten Latin Americans were poor and two were extremely poor (ECLAC 2001). Unlike previous years, poverty became concentrated in urban areas (Altimir 1996).

In this scenario, even though women's labor participation increased because the male bread-winner model eroded, poor families could barely rely on the labor market to survive due to the scarcity of jobs. During ISI, poor families survived through the work of multiple suppliers -in the formal and informal sector-, and the contribution of neighbors and family members for the provision of goods and services (González de la

Rocha 1986). But this was not possible during the Structural Adjustment Programs period which required less labor supply, higher-qualified workers, lower paid workers and fewer stable jobs. The increasing unemployment and informal sector and the reduction of households' assets among the poor increased their vulnerability and changed their survival strategies (González de la Rocha 2006c). In this context, the chances of social mobility for the poor were reduced (Roberts 2004).

Due to the change in the economic development model, states were reformed. The initial goal was to reduce the size of the state in order to recover fiscal balance and reduce taxes. By the 1990s, the reform of the state was focused on modernizing the state and make it more efficient in order to promote efficient markets and economies (Gerstenfeld 2002). Structural reforms were implemented in core areas, such as education, health and social security in order to promote competition, efficiency and the retrenchment of the state from social protection (Gerstenfeld 2002). The '*managerial developmental state*' restricted itself to roles where the market proved inefficient (Bresser Pereira 1999). The 'new' state was more focused on regulating than providing services, as well as less involved in the labor market and the rules of the market in general. The state's role was now focused on maintaining economic balance, reducing inflation, substituting the inefficient state management in some areas with private actors, increasing exports by improving their competitiveness and making a more efficient state (Franco 1996). Instead of providing the necessary conditions in the market to promote equity, equity and growth became relegated to the market. Social policies were now decentralized, technocratic, cost-effective and accountable to citizens (Bresser Pereira 1999; Gerstenfeld 2002).

In this context, welfare regimes became more liberal. Universal policies and universal coverage had no place –or funding-, In contrast to ISI welfare states, which tried to de-commodify education, health and social insurance, the new welfare states increased the role of the market in social protection by privatizing public pensions, among other measures (L. Lavinas 2013). The new social policies promoted a residual welfare state, targeted strictly to the neediest and less dependent on the state through decentralization and greater social participation –from the civil society and NGOs (Franco 1996). International agencies promoted programs based on community participation in developing infrastructure, including hospitals and schools, and in promoting the generation of employment. Instead of cash transfers, these programs provided food and goods to the neediest. But these programs were short-term due to their close association with political parties. They were not efficient because, due to the lack of coordination between actors, there was a superposition of funding and tasks. Thirdly, these programs were used for electoral purposes (Roberts 2005; Roberts 2012). The relation between the state and citizens became more individually-based even though individuals became more vulnerable and with different risks (Roberts 2005).

By the mid-nineties, social protection systems in Latin America were dual, providing generous social insurance benefits to the formal sector and scarce social assistance to the vulnerable and poor. Despite economic growth and governments' increased social spending, poverty and inequality remained high (43.5% and 0.533

respectively, in 1997⁹). In this context, countries applied two different approaches to reduce poverty. On the one hand, they provided non-contributory social insurance (pensions and health insurance) targeted to low income workers not covered by the social protection system. On the other hand, they offered conditional cash transfer programs which conditioned transfers on certain behaviors, such as school enrollment, among the target population (poor and extremely poor) (Ferreira and Robalino 2010). Different from Unlike previous targeted programs which assumed poverty as lack of sufficient income, CCTs consider poverty from a multidimensional perspective –cultural, social and economic- and from a life-course perspective. Poverty is assumed as an accumulation of disadvantages, so social programs should attack it from its roots promoting the investment in human capital (Cohen and Franco 2006). In contrast with previous poverty programs, these delegate social protection from the state to families, and to women in particular (Arriagada and Mathivet 2007).

Conditional Cash Transfer programs started in Brazil and Mexico in the mid-nineties. They are targeted to extremely poor and poor households, use strict methods to identify the eligible population and aim to attack the roots of poverty in order to reduce it in the long term. Focused on the investment in human capital, as the main solution to avoid the inter-generational reproduction of poverty, CCTs impose conditions in exchange for cash transfers. These conditions include health check-ups and school attendance, among others (Cecchini and Madariaga 2011; Cohen and Franco 2006; Rawlings and Rubio 2003). The amount of the benefit, the rules to maintain it and the

⁹ Source: CEPALSTAT (simple average for poverty rate in Latin America and Gini Index).

sanctions for not complying with the requested conditions are clearly stated and of public knowledge. Monitoring is possible by the coordinated work of different state agencies, schools and clinics, and the programs' impacts are externally evaluated (Cecchini et al. 2009). These policies reduce the interactions between the state, political parties, NGOs and potential beneficiaries, by making the rules clear and the state accountable for complying with them. By providing cash transfers, they reduce the participation/interference of other actors, reducing the chances of cooptation (Roberts 2012). Instead of promoting the de-commodification of basic services, as ISI social policies did –however inefficiently-, CCTs reinforce the state's retrenchment and the neo-liberal assumption that the poor have individual responsibility for their fates (L. Lavinás 2013). However, CCTs do not interfere in the supply of services. They do not promote investments in infrastructure, human resources or financial resources for schools or clinics. They increase the demand for these services without investing in their supply.

In 2010, 18 Latin American countries offered CCTs as their primary policy to fight poverty. These programs cover almost one fifth of the Latin American population (25 million households) and 59% of individuals living under the poverty line, with an average expenditure of 0.4% of the region's GDP or 2.5% of social expenditure (Cecchini and Madariaga 2011; Uthoff et al. 2011; Valencia Lomelí 2008). The expansion of CCTs can be explained by a variety of reasons. From a political perspective, during the 2000s, there was a wave of left and center-left governments in the region which aimed to redistribute welfare, reduce poverty and inequality. Latin America experienced economic growth following deep recessions (Tequila Crisis in 1994 in

Mexico, Argentina's default in 2002; the negative effects of the Asian Crisis). This growth promoted an increase in social expenditure (in 1990, the average annual per capita expenditure was \$318 and in 2000 it was \$819) but not in basic services such as health, housing and education (ECLAC 2010). Nonetheless, CCTs have been implemented and maintained regardless of the political party in government or of government capacity to reform the social protection system and country's level of human development (Borges Sugiyama 2011).

International agencies (WB, IFPRI and IADB) have played a central role in the diffusion of CCTs through conferences, international encounters, loans and offering monitoring and evaluation services (Teichman 2008). Beginning in the 1990s, CCTs go hand-in-hand with the World Bank and Inter-American Development Bank approach to reduce poverty in developing countries: investment in human capital and promotion of social capital to promote individuals' and families' exit from poverty (Moser 1996; Moser 1998). Moreover, the eradication of poverty is among the Millennium Goals promoted by the United Nations (CEPAL 2010).

From an economic perspective, CCTs are low-cost and they cover large proportions of the poor population in an efficient and transparent manner because they clearly define eligibility requirements, conditions and sanctions. In general, they account for 1-2% of Gross Domestic Product (Zepeda 2006). They are targeted to extremely poor and poor households, and they define eligibility through means-tests reducing the chances of errors of inclusion (See Table 2.1). Unlike universal policies that require large budgets and whose accomplishments are rarely measured, these policies are attractive for residual

welfare regimes because they are market-friendly (Fiszbein and Schady 2009). Conditions only affect the demand for services, but the supply is not affected by CCTs. This goes hand-in-hand with a concentration of the increase of social spending on CCTs but not on basic services such as education, housing and health (ECLAC 2010). From a social perspective, CCTs aim to increase human capital investment among the poor, reducing poverty in the short and long term through nutrition, health and education. Finally, they promote ‘female empowerment’ and gender equality by requiring women to be recipients of the cash transfer and by making girls’ education a condition (L. Lavinás 2013; Morley and Coady 2003). From this perspective, these policies’ main attraction is that they try to kill several birds with one stone (L. Lavinás 2013).

Table 2.1. Main characteristics of selected CCTs in Latin America

Country	CCT name	Start year	Coverage	Target population	Cost and funding
Brazil	Bolsa Familia	2003	14.1 million households (2013) 29% of total population	Poor and extremely poor households	0.43% of GDP 2014 (estimated)
Chile	Ingreso Ético Familiar (IEF)-Chile Solidario-Programa Puente	2002 (CHS) 2012 (IEF)	332,995 households (2008 CHS) 6.7% of total population 170,000 (projected 2012 IEF)	Extremely poor households	0.16% of GDP 2012 (CHS)
Honduras	Programa de Asignación Familiar	1990	132,158 households (projected 2010) 8% of total population	Extremely poor households	0.18% of GDP 2010

Table 2.1. Continued.

Country	CCT name	Start year	Coverage	Target population	Cost and funding
Colombia	Familias en Acción-Red Unidos	2001 (FA) 2007 (RU)	2.8 million households (FA 2012) 25% of total population 1.5 million households (projected RU 2011)	Extreme poor households and/or displaced families	0.21% of GDP 2011 (FA) 0.03% of GDP 2012 (RU)
Mexico	Oportunidades (ex Progresas)	1997	6.6 million households (2013) 27.1% of total population	Poor and extremely poor households	0.36% of GDP 2012

Source: ECLAC CCT dataset for Latin America and the Caribbean

The expansion of CCTs has not been uniform across the region. Cecchini & Martínez (2011) identify three ‘ideal’ types of CCTs based on the policy’s emphasis on short term or long term goals, the role of the cash transfers and the type of conditions (See Table 2.2.). First, they identify CCTs with soft conditions (e.g. Bolsa Familia) which main goal is to guarantee poor and extremely poor families a basic level of consumption. So, they compensate families’ low income with a cash transfer based on the value of the poverty line. Considering the maximum cash transfer in each country, the authors conclude that on average, the per capita amount of the CCTs represent 31% of the Extreme Poverty Line in urban areas and 15% of the Poverty Line (in rural areas: 37% and 21% respectively). While the cash transfer is considered a citizens’ right, the conditions are designed to reinforce citizen’s access to other rights (health and education). Monitoring of conditions and sanctions are moderate and not complying with

them leads to one-month suspension of the transfer, but families recover all their previous transfers once they comply with the conditions. These policies also provide support to families who do not comply with the conditions, Social workers visit these families, check the reasons behind their lack of compliance with conditionalities and offer them support to comply with them, if they need it (Lindert et al. 2007) .

The second type of CCTs are programs that promote demand for services with strong conditions (e.g. Oportunidades). Their main goal is to promote human development among poor families by increasing their demand for social services (education and health). These programs assume that the main problem poor families face is the lack of assets and human capital aggravated by a scarce access to basic services. The goal of the cash transfer is to cover the access to education and health services, promoting a change of behaviors through conditions. The cash transfer's amount is defined based on the opportunity cost. Monitoring and sanctions are strong.

The third model provides a network coordination system with conditions (e.g. Puente-Chile Solidario). Unlike previous CCTs, this is a system that articulates and tries to guarantee access to services and public programs, promoting social inclusion. These policies assume that social vulnerability is mainly explained by psycho-social, cultural, economic and geographic factors. Different from other CCTs which assume similar needs and answers for their target population, these programs dialogue with beneficiaries and define their main needs from a list (educational needs, housing needs, employment needs,

among others). Once families and program officers define their needs, they set a number of goals to achieve as a family –to overcome these needs-, and program officers define a set of strategies and connections with local programs to help them achieve these goals. A clear difficulty of these programs is that local services do not necessarily cover beneficiaries' expectations and that the employment offered by local institutions may not be suitable for beneficiaries' skills. Similar to regular CCTs, these programs offer cash transfers (residuals to cover access to other programs), relate families to other programs which are also cash transfers (water subsidy, family grant); and they have a weak verification of conditions to get the cash transfer (families get their cash transfer if they have worked on a goal at least in the last month, and if they comply with minimum conditions). So, different from other CCTs, conditions and transfers have a secondary role. What matters the most is the psycho-social support. These policies main contribution has been the latter. The problem is that families do not tend to maintain their access to social programs and improvements once the social worker leaves them on their own. So, long-lasting benefits of these policies are questionable, except for those families which were initially in a better situation.

Taking as an example the CCTs presented in Table 2.2., it is clear that these programs are not homogeneous in the region and, therefore, their chances of reducing poverty are not homogenous either.

**Table 2.2. Benefits and values of cash transfers for selected CCTs
in Latin America, 2013**

Country	CCT name	Benefit type and amount
Brazil	Bolsa Familia	Basic transfer: US\$35 per household (per month) (basic amount: paid to anyone with an income below the eligibility threshold of R\$70 per capita monthly income) Varying transfer: US\$16 per child up to five children/month (min. amount R\$32; max. R\$160) (targeted to poor households—per capita monthly income up to US\$70 (R\$140)—with children aged 0-15 years old) US\$19 (R\$38) per child up to two teenagers per month (min. amount R\$38; max. R\$76) (to poor households—per capita monthly income up to US\$70 (R\$140)—with children 16-17 years) US\$16 (R\$32) for pregnant women/month (for extremely poor households—per capita monthly income up to US\$35 (R\$70)) US\$16 (R\$32) per lactating child up to five children per month (min. amount R\$32; max. R\$160) (targeted to extremely poor households—per capita monthly income up to US\$35 (R\$70)) Subsidy to overcome extreme poverty — supplement to increase income above extreme poverty (US\$35 (R\$70))
Chile*	Chile Solidario- Programa Punteo	Initial “Bono de proteccion” for two years: value decreases every six months, independent of family size or composition; in 2009: US\$13 (min) and 27 (max) After 24 months, “Bono de egreso” for 3 years US\$13 Other subsidies include the Unique Family Subsidy, Basic Solidarity Pension, Drinking Water Subsidy, and ID Card Subsidy.
Colombia*	Familias en Acción	Education subsidy: min US\$16.7/month/child; max US\$66.9/month/child; targeted to children aged 7-18 years old conditional on school attendance Nutrition subsidy: min US\$27.9/month/child; max US\$55.8/month/child. Targeted to children aged 0-7 years who comply with health check-ups
Honduras*	Programa de Asignación Familiar	Education bonus to households: US\$4 per child per month; targeted to poor households with children aged 6-14 in primary school Health subsidies for households: US\$5.1 per month; targeted to poor households with pregnant women and/or children under 5 years old, for up to three children per household Elderly subsidy: US\$2.6 per elder per month; to adults over 65 years old Friendly Hand (Mano Amiga) bonus: US\$12.5 per teenager per month; targeted to teenagers living in high social risk areas and adults working in municipal dumpsters for a maximum of 6 months
Mexico	Oportunidades (ex Progresá)	Education: US\$13.1-100.3 per child per month; increasing transfers from primary through high school; amounts vary by gender: Girls receive higher transfers in middle school and high school. School supply bonus: US\$26.2-32.9 (once a year) Food and nutrition: US\$25 per month; cash support to improve income and food intake; nutritional supplements for children under 5 years old and pregnant women "Vivir mejor" nutrition bonus: US\$10.3 per month (per household) "Vivir mejor" child bonus: US\$9.1 per child (Maximum 3 children) Youth with Oportunidades: US\$47.2-472.5 after completing high school Contribution to the elderly: US\$27.4; cash support for the elderly (>70)

*Data refers to 2013 or to the nearest available year.

Source: ECLAC CCT dataset for Latin America and the Caribbean.

2.2. IMPACTS AND LIMITATIONS OF CCTs IN LATIN AMERICA.

In general, CCTs have had positive impacts in education, health and nutrition. However, these impacts were not necessarily sustained within time as I showed in Chapter 1. This is partly explained because countries provide a low budget to these programs, regardless their coverage (L. Lavinás 2013) and provide low cash transfers to avoid disincentives for work. For instance, while Bolsa Familia's cash transfer is US\$130, in Chile it starts at US\$24 and gets reduced to US\$10 after two years (ECLAC 2010). Second, CCTs still face targeting problems -especially exclusion errors-. While Ecuadorian CCT covers almost half of its population, Bolsa Familia, the largest CCT in the region, covers 23% of its population (45 million individuals by the end of 2012), and Argentina's CCT (*Programa Nacional de Becas Estudiantiles*) covers less than 1% of its population (L. Lavinás 2013). Oportunidades covers 63% of the poor population, while Chile Solidario covers 52% and Honduras only covers 12% of the poor (ECLAC 2010). The coverage increase in the last decade is partly explained by the increase of inclusion errors in these programs. For instance, Oportunidades' leakage increased from 40% to 61% between 2000 and 2011 (Stampini and Tornarolli 2012). To make matters worse, CCTs sanction and eliminate support to families who do not comply with the conditions - usually excluding the most vulnerable families (Álvarez, Devoto, and Winters 2008)- or who increase their score due to economic growth but remain vulnerable to shocks. Last but not least, most CCTs define a maximum exposure period to avoid welfare dependency, regardless of whether households are in a better situation (Bastagli 2009).

On the other hand, CCTs on their own cannot eliminate the inter-generational reproduction of poverty (Fiszbein and Schady 2009). Therefore, CCTs need to be part of a coherent social protection system (Ferreira and Robalino 2010). How are CCTs supposed to stop the intergenerational reproduction of poverty? They have to increase school attendance and learning and they have to increase access and use of health services which should improve individuals' health and chances in the labor market. Therefore, CCTs require coordinated actions with the education, health, labor markets and social security system to make a difference in the long-term (González de la Rocha 2008; Yaschine 2012). How much can we expect from these policies when public spending on health and education has not increased significantly in the last decade? CCTs promote that poor and extremely poor individuals attend clinics and schools, which are usually scarce, low-quality and not prepared to attend their needs (Adato and Hoddinott 2010; Baez and Camacho 2011; Barba Solano and Valencia Lomelí 2011; L. Lavinás 2013). The shortage of schools and clinics explains CCTs' relative failure in countries such as Guatemala and Peru (M. H. Lavinás and Szekely 2011; Perova and Vakis 2009). To make matters worse, most CCTs have no linkage with the labor market. Since there is a straight relation between the quality of schools, their returns on education and employment prospects, CCTs' impact on social mobility is limited (Ibarrarán and Villa 2009; Villatoro 2005; Weller 2003).

The above helps to explain the mixed impacts of CCTs. On the positive side, without CCTs, Latin American poverty would be 13% higher.¹⁰ These programs' transfers represent, on average, 20% of poor households' income (Stampini and Tornarolli 2012). While in Panama they represent 43% of beneficiary's total income, in Chile and Colombia they only represent 11%. In 2004, cash transfers from Bolsa Familia and Oportunidades accounted for 10% of households' total income among the poorest 5%. In the same year, Bolsa Familia contributed to the reduction of poverty by 12% and its severity by 19% (Zepeda 2006). Between 2001 and 2008, around 10% of the total accumulated reduction of inequality was attributable to Bolsa Familia (Sánchez-Ancochea and Mattei 2011). Oportunidades reduced poverty by about 19% in 2004, and for the poorest quartile the cash transfer represented almost 25% of their total income (Zepeda 2006). In Nicaragua, the CCT acted as a buffer for crisis in the coffee price, avoiding changes in beneficiaries' household income (IFPRI 2002).

Based on these results, it is not surprising that CCTs contributed to reducing inequality. Between 1994 and 2004, the Gini Index in Brazil fell 4.7 points. Bolsa Familia contributed 1/5 to this fall. Between 1996 and 2004, inequality in Mexico was reduced by 5% and Oportunidades contributed 21% to this change. In Chile, inequality fell only 0.1 points but Chile Solidario contributed to 15% of its reduction. (Soares et al. 2007).

¹⁰ Extreme poverty was reduced from 19% to 12% between 2002 and 2012 in Latin America. This reduction is mainly explained by job creation, economic growth and the appreciation of the minimum wage in several countries which defines the value of pensions and other public transfers (ECLAC 2010; Inchauste et al. 2012). However, CCTs played their role as I mentioned above.

The impacts of CCTs on health are mixed. They promoted an increase in vaccination coverage in Nicaragua and Ecuador (Attanasio et al. 2005; Barham and Maluccio 2009). In Nicaragua and Honduras, CCTs reduced stunting among infants (aged 0-5) but not anemia levels (Hoddinott and Bassett 2008). Oportunidades and Bolsa Familia increased visits to health centers among beneficiaries (F. Gertler and Fernald 2005; Sánchez-Ancochea and Mattei 2011) while Chile Solidario only had an impact on infants' check-ups in rural areas (Galasso 2006). Bolsa Familia had no clear impact on stunting or wasting among infants while Oportunidades reduced stunting in short-term evaluations in rural areas, but this was not sustained in the long-term (Behrman, Todd, et al. 2006; Behrman et al. 2008; Veras Soares, Perez Ribas, and Guerreiro Osorio 2010). Impacts on health and nutrition are related to CCTs' impact on household consumption. While there were no effects in Brazil and Ecuador (Fiszbein and Schady 2009), Oportunidades and Familias en Acción (Colombia) contributed to improve beneficiaries' diet (Attanasio, Battistin, and Mesnard 2011; González de la Rocha 2008). In Mexican urban areas, the consumption of non-nutritive food (junk-food) also increased among beneficiaries (Sánchez 2011). There were also impacts on the allocation of money among Oportunidades' households. Rural families used one-fourth of the transfer on savings and investment, having 33% higher chances of having micro-enterprises and productive farm assets (animals, land) than non-beneficiaries (P. Gertler, Martínez, and Rubio-Codina 2012).

Regarding education, CCTs increased demand for school but not students' learning or achievement. CCTs have increased school attendance and reduced dropout.

CCTs had higher impacts in areas and levels where enrollment was low, being the effects different by gender (rural areas were more benefitted due to their initial worse situation and students from/ transitioning to secondary education were more benefitted as well). For instance, Oportunidades almost eliminated the gender gap of high school enrollment in Mexican rural areas (González de la Rocha 2008; Parker 2003). Bolsa Familia reduced student absence by 3.6% and their dropout chances by 1.6%, (Veras Soares, Perez Ribas, and Guerreiro Osorio 2010). Familias en Acción (Colombia) increased teenage enrollment between 5% and 7% and children's enrollment (aged 8-13) by 1-3% in rural areas (Attanasio et al. 2010). Long-term impact evaluations (9 years exposure to the program) corroborate that beneficiaries have higher chances of completing high school than non-beneficiaries (Baez and Camacho 2011). Chile Solidario increased enrollment by 7% among children aged 6-14 and pre-school enrollment (5%) (Borzutsky 2009; Galasso 2006). In Nicaragua, RPS increased enrollment 12.8% in primary level and attendance increased 20% in the first 2 years of the program (Maluccio and Flores 2004). Oportunidades and RPS slightly increased educational attainment (less than half a year in urban areas and less than 1 year in rural areas) (Morley and Coady 2003; Parker 2011; Yaschine 2012). Bolsa Familia reduced grade retention (Glewwe and Kassouf 2012) but CCTs' impacts are not accompanied by improvements in learning (Reimers, DeShano da Silva, and Treviño 2008). For instance, in Colombia, long-term beneficiaries who graduate from high school perform similarly than non-beneficiaries in Math and Spanish tests (Baez and Camacho 2011).

What are the impacts of school investment, promoted by CCTs, on labor participation? In contrast to the numerous CCT evaluations on educational impacts, evaluations on child and youth labor are scarce. In general, the results are mixed. There is no clear evidence that Bolsa Familia has contributed to reducing child labor. However, Familias en Acción (Colombian CCT) has reduced children's labor market participation (Veras Soares, Perez Ribas, and Guerreiro Osorio 2010). Oportunidades has reduced labor market participation among rural children, substituting it by school time (Cruz, De la Torre, and Velázquez 2007; Parker and Skoufias 2000). The program reduced work among children aged 12, as well as the proportion of teenage work by almost half. It also contributed to reduce girls' labor market activity (by 36.7) (Behrman, Gallardo-García, et al. 2006; Todd and Wolpin 2006). Five-year evaluations (1992-2003) in rural areas reveal significant impacts on the reduction of work among rural male children but not among teenagers. Secondly, Oportunidades increased teenage girls' chances of working, which might reflect their substituting their younger siblings in the field (Behrman, Parker, and Todd 2010). Regarding the quality of jobs, Oportunidades does not improve the chances of getting a quality job in rural areas (Ibarrarán and Villa 2010). This is partly explained by the critical situation of the labor market and the lack of local opportunities on which the program has no influence (Escobar-Latapí and González de la Rocha 2005; González de la Rocha 2006b). Nonetheless, 25% of boys and almost 60% of girls are occupied in more skilled jobs than the head of their households. This implies that the increasing educational level has been more profitable for young girls in rural Mexican areas (Rodríguez Oreggia and Freije 2008).

Considering this, it is not surprising that CCTs are increasingly offering connections with the labor market. While some countries created programs where CCTs' beneficiaries are eligible (Ecuador, Argentina), other countries connect CCTs beneficiaries with existing labor market programs (Brazil, Chile and Colombia). In Argentina, three different employment programs were created for beneficiaries from the Unemployed Head of Household Plan (*Plan Jefes y Jefas de Hogar Desocupados*) based on individuals' employability. Youth, with higher educational level and some labor skill were eligible for the Training and Employment Insurance (*Seguro de Capacitación y Empleo*) that helped them to get a job and get updated training. Adults with low educational attainment and lack of skills were placed in training programs, to improve their employability. Beneficiaries from Puente-Chile Solidario have the largest choice of labor market programs in the region. These programs include the promotion of self-employment (Support for Micro-entrepreneurship; Family support for self-consumption), occupational mediation programs (support for employment and employment training; support to enhance employment opportunity for youth) and technical/professional training programs (development of labor skills for Chile Solidario women; employment support and preparedness for work for Chile Solidario beneficiaries) (Uthoff et al. 2011).¹¹

¹¹ In Spanish, these programs are known as: Programa de Apoyo al Empleo, Sistema Chile Solidario y Preparación para el trabajo; Programa de apoyo a la empleabilidad juvenil; Programa de apoyo a la producción familiar para el autoconsumo; Programa de generación de micro-emprendimiento –PAME- y Emprende Más; Programa de Desarrollo de Competencias Laborales para mujeres en Chile Solidario; Programa de apoyo al empleo –sistema Chile Solidario- y preparación para el trabajo.

Critics of CCTs argued that cash transfers would lead to welfare dependency, reducing work among adults. However, the small amount of the cash transfers, children and teenagers' capacity to combine school attendance and work in the informal sector and, the low income from child labor that would be lost due to school attendance, make this hypothesis implausible (Morley and Coady 2003), and the evidence confirms it. Moreover, children and teenagers' attendance in school does not prevent them from working in the informal sector after school. Bolsa Familias' adult beneficiaries participated in the labor market 2.6% more than non-beneficiaries, with the participation larger for women (Oliveira et al. 2007). There was no effect on adults' economic participation in Mexico or Colombia (Attanasio et al. 2010; Parker and Skoufias 2000). Regarding child and teenage labor, the results are mixed. For instance, Nicaraguan CCT and the Ecuadorian CCT reduced child labor but Familias en Acción (Colombia) did not reduce the amount of hours teenagers dedicated to extra-domestic work (Attanasio et al. 2010; Edmonds and Schady 2008; Fiszbein and Schady 2009).

Finally, CCTs have also contributed to changes in the relationship between the state and the poor. On the one hand, more than contributing to citizenship, CCTs promote 'patients of the state' (Auyero 2011). On the other hand, CCTs contribute to the reproduction of gender roles (González de la Rocha 2006a; Molyneux 2000; Molyneux 2006). Even though CCTs aim to contribute to women's empowerment by making them the cash recipients, they actually contribute to increase women's responsibility by assuming a traditional family model (male bread-winner and housewife with kids). In the case of Oportunidades this is crystal clear: women must attend workshops and take their

kids to health check-ups, having to choose between losing a day at work or complying with Oportunidades' conditionalities (González de la Rocha 2012).

2.3. CONCLUDING REMARKS: MAYBE IT IS TOO SOON FOR THE FINAL JUDGMENT.

CCTs are here to stay. They have remained despite government changes and economic fluctuations. However, CCTs cannot eliminate the inter-generational reproduction of poverty on their own (Fiszbein and Schady 2009). The constant evaluation of CCTs makes them hostage of short-term impacts in which they are not effective. This is explained because their channels to reduce poverty are long-term (investment in health and education) and the cash transfers they provide are very low to reduce poverty in the short-term (Roberts 2012).

CCTs are focused on the investment in education among children and teenagers. Increasing their attendance and educational attainment does not translate into better learning. Schools may get overcrowded due to the increased demand, reducing their quality. On the other hand, children and teenagers brought back to school by CCTs may be less motivated and have lower skills than their peers, requiring more attention and dedication that teachers cannot provide (Baez and Camacho 2011). On the other hand, CCTs cannot substitute economic policies, such as employment generation. Therefore, they cannot reduce poverty significantly (Ibarrarán and Villa 2009; Zepeda 2006). Most CCTs have no linkage with the labor market. Since there is a straight relation between the quality of schools, their returns on education and employment prospects, CCTs' impact is limited (Villatoro 2005; Weller 2003).

The main challenge facing CCT, is to integrate a coherent social protection system to reduce poverty (Ferreira and Robalino 2010). How are CCTs supposed to stop the intergenerational reproduction of poverty? They have to increase school attendance and learning; they have to increase access and use of health services which should improve individuals' health and chances in the labor market. Therefore, CCTs require coordinated actions with the education, health, labor markets and social security system to make a difference in the long-term (González de la Rocha 2008; Yaschine 2012). How much can we expect from these policies when public spending on health and education has not increased significantly in the last decade? CCTs are promoting poor and extremely poor individuals demand for services, which are usually scarce, low-quality and not prepared to attend their needs (Adato and Hoddinott 2010; Barba Solano and Valencia Lomelí 2011; L. Lavinás 2013).

Nonetheless, it may still be too early to assure that CCTs do not reduce the intergenerational reproduction of poverty. Long-term beneficiaries are still too young to analyze their social mobility but we can explore CCTs impact on youth transition from school to work. While some CCTs focus on human capital and have no linkages with the labor market (such as Oportunidades in Mexico), other programs focus on connecting families with public programs, including employment programs (such as Chile Solidario). If the former increase youth educational level and increase their social capital (through networks), and the latter connect youth with training courses and promote youth entrance into the labor market (through internships or funds to start a business) beneficiaries will be in a better position to compete in the labor market. Therefore, they will increase their

chances of exiting from poverty. Considering the relevance of youth transition from school to work in their life course, analyzing the main limitations faced by long-term beneficiaries in this phase, could provide hints on how far CCTs are from achieving their long-term goal, and how they could be improved to get closer.

3. The transition of youth from school to work among Oportunidades beneficiaries.

Oportunidades is the second largest Conditional Cash Transfer program in Latin America (after Bolsa Familia). It covers almost one fourth of the Mexican population, six million households, and 76% of the poor (González de la Rocha 2012). The goal of the program is to break the inter-generational reproduction of poverty through human capital investment. The program assumes that by improving nutrition, health and educational attainment among poor youth, it will increase their chances of getting a better job (higher income and stability) and, therefore, of exiting poverty in the long-term.

This chapter is focused on the transition from school to work among Oportunidades long-term beneficiaries living in urban areas. I start by describing the origins and main components of Oportunidades, followed by a summary of its main impacts on education and employment, and the remaining challenges. Next, I present a description of the secondary data and the collected data, followed by the main findings and conclusions.

3.1. CONTEXT: ORIGINS AND MAIN FEATURES OF OPORTUNIDADES.

In 1994, Mexico entered the North American Free Trade Agreement (NAFTA), opening more the economy to trade and greater foreign investment, and it was also hit by a severe economic recession (Binelli 2008). Almost one third of the Mexican population was poor (29.3%). While in rural areas, 60% of the population lived under the poverty

line, in urban areas the proportion was lower (20%).¹² The Mexican welfare system was dual, characterized by inequality between the urban and rural region and a stratified access to social protection (Filgueira and Filgueira 2002). To make matters worse, there was no coherent social protection system, state's interventions were mainly for '*papering over the cracks*' (Ward 1986) and patronage was the main mechanism for low-income populations to obtain goods and services. Even though poverty was concentrated in rural areas, most of the social budget was spent in urban areas (77%) (Levy and Rodríguez 2005). Social programs were dispersed across different agencies,¹³ uncoordinated, and non-transparent. Targeted programs excluded more than half of the poor population and only offered low-cost meals or product subsidies (for corn and corn flour).

The Program for Education, Health and Nutrition (PROGRESA, in Spanish Acronyms) was created by the Mexican government during the economic recession of 1995 without funding from international agencies. The program aimed to reduce poverty while promoting economic growth. Different from previous social policies in Mexico, PROGRESA's officials assumed that investment in human capital and households' assets were central to avoiding the inter-generational reproduction of poverty (Levy 1994). The main program goal was to break the cycle of malnutrition, health problems and low educational attainment among extremely poor infants and teenagers living in rural areas (González de la Rocha and Escobar-Latapí 2008; González de la Rocha 2006a). Human capital was considered a necessary condition to break the vicious cycle of poverty. From

¹² It is important to mention that more than 70% of the Mexican population lives in urban areas (ECLAC 2011). Therefore, despite the lower poverty rate in urban areas, the amount of households and individuals living in poverty is larger than in rural areas.

¹³ The agencies were: LISCONSA, DIF, INI, CONASUPO and FIDELIST (Levy and Rodríguez 2005).

an institutional perspective, PROGRESA was designed to integrate and coordinate a number of programs for extremely poor households (avoiding overlaps to promote budget efficiency). This meant the elimination of wrongly targeted subsidies and programs between 1997 and 2003 (corn and flour subsidy, tortilla and milk program, among others) and the prohibition of overlap between PROGRESA and other educational grants (except for tuition and performance grants). From a policy perspective, PROGRESA aimed to redistribute social expenditure to the poorest, with a targeted and nationally coordinated program, as well as to promote the participation of families in health and educational services. The program had public and clear operational rules, eligibility criteria, and a transparent definition of benefits in order to avoid manipulation by political parties.

In 2000, more than half of the Mexican population could not afford the basic consumption of meals, health and education (income poverty), while one-fourth could not even afford the basic food basket (González de la Rocha 2012). The change of government (2000) from PRI to PAN brought some changes to PROGRESA, including a new name: Oportunidades. The target population was expanded to sub-urban and urban areas.¹⁴ The program maintained its long-term goal -avoid the reproduction of poverty through the investment in human capital- and incorporated a short-term goal -reduce income poverty through cash transfers- (Gutiérrez, Bertozzi, and Gertler 2003). In 2006, five million families received Oportunidades and, by 2011, the program covered 76% of the Mexican poor (Roberts 2012). One-fourth of the total population is covered by the

¹⁴ Suburban areas were incorporated in 2001 (less than 50,000 inhabitants), small urban areas were included in 2002 (less than 1 million inhabitants) and metropolitan areas were included in 2004.

program (SEDESOL 2012) with large disparities by region. While only 14% of the poor households in urban areas had participated in the program by 2008 (Azevedo and Robles 2013) , in rural areas the proportion was larger than 90 (Behrman, Gallardo-García, et al. 2006; Coady, Martinelli, and Parker 2012).

Since 2003, the program faced several changes. First, it incorporated a graduation system for families which overcame poverty after six years (measured with Oportunidades score, defined in Appendix 3.) Second, educational grants were extended to the high school level¹⁵ and a cash transfer was created to encourage the completion of high school: *Jóvenes con Oportunidades* (Youth with Opportunities). Regarding health, workshops became mandatory for mothers and teenagers. In the former, nutrition and self-care workshops were provided, while sexual education, addictions and family planning were covered in teenagers' workshops (15 and older) (SEDESOL 2011). Finally, four cash transfers were recently incorporated: a) for the elderly (older than 70) living in benefitted households; b) for energy (*Energy Subsidy*); c) for food expenses (*Food Supply Vivir Mejor*); and d) for children aged 0-9 to improve their nutrition (*Infant supply Vivir Mejor*). Despite these additions, the main cash transfer is still provided through school attendance. As Table 3.2 shows, in 2012, a household with minors attending middle school could receive a maximum monthly scholarship of MX\$1,710 while a household with minors attending high school could receive a maximum of

¹⁵ The scholarships for middle school cover students under 18 and scholarships for high school cover students under 21.

MX\$2,765 per month.¹⁶ In urban areas, these amounts were larger than the poverty line, representing a significant support for beneficiaries.¹⁷ Educational grants increased households' income by 15% (Banegas 2010).

Table 3.2. Oportunidades' cash transfers (2002-2012)

Cash Transfers	July - Dec, 2002	July - Dec, 2005	July - Dec, 2009	July - Dec, 2012
Food supply	150	170	210	315
Support for the elderly	-	-	295	130
Energy Subsidy	-	-	55	
Food supply <i>Vivir Mejor</i>	-	-	120	130
Infant supply <i>Vivir Mejor</i>	-	-	-	115
Support for school supplies				
Primary education	200			
Transfer in 1st semester	135	155	185	
Transfer in 2nd semester	65	75	95	
Maximal Cash Transfer per household				
Families with children attending primary and middle school	915	1,045	1,460	1,710
Families with children attending primary, middle school and high school	1,550	1,775	2,355	2,765

Source: SEDESOL, 2013.

Compliance with conditionalities is strictly monitored. At the beginning of the year, households receive a schedule with health check-ups and workshops' dates. Schools and health centers receive forms to fill in with households' compliance information every

¹⁶ In December of 2012 US\$1= MX\$12.

¹⁷ In December of 2012, the extreme poverty line (*bienestar minimo*) was MX\$823.95 in rural areas and MX\$1,158.60 in urban areas (2012 MX\$). The poverty line was \$1,532.04 and MX\$2,388.43 respectively (CONEVAL 2014).

two months. Forms are sent to the program's headquarters and the transfer is processed or suspended. Beneficiaries can be removed from Oportunidades if they do not meet health conditionalities for four subsequent months or for six months in a year. Failure to comply with educational conditionalities does not necessarily lead to the household's removal from the program. The cash transfer of the specific minor that does not comply with educational conditions, is removed from the household's benefit. These amounts are not recovered even after the minor solves his/her situation. Households can be removed from the program if they do not pick up their payments for two subsequent periods or due to administrative audits that prove inclusion errors.

3.2. RESEARCH QUESTION AND METHODOLOGICAL APPROACH.

My main research goal is to identify the structural aspects that contribute/ affect the transition from school to work among young long-term beneficiaries. To do so, I consider a mixed-method approach. I explore the assets that contribute to the different stages of the transition from school to work with secondary data and multinomial logistic regression models. Then, I analyze in-depth interviews to explore the role of the structure of opportunities –not measured in the datasets- in these transitions.

Second, considering that Oportunidades is focused on human capital investment, my interviews shed light on how three program components (Youth with Opportunities, Mandatory Workshops and School Grants) contribute to teenagers' continuing attendance to school.

Finally, I explore how the local educational supply and school tracking affect youth transition from school to work by different educational attainment. I compare college students and high school graduates, for this purpose.

In the following sections, I describe the main characteristics of the dataset and collected sample, as well as their main limitations.

3.2.1. Statistical data: Oportunidades Urban Household Survey (ENCELURB)

I used three datasets in the analysis. First, I used the Urban Household Evaluation Survey (ENCELURB) which was created by the Mexican Health National Institute (INSP) and the Secretary for Social Development (SEDESOL). It was first collected in 2002 before urban households started receiving the program. It included information for eligible, non-eligible and quasi-eligible households (based on their score) regarding household characteristics, household's equipment, economic activity, income, school attendance and educational attainment, among other variables. Follow-up data was collected in 2003, 2004 and 2009.¹⁸ The last follow-up was collected with a special section on education, occupation and reproductive health for youth aged 14-24 (those who were at least 7 years old when the program started). Only households that were surveyed in 2002 were re-surveyed in 2009 (households in control areas were not considered). Three ENCELURB surveys were collected in 2009: households, persons and youth (aged 14-24). 6,272 households and 28,588 persons were surveyed. 7,390 youth were surveyed from 3,887 households. Youth survey could be responded by the youth

¹⁸ See Appendix 4. for details.

themselves, their parents, siblings, grandparents or other family members. From 7,390 surveys, 5,997 were answered by the individual herself and 1,393 were answered by another person (19%). Questions related to income in current/latest job and employment activity were only asked for youth who answered their own survey. Since these are part of the study's main outcomes, I only considered surveys answered by youth (not proxies).

I also used Oportunidades' administrative dataset which identifies the months (from 2002 until 2010) that each household received Oportunidades, the cash transfer amounts and the household situation at the end of the period (whether they are beneficiaries, in the EDA system or not part of the program anymore). This data permits to identify the amount of years each household was exposed to Oportunidades, and therefore identify long-term from short-term beneficiaries.

Finally, considering that impact evaluations reveal the importance of the local structure of opportunities on employment and educational outcomes, I used information from the Local Marginality Index (2005). This index is calculated by the National Population Center for each locality, based on the Housing and Population Census for 2000 (CONAPO, 2002). The index considers the proportion of individuals aged 6-14 who do not attend school; the proportion of individuals aged 15 or more who have not completed middle school (nine years of education); the proportion of individuals that are not covered by health insurance; and the proportion of dead sons/daughters of women aged 15 to 49 years old; the proportion of dwellings without access to piped water; the proportion of dwellings without drainage; the proportion of dwellings with bathrooms without access to water; the proportion of dwellings with low quality floors (dirt); the

proportion of overcrowded households and the proportion of households without refrigerator (CONAPO 2007).

After combining all these datasets, and creating the household variables for the analysis, I selected the analytical sample. First, I selected only youth who were 18-24 that had answered their own survey in 2009 and had information regarding their household. As Table 3.3. shows, then I selected only long-term beneficiaries (7 years or more) and sons/daughters of the head of the household. Finally, I excluded households for which there was no information regarding the Local Marginality Index. The final sample is composed of 1,482 individuals.

Table 3.3. Sample characteristics at each stage of the selection process.

Characteristic	Sample 1 ^a	Sample 2 ^b	Sample 3 ^c	Sample 4 ^d
Female	50.6	49.37	46.91	47.1
Attendance to school/ post-secondary education	21.94	24.23	26.55	26.38
Employed in 2009	62.68	62.86	64.14	64.24
<i>Youth educational level</i>				
No education	1.56	1.21	0.93	0.88
Primary incomplete	6.07	4.71	4.19	4.25
Primary complete	11.79	10.22	9.38	9.45
Middle school incomplete	8.37	7.12	7.19	7.15
Middle school complete	25.79	26.00	25.08	25.24
High school incomplete	15.28	16.59	17.76	17.68
High school complete	23.64	26.81	27.74	27.6
Post-secondary education	7.49	7.35	7.72	7.76
<i>N</i>	2,749	1,742	1,503	1,482

^a Sample 1, youth aged 18-24 that answered their survey.

^b Sample 2, excluding non-long-term beneficiaries.

^c Sample 3, excluding individuals who are not sons/ daughters of the head of the household.

^d Sample 4, excluding individuals with missing values in the Local Marginality Index (2005).

Source: ENCELURB, 2009.

I defined the independent and dependent variables similarly for ENCELURB and Panel Chile Solidario (detailed in Appendix 1. and Appendix 2). Particular to this dataset, is the definition of the time of exposure to Oportunidades and the educational level.

I defined the time of exposure to Oportunidades following the methodological appendix of the ENCELURB dataset (INSP-SEDESOL 2005). This appendix suggests two different approaches to identify Oportunidades beneficiaries. One can use either self-report (from the Household Survey) or the administrative dataset (formal information from Oportunidades, including cash transfer amounts every two-month period from 2002 until 2010). But only with the administrative dataset can we estimate the number of years receiving the program. The program's external evaluations consider as beneficiaries all households living in eligible areas regardless their self-report or administrative information (Behrman et al. 2008; Parker 2011 among others). This approach seemed adequate for rural areas, considering that all households from eligible areas were progressively incorporated into the program and that there was a census per area to identify the eligible households. However, Yaschine (2012) proves that this assumption does not apply to 17% of the households surveyed in 1997 and 2007.

In urban areas, where interested individuals had to approach the registration centers and apply for the benefit, assuming that all the households pertaining to eligible areas were beneficiaries could over-estimate the treatment group. Therefore, I opted for the administrative data to identify beneficiary households. Households who were surveyed in ENCELURB but were not included in the administrative dataset were considered non-beneficiaries. To calculate the amount of years exposed to the program, I

followed Yaschine’s (2012) method. I calculated the amount of years that each household was exposed to the program by summing up the two-month periods that each household received Oportunidades’ cash transfer and dividing it by six. When I merged the administrative dataset with the households’ dataset (ENCELURB) I found some contradictions. I decided to add as beneficiaries those households which were absent in the administrative dataset but reported being part of Oportunidades and provided documents to prove it. These households provided the date in which they started receiving the program, so I could compute their time of exposition to the program.

I identified the completed years of education and highest level of education based on information from ENCELURB persons’ survey which asks for each household member her amount of completed years of education and her highest educational level.

Table 3.4. Definition of educational level by years of education

Educational level	Years of education	Maximum years of education by educational level
Primary school	1-6	6
Middle school	7-9	9
High school	10-12	12
Normal school (required to become a teacher)	3 grades plus complete high school	15
Technical or commercial courses	3 grades plus the stated pre-requisite (primary, middle school or high school)	15
College or university	5 grades plus completed high school	17
Master or Phd.	3 grades plus 17 years of schooling	20

Source: Behrman et al (2012).

Following Behrman et al (2012), I excluded kindergarten as an educational level, and I defined the total years of education according to the required years by educational level, as Table 3.4 shows.

3.2.2. Collected data.

I collected in-depth interviews with 21 youth aged 18-24, who had received Oportunidades for at least six years. I selected youth who were studying their last grade of primary or the last grade of middle school when they started receiving the program. This choice was based on my research goal: to identify the program's impact on youth who had received the program for at least three years of mandatory school. Interviews allowed me to explore youth educational trajectories, the role of Oportunidades in their achievements, their transition from school to the labor market and its main challenges. I also collected in-depth interviews with their mothers (cash recipients) in order to explore households' social capital, the local labor market situation and the role of Oportunidades in the households' welfare and for each member.¹⁹ I tape-recorded all the interviews and transcribed them with pseudonyms to maintain interviewees' anonymity. I analyzed each of the interviews by topic of interest and grouped results by locality, educational attainment and sex, in search for similarities and differences. Findings were organized in Excel spreadsheets, which (visually) facilitated the identification of patterns.

¹⁹ Interview guidelines are presented in Appendix 5.

I carried out interviews with residents from the State of Mexico, where the fourth largest number of Oportunidades' beneficiaries (470,964 households) are concentrated (SEDESOL 2013). Considering the influence of the local structure of opportunities on Oportunidades' impact (González de la Rocha 2008; Sánchez López and Jiménez Rodríguez 2012), I considered two different municipalities based on social vulnerability, stigmatization and proximity to the Federal District (which expands educational and employment opportunities) (Figure 3.1). Valle de Chalco (357,645 inhabitants) is 19 miles away from the Federal District, has no subway line (the closest one is 7.5 miles away), while Nezahualcóyotl (1,110,565 inhabitants) has different stations directly connected to the Federal District and it is closer to it (8 miles away). In 2010, there were 13,242 households with Oportunidades in the latter and 2,568 households in Valle de Chalco.

In Nezahualcóyotl, almost four out of ten live under the poverty line, one out of ten families live in houses with low-quality roofs and walls, and overcrowded. 31% of the adults have not completed primary education and 3% is illiterate. The average years of education is 9.5 (complete middle school) and there are 1,152 educational centers. The city counts with 491 pre-schools, 436 primary schools, 145 middle schools and 71 high schools. Regarding higher education, it counts with 9 technical professional schools and 31 vocational schools (*escuelas de trabajo*) (SEDESOL-CONEVAL 2010a).

Figure 3.1. Map indicating the location of municipalities



Source: Googlemaps.

Valle de Chalco presents a more vulnerable situation and less educational supply. Almost six out of ten live under the poverty line and almost three out of ten families live in inadequate housing conditions. 42% of adults have not completed primary education and the average years of education are 8.1 (incomplete middle school). The municipality has 327 educational centers, the majority being pre-schools (137) and primary schools (108). There are 63 middle schools, 19 high schools and only four vocational schools (SEDESOL-CONEVAL 2010b).

With support from Oportunidades' program officers and cash recipients,²⁰ I accessed a total of 42 interviewees, 21 mothers and 21 youth. I was able to recruit the first interviewees with the collaboration of SEDESOL workers who allowed me access to

²⁰ For details on interviewees' recruitment, see Appendix 6.

meetings and trainings for beneficiaries. My second approach was through snow-balling. Interviews took place between January and March of 2012, in beneficiaries' households for an average of two hours.

3.2.2.1. *Characteristics of the collected sample*

As Table 3.5 shows, I interviewed 11 boys and 10 girls in the two municipalities. Their ages vary between 18 and 23 years old, with an average age of 19. Except for two dropout girls, who were dedicated to childrearing, all interviewed youth were single, had no kids and were still living with their parent/s.

Table 3.5. Youth sample characteristics

Characteristic	Municipality		Total
	Nezahualc6yotl	Valle de Chalco	
Average age	19	19	
<i>Sex</i>			
Male	5	6	11
Female	5	5	10
<i>Educational attainment</i>			
Incomplete high school	3	3	6
Complete high school	4	2	6
Post-secondary education	3	5	8
Attending school/ Post-secondary education	5	6	11
<i>Economic activity</i>			
Employed	7	6	13
Economically inactive	3	5	8
<i>Marital status</i>			
Single	9	10	19
Married/ Cohabiting	1	1	2
Mother/ father	1	1	2
Total	10	11	21

13 youth were working in a paid job at the time of the interview. Except one college student, none of them had signed a contract or received health insurance. Interviewed boys tended to work sporadically (seasonal jobs) and two of them collected garbage and sold recyclable materials. Two college students were doing service hours in their college to comply with their grant's obligations²¹, and one high school student sporadically worked in his father's business. Since none of the working youth had access to social security or health insurance, the sample is only composed of youth who have not started their transition or who are in transition. The former is composed of college students and two high school dropouts who are dedicated to childrearing. The latter is composed of middle school dropouts, high school graduates and high school students (with dropout history) who work in precarious jobs.

All the interviewed have received Oportunidades for at least five years and eight years at most. Most of them started receiving the program when they were in primary school. Regarding their educational attainment, by the time of the interview, four had dropped out before completing high school, two were studying in high school (after they dropped out for a year), eight were studying in College and six had completed high school.

²¹ The grant PRONABES is offered by the Mexican government to vulnerable students (among them Oportunidades beneficiaries) to study in College. The grant offers a monthly stipend, which increases by completed grade, in exchange for the completion of 100 hours of service per month (in activities defined by the University where they are studying) and a high-level performance. Hours of service usually involve administrative work, and activities that have nothing to do with students' career.

The sample presents limitations, the main one being the lack of access to youth who completed their transition from school to work. Considering the low chances of low SES teenagers to get a formal job in Mexico, this absence was expectable. Another limitation is the reduced amount of interviews. I could not expand it due to Oportunidades' lack of record of beneficiaries' updated address and, adult beneficiaries' skepticism to strangers when I tried to approach them through snow-balling.²²

3.3. FINDINGS

3.3.1. Main characteristics of youth at each stage of the transition from school to work

This section sheds light on the heterogeneity of Oportunidades' long-term beneficiaries, an unexplored aspect for beneficiaries living in urban areas that may elucidate their differential chances to take the most out of the program. Accounting for the theoretical framework, the descriptive analysis includes variables used as proxy of households' assets and liabilities (described in Appendix 1.), youth's demographic characteristics (described in Appendix 2), and a proxy of the characteristics of the locality of residence, namely the Local Marginality Index for 2005, described in the previous section. I consider three different stages of the transition from school to work, and therefore three different groups of youth. First, youth who have not started their transition (full-time students and economically inactive youth who are not studying.). Second,

²² For details on the recruitment process, see Appendix 6.

youth who have not completed their transition (part-time students and workers, unemployed or employed in informal jobs). Third, youth who have completed their transition (full-time workers in a formal job).

From an overview of Table 3.6., the sampled youth present some similar characteristics regardless their stage in the transition from school to work. This is clear in terms of the conditions of the dwelling but also in some demographic aspects. For instance, most youth are single, similarly distributed among overcrowded households, the majority are the eldest son/daughter of the head of the household and the majority live in a house of their own family (not rented or lent). These last aspects are expected considering that the sample only accounts for beneficiaries who were surveyed in 2002 (baseline) and re-surveyed in 2009 in the same household. On the one hand, most families who rent tend to move out in short periods, so they would not be gathered in this sample. Second, the sample excludes youth who formed a new household on their own or with their partner/children, as well as those who migrated. Therefore, those who remain in their house of origin and are aged between 18 and 24, tend to be the eldest son/daughter living in the household at the moment (this does not imply they were the eldest in the 2002 survey).

Table 3.6. Proportions, Means and Standard Deviations for independent variables.

Characteristic	Not started transition	In transition	Completed transition
Female	64.9	36.7	43.0
Age	19.6 (1.7)	20.3 (1.9)	20.8 (1.9)
Youth is parent	7.3	5.0	8.1
Eldest son/daughter of the head of the household	55.4	57.7	68.3
<i>Youth marital status</i>			
Youth has a partner (Married/ cohabitating)	13.3	11.1	14.0
Single	86.7	88.9	86.0
Attendance to school/ post-secondary education	51.0	18.0	0.0
Employed	0.0	95.6	100.0
<i>Youth educational level</i>			
Incomplete primary education or less	4.4	6.7	1.4
Complete primary education	4.6	13.5	6.3
Incomplete middle school	5.9	8.5	5.4
Complete middle school	16.5	28.0	35.3
Incomplete high school	26.4	14.1	10.4
Complete high school	30.7	23.1	36.2
Post-secondary education	11.5	6.1	5.0
<i>Household variables</i>			
Per capita household income	976.3 (752.6)	1299.1 (707.3)	1577.3 (856.2)
Average number of persons in the household	6.6 (2.5)	6.8 (2.4)	6.5 (2.7)
Average amount of minors (0-5)	0.4 (0.8)	0.4 (0.7)	0.4 (0.9)
Average amount of minors (6-11)	0.6 (0.8)	0.6 (0.9)	0.5 (0.8)
<i>Level of overcrowding</i>			
Not overcrowded	32.7	30.6	30.8
Medium	41.7	43.5	45.3
Critic	25.6	25.9	24.0
Drainage in the house	69.2	68.9	58.4
Hygienic service without water	66.9	69.9	68.3
<i>Property of the dwelling</i>			
Rented house	2.2	3.0	2.7
Lent/ taking care of the house	16.3	14.9	11.3
Own	80.9	81.3	86.0
Other type of arrangement	0.6	0.8	0.0
Female headed household	33.9	36.1	29.6
<i>Age of the head of the household</i>			
25-40	19.8	15.5	13.2
41-50	49.2	53.0	52.3
51-60	25.6	24.9	24.6
More than 60 years old	5.4	6.7	10.0
<i>Occupational status of the head of the household</i>			
Economically inactive	16.7	16.2	21.7
Unemployed	0.6	2.6	2.3

Table 3.6. Continued

Characteristic	Not started transition	In transition	Completed transition
Employed	82.7	81.1	75.6
<i>Marital status of the head of the household</i>			
Married	50.6	47.4	56.4
Cohabiting	21.2	21.3	18.2
Single	28.2	31.3	25.5
Partner of the head of the household is economically inactive	51.2	55.3	62.0
Partner of the head of the household is employed	48.8	44.7	38.0
<i>Educational level of HH and partner</i>			
One or both adults have no education or incomplete primary education	38.9	49.9	45.3
One or both adults completed primary education	23.7	25.7	29.9
One or both adults have some middle school or completed the level	27.7	20.0	21.3
One or both adults have some high school or more	9.7	4.5	3.6
<i>Household composition</i>			
Bi-parental household	49.2	51.1	51.6
Single headed household	18.6	19.4	18.1
Single headed household (but extended/ composite)	9.7	11.9	7.2
Bi-parental household (extended/ composite)	22.2	17.3	22.6
Other household arrangement	0.4	0.4	0.5
Property of a car/ truck	8.3	7.3	12.7
<i>Household domestic cycle</i>			
Youngest kid in the house is 14-18	17.7	9.8	7.7
Youngest kid in the house is 19 or more	82.3	90.1	91.9
Dependency rate (non-employed /employed)	2.827 (2.138)	1.373 (1.107)	1.306 (1.092)
Marginality municipal index	-1.191 (0.335)	-1.221 (0.285)	-1.191 (0.335)
<i>N</i>	496	765	221

Source: ENCELURB, 2009.

Analyzing youth by stage in the transition from school to work, there are clear differences.²³ Youth who have not started their transition tend to be girls, students (51%) and more educated than the rest of the sample. Two out of three youth completed at least

²³ The analysis by gender does not provide additional information. Interested readers may go over tables in Appendix 7 and Appendix 8.

middle school, while 11.5% reached Post-Secondary education. They live in the most privileged households in terms of human capital. Almost 10% of the head of the household and/or partner achieved some high school or more. However, these are the least privileged households in terms of monthly per capita income (\$M917.3). This is related to different aspects. First, in more than half of the households there is only one bread-winner for an average of 6.6 members in the household, and therefore, these households have the highest dependency rate of the sample. Second, the head of the household is younger than in the rest of the groups, which might affect his/her income. And, third, almost one every five youth who have not started their transition from school to work, live in households where the eldest son/daughter is a minor. This implies that the available economic force in the household is reduced, partly because of the young age of the household members and partly because of these households' investment in their youth's education.

Youth who have not completed their transition (youth in transition) are mainly boys (73%), employed (95.6%) and with low educational attainment (56% completed middle school or less). Almost one out of three live in single headed households where 70% of the heads of the household achieved primary education or less. The dependency rate in these households is low and the vast majority has achieved a consolidated domestic cycle. Considering the high proportion of employed heads of the household and partners, these youth are not the main bread-winners of the household. Their income is complementary and not necessarily the highest. The disadvantage of this group relies in

its low educational attainment and, therefore its reduced chances of obtaining a better income within time. Apparently, Oportunidades could not cover the opportunity cost of studying in this group.

Youth who completed their transition live in the most privileged households in terms of monthly per capita income (\$M1577.3) and property of a car (12.7%). This could be related to the fact that these households present the lowest dependency rate and the highest proportion of households without minors. In 92% percent of the households, the youngest kid is 19 or more. Moreover, every youth in this group is employed and their average educational level is high: 41% completed high school or more. A particular feature of this group is that youth, which tend to be the eldest son/ daughter (68.3%), are the household's main bread-winners. This can be inferred from several aspects. First, the heads of the household are older than in the rest of the groups. 10% are more than 60 years old. Second, these households have the lowest number of economically active heads of the household. One every five head of the household are economically inactive (probably retired) and only 38% of the partners of the heads of the household are employed. To make matters worse, the educational attainment of the head of the household and/or partner is low. 45% have no education or less than primary education.

To sum up, each of the stages of the transition takes place in different types of households. Youth who have not started their transition tend to be girls and are living in households which are still in expansion (in terms of the domestic cycle). While youth who are still in transition live in the most vulnerable conditions, youth who completed

their transition, live in the most favorable conditions being the main/only bread-winner. This evidence sheds light on the heterogeneity of Oportunidades long-term beneficiaries and, especially, the different degrees of vulnerability where youth live. So, even though each group requires different elements to overcome poverty, Oportunidades provides a homogenous approach.

3.3.2. The contribution of the household assets to the transition from school to work

In the previous section, I identified differences and similarities between long-term beneficiaries in each stage of the transition from school to work. But, which of these differences actually contribute to the transition from school to work? I answer this question with multinomial logistic regression models. The models attempt to identify which of the above variables contribute to complete the transition from school to work and which contribute to not completing it. In Model 1, I estimate the association between youth socio-demographic characteristics and their transition from school to work. In Model 2, I incorporate household variables, while I add community level variables in Model 3. I present the results of the models with Relative Risk Ratio (RRR), for its straightforward interpretation. RRR is *'the ratio of the probability of choosing one outcome category over the probability of choosing the baseline category'* (IDRE, 2013). The baseline category in these models is *'not having started the transition from school to work'*.

**Table 3.7. Results of the multinomial logistic regression models (RRR)
for long-term Oportunidades beneficiaries (aged 18-24).**

Characteristics	In transition			Completed transition		
	Model 1	Model 2	Model 3	Model 1	Model 2	Model 3
Female	0.320***	0.296***	0.297***	0.382***	0.357***	0.358***
Age	1.269***	1.228***	1.228***	1.441***	1.382***	1.378***
Youth is the eldest kid in the house	1.034	1.975***	1.995***	1.465*	3.219***	3.291***
Single (Ref: married /cohabitating)	1.841**	2.300***	2.303***	1.472	1.794*	1.769 ⁺
Educational level (ref: completion of HS or more)						
Complete primary or less	2.963***	2.942***	2.964***	0.786	0.756	0.764
Some/complete middle school	2.467***	2.301***	2.311***	2.057***	1.906**	1.922**
Some high school	0.890	0.936	0.943	0.546*	0.548*	0.555*
Overcrowded household		1.801***	1.823***		2.120***	2.175***
Female headed household		0.876	0.896		0.477**	0.498*
HH is single		0.634 ⁺	0.639 ⁺		0.802	0.814
HH is cohabitating		1.039	1.053		0.934	0.954
Youngest kid in the house is 14-18		0.898	0.892		0.869	0.857
HH is employed		0.281***	0.282***		0.139***	0.140***
Partner of the HH is employed		0.307***	0.311***		0.205***	0.210***
One or both adults have no education or incomplete primary education		1.451*	1.422 ⁺		1.413	1.344
One or both adults completed primary education		1.361	1.348		1.589 ⁺	1.541 ⁺
Property of the dwelling		0.959	0.967		1.001	1.008
Dependency rate		0.351***	0.352***		0.282***	0.283***
Local marginality index (2005)			1.254			1.606
Constant	0.009***	0.206	0.266	0.000***	0.016**	0.029*

+ p<0.10 * p<0.05 ** p<0.01 *** p<0.001
Source: ENCELURB, 2009.

A first glance of Table 3.7 reveals that there are several variables that contribute both to complete the transition to work, and being in transition. Boys, single youth and first-born sons/daughters of the head of the household are more prone to start their transition or complete it. The odds increase with age. Another interesting aspect, is that the worse the housing conditions (namely, overcrowding), the more prone youth are to get a job.

Youth's low educational attainment increases the chances of working in informal jobs (being in transition) while youths who attain higher educational level (some high school or more) tend to remain studying instead of getting a job. This is a clear proof of the importance of educational attainment for Oportunidades beneficiaries. Once they get a high school degree, they may try to continue studying instead of incorporating into the labor market, thus increasing their chances of obtaining a formal job once they graduate. Therefore, Oportunidades needs to increase youth's educational attainment to effectively contribute to the reduction of poverty in the long-term. The low educational level of the head of the household and partner increases youth chances of getting an informal job (being in transition).

Living in a household where the head of the household or his/her partner are employed, is negatively associated with starting and completing the transition from school to work. This implies that in those households where youth's income is required as the main/complementary bread-winner, chances of postponing the transition from school to work are low. This suggests that Oportunidades scholarship is not enough to cover the opportunity cost of remaining in school, when extra income is required in the household or when the head of the household is unemployed.

Separated models by sex, reveal that girls who only completed primary education as well as those who have some high school, have lower chances of completing their transition relative to girls who completed high school or more (See Appendix 10). However, boys who completed primary or less as well as those who have some/

completed middle school have larger chances of obtaining an informal job than being full-time students (See Appendix 9.).

All in all, youth educational attainment matters as well as structural conditions of the household. Considering that Oportunidades is focused on youth investment in education, there is room for optimistic long-term impacts.

3.3.3. Missing opportunities to maintain beneficiaries at school

Now that we are clear about the heterogeneous characteristics of Oportunidades long-term beneficiaries, and the variables that contribute to their successful transition from school to work, the question is whether Oportunidades accounts for these aspects or not. This will shed light on how much we can expect from the program in reducing poverty in the long-term.

Oportunidades can contribute to a successful transition from school to work by maintaining teenagers at school, increasing their educational attainment and future labor market opportunities. To do so, Oportunidades counts with three different mechanisms. First, it can reduce the opportunity cost of teenagers' work with grants (cash transfer). Second, it can increase youth's access to information regarding educational and employment opportunities in the mandatory workshops for teenagers. Third, it can contribute to the payment of mandatory exams to enter college with the Youth with Opportunities' transfer. This section analyzes each of these aspects with information from the interviews.

3.3.3.1. *Oportunidades' grants for students.*

Oportunidades' grants have a higher value by educational level and for girls, in order to reduce the opportunity cost of attending school among teenagers (Check Table 3.8). Grants aim to avoid youth full-time entrance into the labor market before the completion of high school.

Grants are low considering direct and indirect costs for attending school. For instance, in rural areas, 80% of the grant was used for transportation costs during middle school (Escobar-Latapí and González de la Rocha 2005). The interviewed cash recipients argue that, even though their children attend public schools, which are legally free of charge, they have to pay for tuition. Tuition in primary school is almost free (MX\$100 per year), but tuition costs in secondary education are high. They vary between MX\$200 and MX\$800 per semester in middle school, and between MX\$500 and MX\$1,500 in high school. The costs in school supplies vary between MX\$120 for notebooks to MX\$500 for books per semester. Uniform costs vary between MX\$200 and MX\$600 per year. For transportation costs, some parents have to pay between MX\$30 and MX\$70 per day.²⁴ Considering all these expenses, high school students need at least MX\$1,400 per month.

²⁴ Transportation costs in Valle de Chalco and Nezahualcóyotl are double the transportation costs in the Federal District. In the former the cheapest ticket costs MX\$14 while in the latter it costs MX\$7. To make matters worse, students enjoy no discount.

Table 3.8. Monthly cash transfer for educational grants by sex (2002-2012)
(Currency: 2012 MX\$)

Educational level	Jul - Dec, 2002	Jul - Dec, 2005	Jul - Dec, 2009	Jul Dec, 2012
Middle school				
<i>1st grade</i>				
Males	290	335	410	605
Females	310	355	430	635
<i>2nd grade</i>				
Males	310	355	430	640
Females	340	390	480	690
<i>3rd grade</i>				
Males	325	370	455	675
Females	375	430	525	755
High school				
<i>1st grade</i>				
Males	490	560	690	1,155
Females	565	645	790	1,285
<i>2nd grade</i>				
Males	525	605	740	1,155
Females	600	685	840	1,285
<i>3rd grade</i>				
Males	555	640	785	1,155
Females	635	730	895	1,285

Note: In December of 2012 US\$1= MX\$12.

Source: SEDESOL, 2013.

Oportunidades' grants are not sufficient to cover school expenses. However, families are grateful for the grants and many cash recipients argue that without them their children would not have continued studying. All cash recipients agree that the cash transfer allows them to release wage money for other expenses while Oportunidades' scholarships are used for school expenses. Even though it is not sufficient to cover all costs –especially in high school and College-, families make the most of them. They use them to pay tuition, to meet some of their children's other expenses and to pay

transportation or books. Most interviewed cash recipient claim that even without Oportunidades their children would have completed high school.

It was a big help (ayudota) because they gave us for supplies and I bought notebooks in bulk. It helped! I wished they gave us more but it was a big help. At the beginning of the school year, they gave us to buy supplies and I bought uniforms, shoes, supplies. When I got the grant every two months, I bought them what they needed. I paid for shoes, bus tickets...The tuition was MX\$200 in primary school and MX\$750 in high school per semester (Mother of youth in transition, Nezahualcóyotl).

Oportunidades helps so my girls keep studying. If it was for me, they wouldn't study because it's too expensive. Grants aren't enough but with that and what I get from work, I can complete the cost. It's not the same as if I tried to pay for everything (Mother of youth who has not started the transition, Nezahualcóyotl).

Even though grants are low, they are a stable income. In a context of informal and sporadic jobs, Oportunidades becomes the only stable income for plenty of families. In these cases, the grant and the rest of the program's cash transfers are used to cover different needs, including unexpected events. Oportunidades' cash transfers are used to cover budget holes, to use as a buffer in times of economic need or to invest (buying merchandise to sell and keep the business).

Mom used to pay tuition and what we needed. I think that without the grant it would have been hard because tuitions are very expensive. And sometimes, things come up, just like that! When you need more the money, something comes up. Someone gets sick, or the house needs something to get fixed, or gas is over, or someone needs shoes...(Juan, College student, Valle de Chalco)

It is very disproportional what Oportunidades helps and what you need to spend. It helps in that you can say 'I have this amount of money and I can use it'. But, it does not really help...It's very scarce. It's useful for a week and a half, two weeks at most. So it doesn't make a big difference. They don't get it (Oportunidades' officials)...Considering how much you need per day; it's not enough! (Alberto, HS graduate, Nezahualcóyotl)

In terms of opportunity cost, Oportunidades' grants cannot compete with wages from low-qualified jobs. For instance, teenagers who work part-time packing in a supermarket can earn between MX\$500 and MX\$600 per week. They have no contract and their wage relies exclusively on tips, so it varies. Another clear example is the case of Alberto (in transition) who worked part-time selling batteries in the public transportation system and earned approximately MX\$500 per day. Since part-time jobs are not abundant and self-employment requires initial capital to buy merchandise, teenagers who face extreme economic needs get employed in full-time jobs and drop out from school.

The differential set of assets and liabilities from each household, combined with economic difficulties and family shocks, explain the different role of Oportunidades and its potential impacts. Oportunidades contributes to teenagers' education in households where there are stable incomes and the cash transfer contributes to release part of the wage. In none of the analyzed cases did parents stop working or reduced their working hours. On the contrary, successful stories reveal the use of Oportunidades cash transfers in their business, or to pay for loans with the certainty they will be able to pay them back by a certain date –when they receive Oportunidades cash transfer-.

Grants cannot maintain extremely vulnerable girls in the educational system. In some cases, pregnancy becomes an option –or a way-out- when girls drop out. In these

cases, due to their low educational attainment and their young age, they cannot access jobs that compensate for their lost time with their children or child care costs. These teenage mothers become Oportunidades cash recipients through their young sons and daughters (receiving nutritional supplements and mandatory health check-ups). Instead of exiting from Oportunidades and poverty, they increase the amount of beneficiaries in the household.

In households living in extreme poverty and in need for multiple income earners Oportunidades' cash transfer is not enough to maintain teenagers in school. To make matters worse, even though boys are more prone to drop out early to work, Oportunidades offers higher grants to girls, contributing to the reproduction of vulnerability among boys. In households with single mothers and no male economic support, boys assume the principal role as income providers, dropping out from school to get a full-time job after destabilizing family shocks (death or sickness of the main breadwinner).

One crucial difference between early dropouts who do not return to school ('permanent' dropouts) and those who do ('regretful dropouts') is that the latter assume the role of bread-winners. 'Regretful' dropouts count on support from their fathers who are the principal bread-winners, regardless of the instability of their jobs. These youth return to school aware that they cannot fail their parents again because they owe them the opportunity. They tend to start working to cover their own expenses or to contribute to family expenses without family pressure. For instance, Lucas (Nezahualc6yotl) drops out because he senses that educational costs are too high to be covered and that his sisters are

taking more advantage of school than he is. So, he feels in debt and drops out to reduce the costs. One year later, he returns to school and he pays for it with his work.

‘Permanent’ dropouts take whatever job they can in order to cover family needs and feel the need to do so, without any intention to go back to school soon due to the family’s economic difficulties. This happens in a context of low performance and peers’ pressure to avoid school. For instance, Roberto (Valle de Chalco) starts working with his brother in the construction sector and then worked in informal jobs in butcher shops, lifting, cutting and delivering meat. Working twelve hours per day, he earned MX\$1,700 per week (more than one month’s Oportunidades’ grant).

When I finished primary school I wanted to complete high school, but school wasn’t attractive for me anymore. I started to like more spending time with my friends, going out in the weekends. So, I didn’t like school anymore. Besides, money wasn’t enough at home and I preferred to help my mom and drop out to work. Money wasn’t enough to pay for the school expenses of my sister and I. Sneakers, shoes, uniform supplies. I wanted to help my mom and that my sister had the best (Roberto, ‘Permanent’ Dropout, Valle de Chalco).

I didn’t fail a grade in primary, but I failed a grade in middle school. I wasn’t an exceptional student, but I tried to do OK. When I was in high school, my dad’s work was low and he couldn’t afford all our school expenses (3 teenagers). So, I told him I would drop out. Why? Because compared with my sisters, they are better than me in school. They do homework... My eldest sister stays up all night if she has to work for school. I don’t. If I can help my sisters, I do so (Lucas, ‘Regretful’ Dropout, Nezahualcóyotl).

Oportunidades grants play no role in ‘regretful’ dropouts going back to school, because they failed a grade more than once or because they attend schools not covered by the program. Oportunidades clearly states that students can fail a grade only once. If they fail more than once, they are banned from the educational grant. This is a problem when

repetition is concentrated in the program's target population. Second, not all schools are covered by Oportunidades. Regretful dropouts tend to go back to school but in a different system (private high schools or Open high schools),²⁵ which are not covered by the program. These students, who are highly vulnerable in the educational system, are not adequately supported by the program. They may comply with the requested attendance by the program, but they receive no grant.

To sum up, while Oportunidades is insufficient to cover educational costs, it is appreciated by beneficiaries. Nonetheless, Oportunidades does not contribute to maintain the most vulnerable teenagers in school. This is explained by the low amount of the cash transfer which does not reduce the opportunity cost of continuing studying and does not compete with wages available for low-qualified youth.

3.3.3.2. Mandatory Workshops for Teenagers

Youth who want to continue studying after high school lack of information on scholarships, schools' availability and career opportunities. Unless schools take them to education fairs, youth do not have information on grants, college application dates or courses to prepare the exam. How do Oportunidades' mandatory workshops contribute to this gap? Youth reveal that they receive the same talks each time they attend, covering

²⁵In open Secondary schools (*Secundaria Abierta*) students schedule their academic goals with an individual mentor. Students work with an inter-disciplinary group of professionals in a participative and cooperative manner, until they complete high school.

(Source: SEP in http://www.sems.gob.mx/en_mx/sems/inicia_sep_inscripciones_para_educacion_superior_e)

the same topics (sexual and reproductive health; drugs and domestic violence) with the same activities each time. For most interviewees this means having attended the same workshops at least three times, without receiving any information regarding school opportunities after high school or how to select a high school. Oportunidades does not provide any information to youth or their mothers (cash recipients) regarding educational options. The program does not inform students about the difference between technical and regular high school, nor about the exam to get into high school or college.

Workshops were about family planning, sexually transmitted diseases, birth control methods...They gave us the same talk, the three years I attended. It was very repetitive. Always the same...I was taught similar topics in school so Oportunidades' talks were boring for me. Have I learnt new things? Not much! (Luciana, College student, Valle de Chalco).

Oportunidades' failure in this aspect is surprising, considering that beneficiaries are eligible for PRONABES college grants (MX\$750 per month under the condition of maintaining a high-performance and completing 100 hours of service per month). However, they are not informed about it. Oportunidades informs about grants and college opportunities through a website (*PortalVas*) but none of the interviewed youth or their mothers had heard about it because it is not mentioned in the workshops. To make matters worse, interviewed youth and parents claim that one of their major educational costs is paying for the internet. *Portalvas* then, is not the best approach to provide

information to beneficiaries. Oportunidades' approach does not consider youth limited access to internet.²⁶

3.3.3.3. *Youth with Opportunities*

The exam to get in college is expensive and students have to pay for an application for each school they intend to get in. Oportunidades rewards students who complete high school in time (with MX\$3000) through the program Youth with Opportunities (*Jovenes con Oportunidades*). Students could use this money to pay for college exam preparation or for college tuition. However, the grant arrives late in the college application process. Teenagers start applying to college while they are studying high school but they only receive the grant once they can prove that they have completed high school. By that time it is usually the third period of applications.

The payment of this grant does not match with college tuition payments either. College students mention that their first semester tuition payment had expired by the time they received the grant. Due to this 'timing mismatch', most youth use the support for expenses not related to education (such as buying clothes, paying for housing or health costs or contributing to the house).

3.3.4. The role of the structure of opportunities on youth educational attainment.

Beyond the programs that Oportunidades offers, a crucial aspect in the program's failure is defined by the local structure of opportunities. In this section, we focus on the

²⁶ None of the interviewed youth had internet connection in their houses. They had to attend and pay for internet in cyber-cafes, increasing their school budget.

supply of schools and the constraints of the educational system. Low quality schools are the common denominator in the analyzed municipalities. Primary schools are available in both municipalities for free. Since tuition costs increase by educational level, most cash recipients select schools by proximity to avoid or at least reduce commuting costs being trapped in a low-quality supply. It is worth mentioning that public schools are not supposed to charge. However, they do and the state does not supervise it or penalize it.

Beneficiaries from Oportunidades are not only affected by the low quality of the schools they attend, but also by tracking. Teenagers have to take an exam to apply for high school. The exam identifies the level of skills of students in their last year of middle school in Language, Natural Sciences, Social Sciences and Communication.²⁷ Based on the score and the schools' available spots, they may enter their first option or the last one. Searching for high-quality schools means searching for schools in other municipalities, which translates into high transportation costs and long hours of commuting. Youth cannot afford this, so they end up attending close-by (low-quality) schools.

We always look for schools that are nearby because if they have to attend in Mexico DF, the problem is the transportation cost. More expenses... Local buses (combi) charge MX\$8 plus the subway ticket... There were some days they had to go walking, but that's not possible now... My eldest daughter was mugged and they tried to take her in a van. She defended herself and ran away. We always watch what happens in the news and we pray for it not to happen to us (Mother of high school graduate, Nezahualcóyotl).

I chose schools based on comfort or security. If they are close-by I can keep an eye on my children. So, I chose those which were closer. I

²⁷ For more information on the exam, interested readers may See CENEVAL's website: <http://ceneval.mx/ceneval-web/content.do?page=5220#exam07>

dropped them at school and I picked them up (Mother of dropout, Nezahualcóyotl).

Most teenagers opt for schools without having any information about them, except for what they hear from relatives or friends. They face three different options: apply to a technical school, apply to a regular high school, or apply to a regular high school associated to public universities. The latter are public high schools which offer a ‘regulated transfer’ to the National Autonomous University of Mexico (UNAM) or the Autonomous University of the State of Mexico (UAEM), that I will detail below.

All but one interviewed high school graduate studied in technical high schools with a specialty. Half of the college students studied in regular high schools and the other half in technical schools. The difference among the latter is explained by several reasons. While some selected a high school without much information about its effects on continuing studying, others decided to get at least a specialization in case they could not continue studying afterwards. Finally, others were not thinking about continuing studying after high school, but they received attractive offers from private institutes and institutes that belong to social movements, and they could not decline them.

I felt that by attending a Technical school I would get a career, while in a regular school, you get nothing. A career motivates you more to attend while a regular school did not motivate me at all (Maria, HS graduate, Nezahualcóyotl)

With Technical School you leave school with a career, different from a regular school. And I can see with some of my classmates, that I’m more prepared in accounting and math. And knowing a bit more, it’s always good (Luciana, College student, Valle de Chalco)

None of the interviewed students got in their first high school option, and some of them even transferred to close-by schools because their families could not cover transportation costs. Two college students opted for regular high schools because they wanted to get into college and they knew they would get a better preparation in there.

Early dropout among girls is mainly explained by their tracking. Those girls who do not get in their preferred high school or whose high school is too far away from their localities (considering the high costs of transportation), tend to drop out, get pregnant and move in with their partner. Their mothers agree that once they start their new family, studying is not an option.

Getting into a high school with an automatic transfer to college (such as '*Escuela Nacional Preparatoria*' or '*Colegio de Ciencias y Humanidades*'), contributes to longer educational trajectories. Even though these students are not guaranteed a spot in college, their chances are above the rest of the students. Full-time students that have passed all their courses, completed high school in three years and have high performance, have high chances of getting into their career of preference. For students not attending these schools, in order to get into universities such as UAEM or UNAM they need to obtain maximum scores in the exam but spots are not always available in their preferred careers.

A common characteristic among technical high school graduates who are 'in transition' is taking the exam to enter to college. Most of them took the exam more than once, without success, and some were still trying. They tend to work and save money for

it, motivated by their belief in education to ‘become someone’. However, their expectations get reduced within time. Each time they fail, they apply for a lower quality school or reduce their career aspirations. For instance, Alberto (Nezahualc6yotl) first applied for Electrical Engineering and after he failed, he decided to study Gastronomy in a private institute, leaving behind his college aspirations. Others, conscious of the costs of college, opt for other means to get a degree (the army, the navy or the police force).

I applied for a BA in Nursing at UNAM. I didn't get in for one mistake. I took it again later but I didn't get better results. Then, I applied to the Polit6cnico for Nursing, Biological Chemistry and Psychology. I failed again. Now, I am applying to UAM for Pharmaceutical Chemistry. I hope I get in this time! I want to become someone, as my mom said. I felt that since my sisters didn't complete any grade, I had to do something else; I had to do more... (Maria, HS graduate, Nezahualc6yotl)

To earn money you need a BA degree and how long should I wait before I get one? With the households' current situation, it won't be possible for me to continue studying. My sister is studying at a private college and she can't afford it. If I get in college, how many costs would there be? The Police Force gives you the chance to study and work at the same time. I can study and earn money at the same time. And I get a life insurance. So if they kill me, they give money to my mom! (Rosa, sister of college student, Nezahualc6yotl)

Youth's low performance in the exam can be explained by their lack of preparation. Youth have no money to pay for courses to prepare the exam and their schools do not offer this service. To make matters worse, they tend to be the first generation trying to get in college, without anyone to ask for guidance or support.

I took the exam to enter to the Polit6cnico because it is a good school to study Electric Engineering. I did awful! With what I brought from CETYS (Technical high school) I couldn't compete. When I opened the exam I said what's this?! It's very different what you learn in CETYS from a

regular high school. You can't compete with that (Alberto, HS graduate, Nezahualcóyotl).

The most prestigious and high-quality universities are located in the Federal District. The initial goal of the interviewed youth is to study there. As I noted, some of them took the exam several times without luck. Others, such as half of the interviewed college students, did not even try. Some assumed from the beginning they would not be able to pass the exam, so they reduced their expectations. Others, conscious of commuting and transportation costs, decided it would not be feasible.

The first round of exams to apply for UNAM came up but I couldn't afford it so I decided to wait for the next round. When I realized that many of my classmates failed, even the nerdiest in the entire school, I said no way! So, I didn't take the exam for UNAM. I took it for UAEM (Mica, college student, Valle de Chalco).

Money is not enough for me to attend Politecnico or UNAM. So, I said: there are transportation costs, I have to spend the entire day commuting because I have 3 hours to go, I have to leave at 4 am to avoid rush hour and I have to come back at 10pm. You're daily spending in meals, tickets...So, I told myself, 'here they have the career I like and I don't need to take money because I can come home for lunch'. Now I go to school with a friend on his bike and I spend less on gas than I would spend paying for the bus (Felipe, college student, Nezahualcóyotl).

When prestigious universities become unfeasible, youth start checking for schools in their localities. These tend to be private and are not necessarily recognized by the government. But even those which are recognized, are expensive and PRONABES (the only college grant the youth interviewed got), is not enough to cover the expenses.

My school's tuition is MX\$2,310 per semester and MX\$400 for English courses. Supposedly PRONABES and Oportunidades go hand-in-hand, but it's not like that! When I was in my last semester in high school, Oportunidades' grant was MX\$900, almost MX\$1,000. From PRONABES, I

get MX\$750 per month the first year and MX\$1,000 in the third year. Where's the logic behind that? I thought PRONABES grant would be more or at least the same as Oportunidades! (Mica, College student, Valle de Chalco)

The attraction of private non-official schools is that they offer scholarships and do not require an admission exam.²⁸ For instance, Jessica attends a private school (UPREZ) in Nezahualcóyotl where the tuition per semester is MX\$1,275 and the schools' grant varies between MX\$550 and MX\$830, increasing with completed grade. Under the promise that the schools will get the government's recognition before students get their degree, they attract high-performance students. Jessica has a scholarship from school that does not require high performance but pays her more for each grade she passes (MX\$550, MX\$750, MX\$830) even though tuition cost is MX\$1275 by semester. Monserrat studies Teaching in the Human Rights College from Nezahualcóyotl, and she pays her studies with her work at school in administration, for which she receives a discount (she pays half her tuition).

3.3.5. The challenges of completing the transition from school to work.

Youth agree that complete high school is the minimal educational level they require to obtain any kind of stable job. Among the interviewees, those who have not completed high school are working in sporadic jobs, without contract and in work that requires strength (construction work, butcher shop warehouse). For instance, Lucas and

²⁸ The private colleges attended by our interviewees belong to social movements such as: Unión Popular Revolucionaria Emiliano Zapata (UPREZ) and Instituto Cultural Derechos Humanos.

Roberto work collecting disposable materials from the garbage and they sell it to recycling plants. But completing high school does not guarantee a formal job.

Maybe if I kept studying I would have been able to help in my house, but who knows if I'll get a job or a better one than now? You get to meet people and many tell you that they went to college; they have a BA degree but they can't find a good job. So, what for? (Elena, HS graduate, Valle de Chalco).

Continuing studying after high school may contribute to increase their chances of getting a job (being more competitive), the type of jobs for which they can apply and their income. While youth with complete high school can only aspire for low level positions in the service sector (mainly girls) or in construction (boys), those who get a College degree can aspire to leading positions.

I think that if I had only studied high school, I would be working as an assistant. I could work in other things but there are not many options. How could I say it? I could send CVs everywhere, but what would be the point if I knew that somebody else, with a higher degree, would get the job anyway? (Luciana, college student, Valle de Chalco)

Why would I earn MX\$150 as a waiter when I can get a degree and earn more? I won't resign myself if I have the chance to get ahead. I could enter the Police force now, but as my dad says: 'It's always nicer to be called the boss'. If I get in to the Police Force now, I will enter as any cop and be under the order of someone. However, as I've heard, if I get in with a BA degree I'll be in charge. That's why I want to get my Law degree (Felipe, college student, Nezahualc6yotl).

Nonetheless, a degree is not sufficient to get the type of job youth desire: one that pays more than the minimal salary, with a working schedule of 8 hours per day, with social security coverage and a pleasant work environment. A degree may not even be sufficient to get a job in their field of study.

There are not many opportunities to work unless you have acquaintances. If you have networks (palanca), you get a job. But if you get there without knowing anybody and with a degree, they ask for experience. But how are you supposed to get experience if they don't give you a chance? If you say 'I come on behalf of John Doe,' you are in (Felipe, college student, Nezahualcóyotl).

If you study to get a teaching degree, you'll work as a teacher from day one. But there are plenty of accountants that only get a job as administrative assistants. Why? Because they have no experience. If I had a relative that had completed any degree... But I don't. I only have two cousins that studied engineering and are working as construction workers. Why? Because he didn't have any experience (Julieta, college student, Nezahualcóyotl)

To make matters worse, youth agree that there are no 'good' jobs in their localities. To get a job that is not manual or in a corner shop, youth have to go to the Federal District. The problem is that even when they get a job, once they consider the high costs of transportation and the long hours of commuting, the job is not attractive anymore. There are no gains.

Here, in Valle de Chalco, you can only work in a factory as a seamstress. There are almost no jobs here. And for women... even less. They see you as an assistant or domestic worker. They pay MX\$750 to secretaries and you can only work in the municipality. If you search for a job they will tell you to go to the centro (DF) but you have to spend on bus tickets. So you either spend on bus tickets to search for a job or you let your kids eat. That's the problem here (Josefa, HS dropout, Valle de Chalco).

In here you can find part-time jobs for MX\$250-MX\$300 per week. But these are jobs with no chances of professional development. Full-time jobs are for 11 hours and they pay MX\$500-MX\$600 per week. So, I searched and found my job in DF because it's easier to get one and you get to learn something while you work (Elena, HS graduate, Valle de Chalco).

Based on youth experiences, in order to access well-paid jobs they need to attend to college, have job experience and networks. Unfortunately, Oportunidades does not promote any of these aspects.

3.4. CONCLUSIONS

In this chapter, I analyzed how households' assets and the local structure of opportunities affect the transition from school to work among long-term beneficiaries. Oportunidades focuses on educational investment to avoid the reproduction of poverty and the approach goes in the right direction considering the relevance of educational attainment demonstrated in the multinomial models. Another central aspect in the transition from school to work is whether the head of the household and his/her partner are employed or not. Considering that Oportunidades offers no connection to employment programs or training for adults, this aspect is not being accounted for.

Oportunidades can contribute on youth continuing studying through the cash transfer and conditionality. However, it is too low to cover for educational expenses as well as the opportunity cost of remaining at school. Second. Youth with Opportunities could provide support for those who aim to take the exam to get into college or to enroll in college. But its timing is completely off and youth cannot take advantage of it for educational purposes. Finally, Oportunidades' mandatory workshops for youth could be used to provide information regarding schools, college options, scholarships and training programs. Instead they are only focused on health issues and provide the same workshop every time regardless how many times youth attended it.

While increasing the cash transfer might be unfeasible due to budget constraints and potential ideological opposition from the most conservative sectors (to avoid welfare dependency), the other two aspects seem easier to take care off. Unfortunately, the bureaucratic aspects involved in any type of change to be implemented in the program, avoids its implementation. Interviewed Oportunidades' staff members argue that any change to be implemented has to be done at the national level. It requires so much coordination and human resources training, that changes try to be avoided.

Regarding factors external to the program, educational attainment is largely affected by the local structure of opportunities, youth educational aspirations and their chances of affording exam preparation and college costs. Youth receive Oportunidades while they have to make two transcendental decisions in their careers. First, they have to take an exam to apply for high school. The selection of schools is usually uninformed, without knowledge of their options and consequences. Students tend to select nearby schools to reduce or avoid transportation costs, and they tend to apply to technical schools to get a specialization that might improve their employability. They do not learn what they need to get into college, do not realize that the quality of schools is often inadequate, and they get trapped.

Finally, considering that youth favorable transition from school to work is not only determined by their educational attainment, but also their job experience and networks, Oportunidades should offer labor market fairs or information regarding NGOs or federal programs for first-job experiences. Even though SEDESOL offers labor market fairs and Oportunidades counts with a website (PortalVas) which includes employment

and scholarships information, Oportunidades' staff does not promote these among beneficiaries.

All in all, Oportunidades counts with the tools to improve youth transition from school to work. It is necessary that the program invests in training its staff and apply changes in the above mentioned aspects.

4. Youth transition from school to work among Chile Solidario beneficiaries.

Unlike traditional CCTs, including Oportunidades, Chile Solidario connects beneficiaries with employment programs. In fact, Chile Solidario is the regional program that offers more linkages with the labor market through training, employment mediation, and promotion of micro-entrepreneurship (Uthoff et al. 2011). This chapter is focused on the transition from school to work among Chile Solidario long-term beneficiaries.

I start providing context information regarding the Chilean labor market, the main components of Chile Solidario and the employment programs related to it. Second, I present the research objectives, data and methodological approach. Third, I describe the main findings and, fourth, I outline the conclusions and policy suggestions.

4.1. MAIN CHARACTERISTICS OF THE LABOR MARKET IN CHILE

In 2011, 14.4% of the Chilean population lived below the poverty line. Among them, 2.8% lived below the extreme poverty line not being able to afford a food basket (Ministerio de Desarrollo Social 2012a). While the average years of education among non-poor is 10.7, among poor and extremely poor is 9.2 (Ministerio de Desarrollo Social 2012a).²⁹ Unemployment affects 6.6% of the population, but it affects 41.5% of extremely poor and 25.9% of poor (Ministerio de Desarrollo Social 2012a).

²⁹ The Chilean educational system is composed of 8 years of primary education and 4 years of secondary education which can be taken in a regular high school or a technical one. For those attending the latter, after the 4th year they may get professional practices for one year and then get a certificate in their specialization (Gastronomy, Administration, Computing studies, among others). After high school, teenagers can attend technical institutes or college (post-secondary education).

The informality rate³⁰ in Chile, is the lowest in Latin America (26.7%) (CEPALSTAT, 2012). In 2011, 83% of the employed had signed a contract and therefore, had access to health insurance and social security benefits through their jobs (Ministerio de Desarrollo Social 2012b). Moreover, only 24.2% had a temporary job. The reality is different for the poorest employed. 42% of the employed from the lowest income decile do not have a contract in their current jobs and 54.7% are working in temporary jobs (Ministerio de Desarrollo Social 2012b).

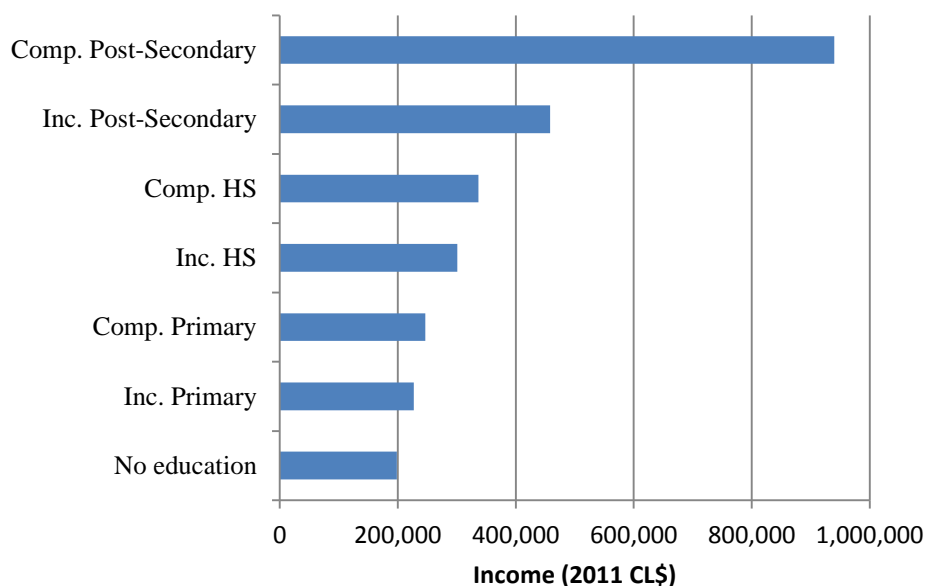
Regarding income, only higher education makes a difference. There are barely any differences in income by educational level except for those with Post-secondary education (See Graph 4.1). The latter earn almost 3 times more than high school graduates and high school dropouts. To make matters worse, high school graduates only earn 36% more than primary graduates, and the differences between income earned by high school graduates and dropouts are residual.

The disparities in the Chilean labor market are not only based on socio-economic level. Women and youth are in disadvantage as well. Chile presents one of the lowest female economic participation in the region (MIDEPLAN 2008). While 70.1% of men are economically active, less than half women are active (43.5%) (Ministerio de Desarrollo Social 2012b). The main reason for women's economic inactivity is their dedication to house chores (32.9%), followed by childcare (10.5%) (Ministerio de Desarrollo Social 2012c). Even though women's dedication to the latter has an inverse

³⁰ Workers in low-productive jobs are considered informal, namely, micro-entrepreneurs, domestic service and non-qualified independent workers (CEPALSTAT, 2012).

association with their educational level, the former similarly affects women with different educational levels.

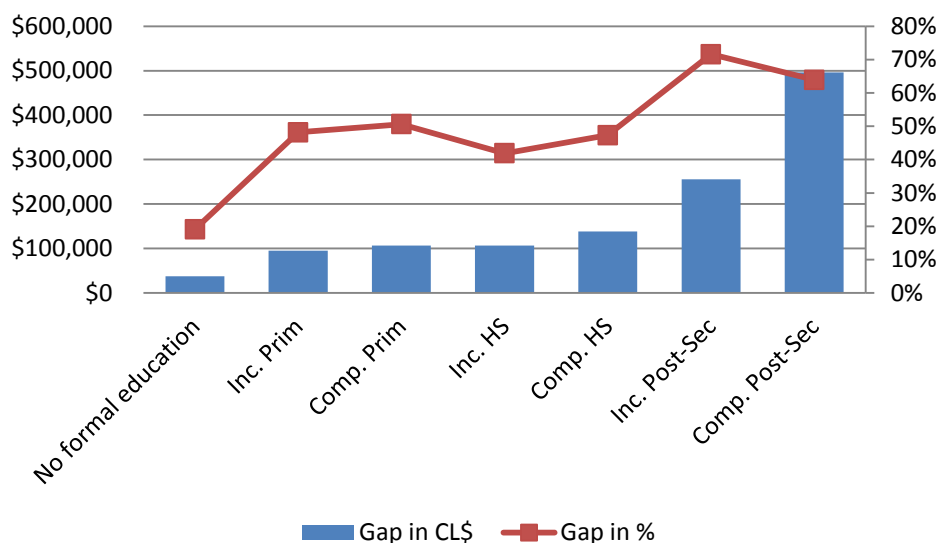
Figure 4.1. Income earned in principal job by educational level (2011)



Source: CASEN, 2011.

Women who participate in the labor market are in disadvantage in comparison to men. On the one hand, their salaries are lower and the gap increases by educational attainment (See Graph 4.2). While women with complete primary education earn almost half than their male peers (48.2%), women with post-secondary education earn 64% less than men with the same educational level (Ministerio de Desarrollo Social 2012c). On the other hand, unemployment is higher among women (9.6% compared to 7.7% for men) and especially among women from the lowest income decile (31.08%) (Ministerio de Desarrollo Social 2012b).

Figure 4.2. Income gap between men and women, 2011 (in CL\$ and %)



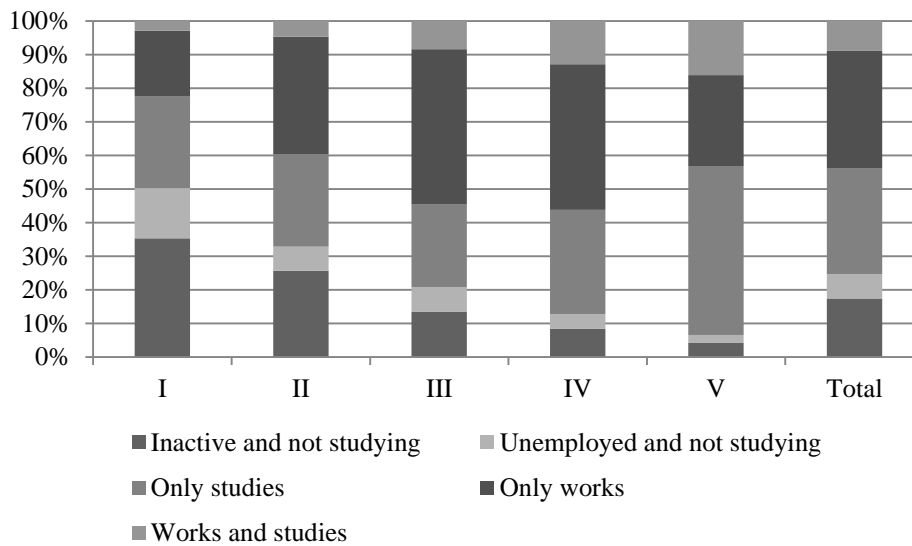
Source: CASEN, 2011.

Youth face a paradoxical situation. They completed more years of education than adults (12.6) but their position in the labor market is worse (Ministerio de Desarrollo Social 2012c). Youth unemployment is 2.5 times larger than adult unemployment (20.2% and 7.8% respectively) (CEPALSTAT, 2012). By socio-economic level, 20% of low SES youth (aged 20 to 24) are unemployed and 31% are economically inactive. 43% of the latter are women dedicated to house chores (Acevedo, Foster, and Lobos 2013).

Among youth, households' income plays a major role in their educational and employment situation. Paying attention strictly on youth aged 20-24 years old, due to their high participation in the labor market (53.4%), I analyze the data from Graph 4.3. Institutional disaffiliation affects one every three youth from the lowest income quintile and unemployment affects almost 15%, more than doubling the unemployment rate for

youth from the second and third income quintile. While 66% of the richest quintile youth are still studying, only 30% of youth from the lowest quintile are also studying.

Figure 4.3. Youth economic participation and school attendance by income quintile (Youth aged 20-24; 2011)



Source: CASEN, 2011.

Youth socio-economic status (SES from now on) plays a major role in their educational and employment position as well. In 2010, six out of ten low SES youth had completed high school compared to 95% of high SES youth (Trucco 2013). In 2012, 36% of low SES youth did not continue studying after high school due to economic difficulties or family issues³¹ (Acevedo, Foster, and Lobos 2013). Between 1994 and 2003, Chilean youth from the poorest quintile had five times more chance of being unemployed than youth from the richest quintile (Charlin 2006). Low educated youth access low-productive and low paid jobs. They accumulate experience in this type of jobs, restricting

³¹ This information is based on the latest Youth National Survey (2012).

their employment opportunities and chances of obtaining well-paid jobs to exit poverty (Weller 2006). The National Youth Survey for 2003 evidenced that seven out of ten low SES youth have thought about changing their job due to their low salaries. Some of them perceive self-employment as an option to avoid unemployment in a labor market that ‘condemns’ them for their low educational level, lack of experience and lack of networks (Marinho 2007).

The segmentation of educational attainment affects youth employment opportunities. Education once guaranteed entrance into the labor market through the acquisition of knowledge and skills. Today, however, formal education cannot guarantee job placement. One of the reasons is that the skills and knowledge demanded by the labor market are not synchronized with those that formal education provides (CEPAL-OIJ 2004). For instance, in Argentina, Brazil and Chile, employers search for certain attitudes and socio-emotional skills, such as critical thinking, responsibility, team work and capacity to solve problems that public educational systems rarely provide (Bassi et al. 2012). Surveys of Chilean companies in 2004 reveal the characteristics that employers look for when hiring youth. Regarding skills, the most valued are youth capacity to learn, their technological skills, work ethics and disposition to work. But other aspects are influential also. 68% of the surveyed companies consider that personal presentation is relevant. *“Good presence facilitates communication and sympathy, expresses seriousness and formality and, most importantly, it is the image of the company towards the public”*

(Campusano and De La Lastra 2006).³² The gap between education and labor market demand is translated into unemployment and precarious jobs which reproduce poverty and marginality among low SES youth. Another reason is the devaluation of high school education relative to post-secondary education. In 1999, completing one additional year of primary education increased income 4.5% and completing one additional year of high school increased income 10.5% for men and 11.1% for women (ECLAC 2001). Between 1990 and 2000, the returns from post-secondary education increased 50% in Chile. In 2000, college graduates income was four times larger than high school graduates income (Mizala and Romaguera 2004). In 2006, one more year of high school education increased income 7.5% while one more year of post-secondary education increased income by 19.4% (ECLAC 2010). This implies that even though the completion of high school is expanding among low SES youth, their income will not reflect their effort proportionally.

Based on the presented evidence, public programs need to facilitate low SES youth access to formal jobs to improve their labor market opportunities. Considering their difficulty in accessing their first job due to lack of experience (additional to their low educational attainment), social programs need to promote low income youth placement in the labor market (Charlin, Fernández, and Camelio 2006).

³² Personal translation from quote in Spanish.

4.2. CHILE SOLIDARIO: ORIGINS AND MAIN COMPONENTS³³

After the Welfare State crisis of 1952-1973, when social demands exceeded the state's capacity to respond, the Dictatorship (1973-1989) established a residual welfare state in Chile (Larrañaga 2010). In the context of the Structural Adjustment Policies and neo-liberal reforms, the state's retrenchment led to several reforms (social security, education and health), which commoditized basic rights and reduced social spending (Raczynski 2008). Previously, formal workers were protected by social security and had benefits that extended to their families. With the welfare reform (1979-1981), benefits became targeted to extremely poor and poor households, and eligibility was defined based on a score computed with the information from the Social Assistance Forms (CAS from now on) (Larrañaga 2010). CAS included information about housing, education and employment of household members. The score differed by geographic area (regions) and was mandatory for those who applied for social benefits (Larrañaga 2005).

With the return of democracy and the sustained presence of central-left governments (1990-2010), the welfare state was redefined towards the promotion of equity (Alarcón et al. 2005). From state's beneficiaries, individuals became entitled to rights that the state had to guarantee them. Even though targeted policies remained, they required more participation from individuals and they promoted the generation of capacities to overcome poverty and extreme poverty (Larrañaga 2010).

Between 1990 and 2003, there was a rapid reduction of poverty and extreme poverty in Chile. The former decreased from 38.6% to 18.8% and the latter from 12.9%

³³ Prices in this section are presented in US Dollars (US\$1=CL\$520 in November of 2013).

to 4.7% (MIDEPLAN 2006a). After 1998, the proportion of families living in extreme poverty stagnated despite economic growth. Extreme poverty was identified as a multidimensional problem which was characterized by: lack of income, lack of efficient networks to overcome family shocks and economic crises, low human capital and difficulties to access public and community programs (Raczynski 2008).

The persistence of extreme poverty called the attention of the authorities (The Presidency of Ricardo Lagos, 2002-2006) who designed a program to reduce poverty (Palma and Urzua 2005). The program Puente (Bridge) started in 2002 aiming to provide a basic, and coordinated, provision of social programs and to include extremely poor families to the social protection system (Cecchini and Martínez 2011; Larrañaga and Contreras 2010b; MIDEPLAN 2006a). Different from other CCTs, Chile Solidario tackles extreme poverty from a multidimensional approach and considers the family as the unit of intervention (Larrañaga 2009). The program aims to connect excluded families with existing social programs (scholarships, subsidies, and municipal plans to improve house infrastructure, among others) according to households' needs (MIDEPLAN 2006b). In 2004, Chile Solidario –an extension of Puente- was defined as a social protection system by law. The former Ministry of Planning (current Social Development Ministry) and the Regional Government Secretaries were assigned to coordinate the program, executed by different organizations (municipalities, clinics, and schools) and administered by the Solidarity and Social Investment Fund (FOSIS).³⁴ Chile Solidario

³⁴ Chile Solidario is entirely funded by the national government. In 2009, it represented 0.11% of the national GDP (Cecchini, Robles, and Vargas 2012).

provides a direct and personalized support to families for five years. Based on the proportion of eligible households in each region, municipalities get a quota of Chile Solidario's beneficiaries and they contact eligible families to participate in the program (MIDEPLAN 2006b).

The program is composed of three elements: psycho-social support, preferential access to public programs and cash transfers (conditional on meeting health, education, housing and other conditions). The combination of these strategies is meant to promote families' capabilities (MIDEPLAN 2008). The psycho-social support worker (*Apoyo Familiar*) is a social worker or a trained professional from the municipality who provides guidance and information to connect beneficiaries with social programs (MIDEPLAN 2006b). These professionals offer a direct and personalized work with families, assuming they have differential needs and resources (assets) to exit from extreme poverty. Their goal is to improve families' wellbeing and provide them with tools to promote their autonomous capacity to use and take advantage of the network of social programs (Nun and Trucco 2008). Families sign an agreement (Participation Commitment) where they commit themselves to meet 53 conditions (goals) and the government assumes responsibility for providing families with the resources they need to meet these conditions.³⁵ By fulfilling the conditions, families will not only achieve a minimal wellbeing but also develop skills, abilities and self-efficacy (Carneiro, Galasso, and Ginja 2009a; MIDEPLAN 2006b). Conditions are defined in the areas of education,

³⁵ The number of conditions increased to 70 in 2006.

employment, income, housing, identity³⁶, health and intra-domestic relations.³⁷ The program's assumption is that once families achieve these goals, they will be able to escape from poverty in a sustained manner (MIDEPLAN 2006a). The professional support is provided for two years, and the household visits decrease with time.

Chile Solidario families have preferential access to targeted programs for poor and extremely poor individuals. Namely, employment and training programs (detailed in the next section); the Basic Solidarity Pension (US\$167 per month for elderly who do not receive any pension and handicapped individuals); the Unique Family Subsidy (US\$13 per month for each minor living in the house, handicapped of any age and pregnant women); a subsidy to cover part of their house water consumption (*Subsidio al Consumo de Agua Potable*); and a discount to obtain the identification card of each household member (*Subsidio a la Cédula de Identidad*) (Carneiro, Galasso, and Ginja 2009a; Cecchini and Madariaga 2011).

Chile Solidario beneficiaries receive a cash transfer conditional on their compliance with the signed agreement. Different from other CCTs, the cash transfer is low and decreasing with time. For instance, in 2009, families were receiving US\$27 during the first six months in the program, and after a year and a half in the program, they received US\$13. The Exit Bonus (*Bono de Egreso*) was paid for the remaining three years in the program -US\$13 per month-- (Cecchini and Madariaga 2011). The low value of the cash transfer is explained by two reasons. First, because it aims to promote

³⁶ Psycho-social workers facilitate beneficiaries' access to identity cards in case they do not have one or they lost it.

³⁷ For a detailed list of the conditions, see Appendix 11.

families' search for other income sources and avoid welfare dependency (MIDEPLAN 2006a). Second, because it only aims to cover transportation and paperwork costs to access social programs and services (Galasso 2006). Chile Solidario's cash transfers represent 1% of the total income of beneficiary households (Larrañaga 2010).

Initially, beneficiaries were identified by their score in the Social Assistance form (CAS). Since 2006, the CAS system was substituted by the Social Security Card (*Ficha de Protección Social*). The latter measures household's vulnerability, identifying their main assets (capacity to generate income, housing) and risks (unemployment, dependency rate), different from CAS forms which only measured households' needs (Herrera, Larrañaga, and Telias 2010). While previous diagnoses assumed the presence of a structural group of excluded families, the longitudinal data proved that poverty and extreme poverty in Chile are dynamic. Families step in and out of poverty depending on macroeconomic (economic growth) and microeconomic conditions (household size, educational level of the head of the household and quality of jobs of the household's working members). For instance, from the total of households that were identified as extremely poor in 1996, 80% were not extremely poor by 2001 (Consejo Asesor Presidencial Trabajo y Equidad 2008; MIDEPLAN 2002).

In 2009, 306,000 households were participating in Chile Solidario (1.3 million individuals), representing 65.9% of the poor population and more than double of the individuals living in extreme poverty (Cecchini, Robles, and Vargas 2012). Female headed households represent one third of the Chilean population, but they represent two thirds of Chile Solidario households (Larrañaga and Contreras 2010a).

4.3. EMPLOYMENT PROGRAMS RELATED TO CHILE SOLIDARIO

According to a recent evaluation on exemplary labor market programs for youth in Latin America, three aspects are central for success. First, companies should promote relationships with schools in order to complement students' formal education with experiences in the field (internships). Second, youth require professional help to design a labor market plan. Third, programs should promote labor market opportunities in the formal sector and opportunities to continue studying (College and Training courses) (ILO 2009b). The labor market programs related to Chile Solidario comply with some of these aspects, so their effects should be promising.

There are different types of labor market programs connected with Chile Solidario. First, there are programs that promote micro-entrepreneurship. Most of these programs are targeted to vulnerable populations in general, and one is targeted to vulnerable indigenous populations (*Programa de Generación de Microemprendimiento Indígena*). Second, there are training courses which promote individuals' skills and knowledge in order to increase their opportunities in the labor market (larger employment opportunities and higher income). Some programs directly affect employment, such as the Program for Employment Generation and the Program of Employment Support. Other programs indirectly promote employment. Among these is the program for Employment Skills Development for Chile Solidario women (DCL), the Subsidy for Youth Employment, the subsidy for Hiring Chile Solidario Labor and the subsidy to hire Chile Solidario youth. These subsidies are offered to companies to hire vulnerable youth and its goal is to promote the employment demand for this population. In the last trimester of

2013, the micro-entrepreneurship program (MESP) covered 1,644 Chile Solidario beneficiaries and DCL covered 366 Chile Solidario female beneficiaries (DIPRES 2014).

In the following section, we describe each of the above mentioned programs.

4.3.1. The Subsidy for hiring workers (Bonificación a la contratación de mano de obra)

This program was created in 2001. Its goal is to promote the reinsertion into the labor market of unemployed individuals, through subsidies for companies and training for beneficiaries. To be eligible for the program, companies must hire employees with a signed contract for a minimum period of four months and salaries cannot be lower than the Minimal National Income³⁸ (SENCE 2010). Chile Solidario beneficiaries have priority access in this program, even though the program is also targeted to other vulnerable groups such as former convicts and handicapped individuals. Social workers in charge of Chile Solidario families promote youth enrollment in the Municipal Offices of Employment Mediation (OMIL from now on), where they receive training expecting to get hired by interested companies.³⁹ In 2004, the program incorporated a quota for adult beneficiaries from Chile Solidario and in 2006, the program incorporated a section for young Chile Solidario beneficiaries (DIPRES 2009). The goal of this program is to contribute to the fulfillment of two minimal conditions from Chile Solidario: that at least

³⁸ In August of 2013, the National Minimal Salary in Chile was approximately US\$410 (Dirección del Trabajo, 2013).

³⁹ In 2008, for each young (Chile Solidario beneficiary) who took socio-labor trainings, OMIL received a bonus (\$127) and for each beneficiary that got a position after the program, the office received US\$54.5 (Huneus 2010).

one adult household member works and earns a stable income, and that the family perceives an income above the extreme poverty line (MIDES 2006). There are two different types of subsidies for Chile Solidario beneficiaries: one for youth and other for adults. The latter consists of a monthly subsidy for companies⁴⁰ that hire unemployed Chile Solidario beneficiaries. The subsidy covers a maximum of 50% of a Minimal National Income for four months. Companies can also ask for reimbursement for training Chile Solidario beneficiaries (maximum of US\$200 in 2010), employee's transportation costs and meals (\$64 and \$43 each) (SENCE 2010). The program for youth (*Jóvenes Chile Solidario*), promotes youth placement in the labor market. It is similar to the adults' program, except that it can be applied for a maximum period of eight months (SENCE 2010) and the reimbursement for training costs is higher (US\$121 per beneficiary⁴¹) (Huneus 2010). Between 2006 and 2008, the youth program trained 2,153 youth and covered 390 subsidies (Huneus 2010).

Recent evaluations conclude that the Subsidy for hiring workers faces several difficulties. First, the training offered by SENCE is composed of short courses, the outsourced services do not offer quality courses and SENCE has no capacity to supervise their work. Therefore, SENCE training courses do not improve participants' income or their employment opportunities (Larrañaga 2011). Second, the coverage of Chile Solidario beneficiaries is low and its success is limited. Between 2004 and 2007, only 5% of the Subsidy beneficiaries were receiving Chile Solidario, and less than 1% were part of

⁴⁰ Two types of companies are excluded from this benefit: companies with pending fines related to labor, social security or taxes, and personnel placement companies.

⁴¹ SENCE courses charge US\$8 per training hour. So, if beneficiaries were to take SENCE courses, the program would cover 15 training hours (Huneus 2010).

the Chile Solidario Youth program (DIPRES 2009). Program evaluations based on in-depth interviews with key informants, administrative datasets and representative surveys for beneficiaries and non-beneficiaries, conclude that 51% of Chile Solidario youth were hired in low-qualified and seasonal positions with this program (DIPRES 2009). These studies conclude that companies hired individuals they needed (seasonal jobs) and took advantage of these programs to pay less for their work. Since the goal of the program is to increase employability opportunities and stable income, this type of position does not seem to be the answer. To make matters worse, the program has several implementation difficulties. The communication between the organizations in charge (OMIL and Municipal Family Intervention Units) is not good. Therefore, not all the potential beneficiaries are informed which translates in a low coverage (less than 20% of the expected goal).

The information provided regarding interested youth is incomplete and does not refer to their skills or previous experience, complicating the possibilities of getting a suitable position for the interested individuals. The definition of regional quotas is not based on regional needs or regional labor market conditions. Quotas are defined based on the efficiency and initiative of the offices in charge of the program by region. So, Chile Solidario youth are not usually hired due to the lack of available positions, or because the companies consider that their profile does not fit their requirements. Companies claim that youth have low educational level, lack of experience in scheduled jobs and in supervised work, lack of prospects and lack of hygiene (MIDES 2006).

Considering all these aspects, it is not surprising that the program had no impact on the probability of getting a formal job, receiving training or increasing beneficiaries' income (DIPRES 2009). The program is mainly contributing to reduce work force costs. Nonetheless, social workers in charge of Chile Solidario families argue that beneficiaries from the subsidies program get motivated to continue studying. 82.7% of the surveyed social workers argue that beneficiaries have enrolled in courses to complete high school (MIDES 2006).

4.3.2. Program Training and Employment (PROFOCAP)⁴²

This program is offered for four months to interested Chile Solidario beneficiaries. The first two months consist of workshops in different areas (employment skills, domestic violence, and how to open a small business). During the last two months, beneficiaries have internships or professional practices (25 hours per week) in local companies. Between 2010 and 2013, 95% of PROFOCAP beneficiaries were women. In 2013⁴³, 60% of the beneficiaries had completed at least some high school and one third were young adults (aged 21-30) (CONAF 2013). After completing the program, 41.4% beneficiaries were employed. One every five beneficiaries got a contract where they did their internship and one every ten got a job through networks they made in PROFOCAP (CONAF 2013).

⁴² The program identifies regions with a large number of Chile Solidario beneficiaries and high unemployment. Municipal social workers (in charge of Chile Solidario families) send information regarding the amount of interested individuals. At the same time, local enterprises are contacted to check their interest in offering internships and professional practice to program's graduates.

⁴³ This evaluation considered the regions of Coquimbo, Maule, Los Rios, La Araucanía, Biobío, Valparaíso, Los Lagos and O'Higgins.

4.3.3. Program of Skills Development for Women (DCL)

This program promotes women employment skills and provides access to internships. DCL promotes skills such as responsibility, efficiency, risk taking, defining goals, information search, planning and self-confidence. In 2011, 768 Chile Solidario women participated. At the beginning of the program, 36.2% were working and almost half were working after it (47.7%) (PRODEMU 2011). Among those who started the program with a job, 56.5% were still working after the program ended. Among those who were initially unemployed, 38.3% got a job and almost half of economically inactive participants, got a job after the program. The main reason to remain economically inactive after the program was child care. Among those who were employed after the program, their income increased from an average of US\$172 to US\$258 (PRODEMU 2011).

4.3.4. Programs promoted by the Solidarity and Social Investment Fund (FOSIS)

FOSIS offers different programs for vulnerable youth, including Chile Solidario beneficiaries.⁴⁴ For instance, the Employability Reinforcement Program (ERP) is targeted to unemployed, economically inactive and underemployed workers,⁴⁵ aged 18 to 24, with

⁴⁴ FOSIS programs are targeted to individuals with a score of 8,500 or less in the Social Security Card. Puente and Chile Solidario beneficiaries have a maximum score of 4,213 (MIDEPLAN 2011).

⁴⁵ FOSIS defines underemployed as those employed in low income jobs and with few working hours.

primary education or more, and extremely vulnerable.⁴⁶ The program prepares youth for successful interviews and contributes to the design of an individual working plan. The program covers transportation costs (US\$80 per month)⁴⁷ and provides a grant to buy equipment to apply for jobs (clothes, shoes, etc) (Ministerio de Desarrollo Social 2013). Beneficiaries have two options after the program concludes. They can either opt for a job placement mediated by FOSIS, or they can apply to another FOSIS program to start their own business. Those who opt for the latter, apply to the Micro-entrepreneurship Support Program (MESP). There, they receive training for four months. FOSIS outsources the training program to private institutions and foundations (OTECs)⁴⁸. The first month they learn how to design a business project, how to administer a business, planning tools and other business skills. The following three months, beneficiaries are monitored and guided on how to set up their business. After the training, beneficiaries receive US\$600 in kind to select the equipment, merchandise and certificates they need. Either they buy in the presence of a program's representative or they present receipts of the purchases and expenses they had (Martínez, Puentes, and Ruiz-Tagle 2013).

In 2009, the Employability Reinforcement Program (ERP) covered 3,620 beneficiaries, mostly from urban areas (86%). Almost one of every four beneficiaries resided in the Metropolitan Region (Santiago) and almost three out of five were Chile Solidario beneficiaries (55%). Most beneficiaries were women, single, with children and

⁴⁶ The Social Security Card measures economic vulnerability in a score between 2,072 and 16,316. Participants for MESP and ERP programs must have a score of 8,500 or less (MIDES 2012).

⁴⁷ In 2014, the value of one-way transportation ticket (bus or subway) costs around US\$1 and US\$1.20 (CL\$580 –CL\$680).

⁴⁸ There is a protocol that institutions and foundations all must follow to ensure similar quality to the program's beneficiaries. For details, check FOSIS website.

unemployed (76%, 79%, 59.9% and 73% respectively) (Gajardo Pineda 2012). 15% dropped out from the program and 60% of those who ‘graduated’, got in the Micro-entrepreneurship Support Program to open their own business. The reasons behind this preference are the difficulties that participants face to obtain a dependent job.⁴⁹ Their opportunities are restricted due to their low educational level, lack of working experience not fitting the companies’ standards in terms of physical appearance. Being single with children is another factor that hinders their employment opportunities (Gajardo Pineda 2012).

Focusing only on Chile Solidario beneficiaries, (Martínez, Puentes, and Ruiz-Tagle 2013) evaluated the impact of the Micro-entrepreneurship Support Program (MESP) after one year implementation (2011). They used a sample of 1,948 individuals who applied for the program, and randomly assigned them to MESP. The authors took a baseline survey in 2010 and a follow-up survey in 2011, losing 12% of the original sample. 94% of beneficiaries were women, with a mean age of 36. 65% were employed in the baseline sample but their incomes were low (\$102-\$116). The authors conclude that taking MESP increases employment by 18%, increases income by 32% and self-employment by 34%. MESP increases working hours (22%). However, the program has a larger impact among individuals who were initially unemployed but not among those who were initially underemployed or self-employed (Martínez, Puentes, and Ruiz-Tagle 2013).

⁴⁹ Gajardo-Pineda (2012) considers different data sources. First, administrative records, baseline surveys for participants at the beginning of the program, at the completion and six months after. Second, the author collects information from focus groups with former participants.

To sum up, Chile Solidario is connected to several labor market programs for vulnerable youth including training, subsidies for companies, and the promotion of micro-entrepreneurship. General evaluations (without distinguishing impacts for Chile Solidario beneficiaries) conclude that the programs have a limited effect on income and employment opportunities. This is explained by the lack of coordination between involved institutions (OMIL, OTECs), the lack of supervision capacity from central organisms (SENCE and Work Ministry), the misuse of subsidies, the low quality of training courses and their limited duration. Evaluations restricted to Chile Solidario beneficiaries conclude that the coverage is reduced and predominantly female, but the impacts of the entrepreneurship program are positive after one year. The sustainability of these impacts is unknown.

4.4. RESEARCH OBJECTIVES AND METHODOLOGICAL APPROACH

The study aims to identify the structural aspects that contribute to, or affect the transition from school to work among Chile Solidario long-term beneficiaries. To do so, I consider a similar approach as in the analysis of Oportunidades (Chapter 3).

Based on the specific characteristics of Chile Solidario regarding linkages with employment programs, I also analyze whether these contribute or not to improve youth employability and, therefore, a more favorable transition from school to work. Do these programs provide youth what they need to improve their opportunities in the labor market? What challenges do these programs face? What modifications should be

considered to increase their effectiveness? To answer these questions I examine in-depth interviews with Chile Solidario's beneficiaries. Interviews are also used to elaborate on the quantitative results.

This section is divided in two. First, I describe the main features of the dataset; I define the sample and variables. Second, I present the goals of the interviews; I describe the municipalities I selected for the study and the characteristics of the collected sample.

4.4.1. Statistical data

I use the survey collected to evaluate the program: the Panel Chile Solidario. This survey was first collected in 2003 and includes information on beneficiaries and non-beneficiaries regarding socio-demographic variables, education, health, employment, income, and housing conditions. Since the evaluation of Chile Solidario was designed after its implementation, there is no baseline data. In search for regional and local representativeness, the sampling was stratified. A total of 5,034 Chile Solidario households were surveyed in 2003, over-representing beneficiaries (Hojman 2008). A follow-up survey was collected in 2004, adding recently incorporated families to the program. This addition led to a total sample of 5,363 Chile Solidario households. The comparison group of non-Chile Solidario households (control group) was identified through matching with replacement with data from CASEN 2003. The sample was re-stratified to obtain a representative sample of Chile Solidario households (Hojman 2008). In 2006, 9,597 households were surveyed (2004 households plus families that started receiving the program in 2006). In 2007, households surveyed in 2006 were located as

well as some lost cases from previous waves. In total, 9,777 households were surveyed (OSUAH 2008).

Table 4.1. Sample characteristics at each stage of the selection process (Proportions)

Characteristic	Sample 1 ^a	Sample 2 ^b	Sample 3 ^c	Sample 4 ^d	Sample 5 ^e
Female	51.3	51.9	42.9	40.3	40.3
Attendance to school /post-secondary education	36.5	38.7	24.7	27.9	26.3
Employed in 2007	30.1	30.4	41.9	41.3	41.9
No education	16.2	15.9	0.9	1.0	0.9
Primary Incomplete	45.1	42.5	12.6	12.0	11.5
Primary Complete	13.1	13.4	12.4	11.0	11.5
High school Incomplete	14.6	16.2	26.6	26.4	25.7
High school Complete	9.2	10.1	40.3	42.0	42.9
Post-secondary education	1.0	1.0	6.3	7.1	6.9
<i>N</i>	14,862	8,331	904	709	651

^a All Chile Solidario beneficiaries in 2007.

^b Sample 1, excluding individuals who did not live in urban areas.

^c Sample 2, excluding individuals not in the age range of 18-24.

^d Sample 3, excluding individuals who are not sons /daughters of the head of the household.

^e Sample 4, excluding individuals who are non-missing Community Human Development Index.

Source: Panel Chile Solidario, 2007.

Scholars agree on the limitations of the panel data to evaluate the program. First, the lack of a baseline dataset. Second, changes in the questionnaire. Third, changes in the identification of the control group due to changes in the program's target population (first only targeted to extremely poor and then incorporating vulnerable households). Due to these data limitations, most scholars have combined administrative data (not publicly available) and the panel Chile Solidario data in their evaluations (Carneiro, Galasso, and Ginja 2009b; Galasso 2006; Hoces de la Guardia, Hojman, and Larrañaga 2011; Larrañaga, Contreras, and Ruiz Tagle 2009).

In contrast with previous studies, I focus my analysis on Chile Solidario beneficiaries. I analyze the last available wave (2007) because it includes beneficiaries who were selected with Chile Solidario's current score (including vulnerable households). I define the sample through several steps defined in Table 4.1. First, I select Chile Solidario beneficiaries in 2007 (N=14,862). Then, I select beneficiaries from urban areas (N=8,331).

Considering that employment programs are targeted to youth aged 18-24, I restrict the sample to this group (N=904) and sons/daughters of the head of the household (N=709). Finally, I select cases with non-missing values in the Community Human Development Index. My final sample consists of 651 Chile Solidario youth beneficiaries.⁵⁰ I consider the variables defined in Appendix 1 and Appendix 2.

4.4.2. Collected data

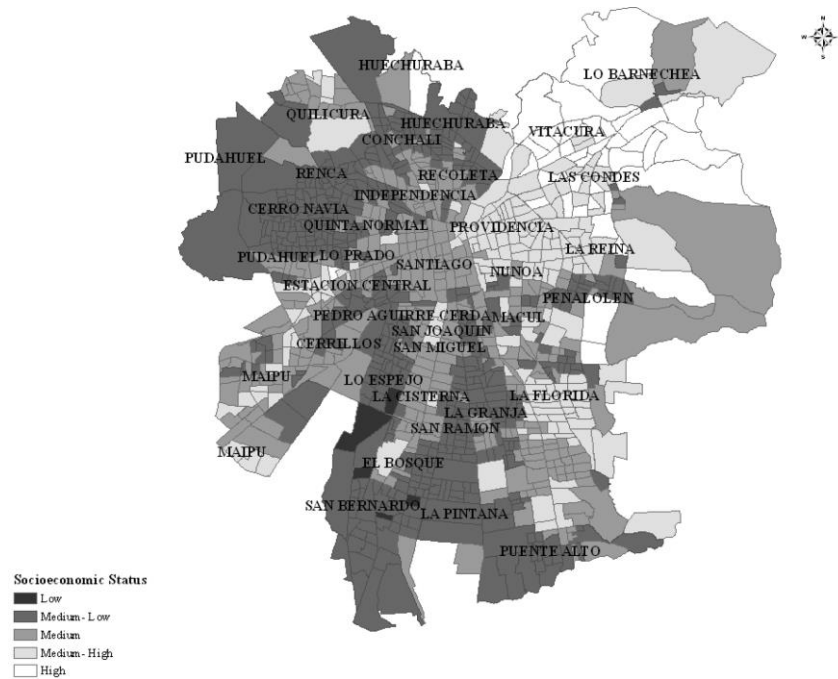
I collected interviews in two municipalities of Santiago. As Figure 4.4. shows, while Peñalolén is surrounded by higher socio-economic level areas, El Bosque is surrounded by similar or lower socio-economic level areas. This translates in different employment opportunities, education and health supply by municipality. In El Bosque the resources are restricted while in Peñalolén there are different options based on individual's purchase power.

In 2009, the proportion of extremely poor individuals in El Bosque was 4.6% and 3% in Peñalolén, while the proportion of poor was 8.61% and 6.7% respectively

⁵⁰ My initial intention was to include participation in the labor market programs in the estimations. Unfortunately, that was not possible due to sample size restrictions.

(CASEN, 2009). In 2011, the average monthly income in El Bosque was US\$712 and US\$1,803 in Peñalolén (Observatorio Social 2012). In 2011, 40% of El Bosque’s families lived as non-renters compared to 12.3% in Peñalolén. This is related to the fact that one every five persons live in overcrowded households in El Bosque compared to one every ten in Peñalolén (Congreso Nacional de Chile 2012a; Congreso Nacional de Chile 2012b).

Figure 4.4. Socio-economic status in the Metropolitan Area of Santiago



Source: Flores (2008) based on Census, 2002.

I interviewed youth and their mothers (cash recipients), living in households that had recently graduated from Chile Solidario.⁵¹ I had access to them thanks to the

⁵¹ Interview guidelines can be revised in Appendix 12.

assistance of the Social Department of each municipality and their psycho-social workers –whom I also interviewed–. I had access to a list of former participants of the employability program (ERP) and the micro-entrepreneurship program (MESP) thanks to the collaboration of colleagues from FOSIS. Interviews were recorded and transcribed for the analysis.

As Table 4.2. shows, the sample consists of 22 youth: 12 girls and ten boys. Twelve youth live in Peñalolén and ten live in El Bosque. I interviewed youth aged 19 to 26, with a mean age of 23. Ten youth participated in an employment program through Chile Solidario (seven girls and three boys), five in the employability program (ERP) and five in the micro-entrepreneurship program (MESP).

Most of the interviewed are parents. Six of them have a partner and children, while seven are single. The ages of the eldest children reveal a significant proportion of teenage mothers in the sample. Regardless of being single or married, all the interviewed –with the exception of two- were still living in their parents' households as non-renters (*allegados*). Youth are the third generation in these households, since most of the lands or houses are property of their grandparents. Only four youth live in a house owned by their parents, as a result of land regularization after illegal settlements and concessions from the Housing Ministry.

Table 4.2. Characteristics of the collected sample.

Characteristic	Municipality		Total
	Peñalolén	El Bosque	
Average age	23.4	22.6	23
<i>Sex</i>			
Male	4	6	10
Female	8	4	12
<i>Educational attainment</i>			
Incomplete High school (HS)	3	2	5
Complete Regular HS	2	2	4
Complete Technical HS	5	4	9
Post-secondary education	2	2	4
Attending school/ Post-secondary education	0	3	3
<i>Economic activity</i>			
Employed	8	4	12
Unemployed	2	2	4
Economically inactive	2	4	6
<i>Marital status</i>			
Single	12	4	16
Married/ Cohabiting	0	6	6
Mother/ father	7	6	13
Participation in employment program through Chile Solidario	6	4	10
Total	12	10	22

With the exception of four youth, they all completed high school aware of the labor market demands. Almost half of the interviewed youth attended technical high school and got a specialization. Among high school dropouts, three are girls who dropped out due to their pregnancy and did not return to school afterwards.

Four youth continued studying after high school. One boy is currently studying math teaching in college, another boy is studying audio-visual communication in a private institute, another completed his tertiary courses on electricity and telecommunications and another could not complete his course yet (due to economic

difficulties). They afford their studies with grants from the state (based on high performance) and credit loans (paid with their salaries).

Irrespective of youth expectations, the local supply of schools plays a central role in their selection. There are areas that lack technical high schools or have a reduced supply of career specialties (not attractive to youth). In other cases, technical high schools in the area charge tuition and families do not have the resources to afford it.

Except for three young girls dedicated to their children, all the interviewed youth are economically active. Three were unemployed at the time of the interview. One was waiting for a response on a job related to his career (teaching), a girl was searching for opportunities among all the people she knew and had previously worked for, and a boy had recently lost his job because the project had finished.

4.5. FINDINGS

I begin this section, describing the main characteristics of youth by stage in the transition from school to work, and differences by sex. I continue presenting the main results of the estimation models, for the general sample and by sex. Due to the reduced sample size of girls who completed their transition, I estimate their chances of being in transition compared to not having started the transition with a logistic model. For boys and the general model, I ran multinomial logistic regressions. Next, I analyze the impact of the employment programs for Chile Solidario youth based on the collected interviews.

4.5.1. Describing the transition from school to work

As presented in Table 4.3, most of the surveyed youth are single regardless their stage in the transition from school to work. Moreover, there are no apparent differences in the type of high school attended by transition.

Youth who have not started their transition, are similarly distributed by gender and are younger than the rest. They have higher educational attainment (11.2% studied beyond high school) and the majority is still attending school (58.4%). Their household economic situation is worse. Almost half include the poorest income tertile, one fourth live in houses that were given to them (but they do not own them). The head of the household is younger and 44% of youth live with both parents. The domestic cycle in these households is earlier (eldest child is still a minor), and therefore the dependency rate is higher.

Youth in transition present the most vulnerable situation. The majority are boys who completed fewer years of education than the rest. Very few are studying and less than half are currently employed. More than half live in female headed households and the head of the household has lower educational attainment.

Those who completed their transition are primarily boys and are older than the rest. They live with a lower amount of minors, in households where the youngest child is older than 18, with lower dependency rates and less overcrowded. Almost four out of ten live as non-renters, sharing a dwelling with another family. They live in households with higher income than the rest (only 7.5% live in the poorest income tertile). However, one fifth of the head of the households in their dwellings are economically inactive which

could be explained by the larger proportion of older head of the households in this category.

Table 4.3. Proportions, Means and Standard Deviations by stage of the transition from school to work

Characteristics	Not started transition	In transition	Completed transition
Female	50.6	40.2	23.8
Age	19.4 (1.7)	20.4 (2.0)	21.2 (1.8)
Youth is parent	11.2	11.4	12.9
Eldest kid in the house	63.9	73.1	65.3
Youth marital status			
Youth has a partner (married/ cohabitating)	4.3	2.6	4.8
Single	95.7	97.4	95.2
Attendance to school/ post-secondary education	58.4	12.9	0.0
Employed	0.0	46.5	100.0
Youth educational level			
Incomplete primary education or less	10.7	15.2	10.4
Complete primary education	6.9	13.0	16.7
Incomplete high school	27.0	25.2	25.0
Complete high school	44.2	40.0	47.2
Post-secondary education	11.2	6.7	0.7
Type of high school attended			
Regular high school	44.2	41.7	42.9
Technical high school	27.0	23.2	27.9
<i>Household variables</i>			
Per capita household income			
Tertile 1	46.4	39.5	7.5
Tertile 2	37.8	39.9	44.2
Tertile 3	15.9	20.7	48.3
Average number of persons in the household	5.6 (3.3)	5.4 (2.9)	5.5 (1.9)
Level of overcrowding			
Not overcrowded	54.9	57.2	57.1
Medium	36.5	34.3	35.4
Critic	8.6	8.5	7.5
Access to drinking water			
Acceptable	87.1	88.2	87.8
Deficient	12.9	11.8	12.2

Table 4.3 Continued

Characteristics	Not started transition	In transition	Completed transition
Hygienic service			
Acceptable	76.4	75.6	75.5
Deficient	23.6	24.4	24.5
Non-renters	19.7	21.0	23.8
Property of the dwelling			
Rented house	6.4	4.8	4.8
Given house	25.8	20.7	19.0
Own	60.1	66.4	68.7
Other type of arrangement (occupied/shared)	7.7	8.1	7.5
Female HH	45.1	52.8	46.9
Occupational status of the HH			
HH is economically inactive	12.0	21.4	29.4
HH is unemployed	8.3	8.9	9.7
HH is self-employed	23.6	21.4	17.0
HH works as domestic service	6.9	8.1	4.1
HH is employed in the public sector	8.6	7.4	6.1
HH is employed in the private sector	41.2	33.9	36.1
Marital status of the head of the household			
Married	49.4	39.9	49.7
Cohabiting	15.9	19.6	15.6
Single	12.9	14.4	12.2
Age of the HH			
25-40	21.5	18.1	12.2
41-50	51.5	52.4	49.0
51-60	21.5	23.2	30.6
More than 60 years old	5.6	5.9	8.2
Household composition			
Bi-parental household with kids	43.8	39.5	37.4
Single headed household	22.7	24.0	18.4
Single headed household (but extended/composite)	12.0	15.5	16.3
Bi-parental household (extended/composite)	20.6	19.9	27.2
Other household arrangement	0.9	1.1	0.7
HH educational attainment			
No education	7.4	11.9	8.3
Incomplete primary education	45.2	54.6	58.3
Complete primary education	24.3	19.3	16.7
Incomplete HS	15.7	11.2	10.4
Complete HS or more	7.4	3.0	6.3

Table 4.3 Continued

Characteristics	Not started transition	In transition	Completed transition
Educational level of HH and partner			
One or both adults have no education or incomplete primary education	51.5	64.7	66.0
One or both adults completed primary education	23.6	18.2	16.7
One or both adults have incomplete secondary education	17.0	13.4	11.1
At least one adult completed secondary education (or more)	7.0	3.7	5.6
Property of a car/ truck	7.8	10.0	10.9
Household domestic cycle			
Youngest kid in the house is 14-18	21.9	17.3	4.8
Consolidated (Youngest kid in the house is 19 or more)	78.1	82.7	95.2
Dependency rate (non-workers/workers)	2.884 (1.578)	2.322 (1.706)	1.459 (1.054)
Community health index (HDI)			
Tertile 1	35.2	36.9	29.3
Tertile 2	35.6	32.8	26.5
Tertile 3	29.2	30.3	44.2
Community income index (HDI)			
Tertile 1	36.5	35.8	30.6
Tertile 2	30.0	32.5	33.3
Tertile 3	33.5	31.7	36.1
Community education index (HDI)			
Tertile 1	36.1	35.8	28.6
Tertile 2	33.0	29.9	37.4
Tertile 3	30.9	34.3	34.0
<i>N</i>	233	271	147

Source: Panel Chile Solidario, 2007.

I analyze differences by sex in Appendix 13 and Appendix 14. Regardless of sex, the average age of youth who did not start their transition is younger than the rest, while the average age of those who completed the transition is older. Moreover, more girls live in single-headed households, female-headed households and households with higher dependency rate than boys. Parenthood is more common among girls and almost residual among boys, and more girls who completed their transition are cohabitating or married,

compared to the rest.⁵² Girls tend to have a higher educational attainment than boys in all the transition stages, as well as their parents.

Checking differences by sex among youth in transition, it is clear that boys participate more in the labor market even though they have lower educational attainment. The proportion of employed boys who are ‘in transition’ almost doubles the proportion of girls in the same stage (56% and 32% respectively). While more than 60% of girls completed at least high school level, among boys this proportion is less than 40%.

Boys who have not completed their transition live in households with lower economic level than girls in the same stage, while boys who completed their transition tend to live in better economic conditions than their girl peers.

4.5.2. Estimating the effects of households’ assets on the different stages of the transition from school to work.

I estimate the association between youth transitioning from school to work (vs. not having started the transition), and completing the transition from school to work (vs. not having started the transition) with multinomial logistic regression models. In Model 1 I estimate the association between youth socio-demographic characteristics and their transition from school to work. In Model 2, I incorporate household variables and in Model 3 I incorporate the Local Human Development Index.

⁵² Since there are only 35 girls who completed their transition, I cannot run estimates and will not present the percentages in the description of results, but tendencies.

Table 4.4 shows that girls have lower chances to start their transition or complete it, compared to boys, while the larger the households' dependency rate, the lower the odds of transitioning or completing the transition. Age increases youth chances of being 'in transition' and completing it as well while educational attainment has no significant effect once household variables are incorporated to the analysis (Models 2). Being single increases the chances of transitioning from school to work almost by three times, and it increases the chances of completing the transition by more than 3 times (10% level of confidence).

Youth living in dwellings where the head of the household is employed have lower chances of transitioning from school to work and completing the transition, relative to youth living in a dwelling where the head of the household is unemployed or economically inactive. Youth living in dwellings where the head of the household has low educational attainment (primary or less) have higher chances of transitioning from school to work but not of completing the transition (vs. not having started the transition).

Youth pertaining to the poorest income tertile, living in a household where the head of the household is female and living in an extended household (presence of other relatives in the household apart from the nuclear family), have lower chances of completing the transition from school to work, relative to those who live in higher income tertile, in male headed households and in nuclear households.

Table 4.4. . Results of the multinomial logistic regression models (RRR) for the transition from school to work among Chile Solidario beneficiaries.

Characteristic	In transition			Completed transition		
	Model 1	Model 2	Model 3	Model 1	Model 2	Model 3
Sex (Female)	0.717 ⁺	0.683 ⁺	0.683 ⁺	0.323 ^{***}	0.342 ^{***}	0.331 ^{***}
Age	1.387 ^{***}	1.295 ^{***}	1.296 ^{***}	1.747 ^{***}	1.569	1.568
Youth is the eldest kid of the HH	1.427	1.798 ^{**}	1.815 ^{**}	0.870	1.659 ⁺	1.685 ⁺
Youth is single	2.833 ⁺	2.668 ⁺	2.598	2.243	3.278 ⁺	3.148 ⁺
Youth completed primary education or less	1.969 ^{**}	1.505	1.501	1.474	1.124	1.135
Youth did not complete secondary education	1.503 ⁺	1.202	1.189	1.497	1.382	1.401
Overcrowded household		1.135	1.184		1.236	1.236
Household per capita income (1st Tertile)		0.811	0.809		0.096 ^{***}	0.100 ^{***}
Household per capita income (2nd Tertile)		0.884	0.883		0.561 ⁺	0.591
Sex of the head of the household		1.042	1.058		0.449 [*]	0.455 [*]
Single headed household		1.107	1.094		1.983	1.955
Extended household (presence of other relatives)		1.406	1.408		3.103 ^{***}	3.160 ^{***}
HH is employed		0.489 ^{**}	0.480 ^{**}		0.139 ^{***}	0.138 ^{***}
Dwelling was given to the family		1.083	1.072		1.805 ⁺	1.765
Dwelling is shared/ occupied		1.059	1.051		1.738	1.634
Dwelling is rented		0.749	0.757		1.131	1.165
HH has no education or less than complete Prim		1.594 [*]	1.608 [*]		1.564	1.627 ⁺
Dependency rate		0.776 ^{***}	0.774 ^{***}		0.478 ^{***}	0.473 ^{***}
Community Human Development Index						
Tertile 1			0.961			0.642
Tertile 2			1.270			0.861
Constant	0.000 ^{***}	0.004 ^{***}	0.004 ^{***}	0.000 ^{***}	0.000 ^{***}	0.001 ^{***}

⁺ p<0.10 ^{*} p<0.05 ^{**} p<0.01 ^{***} p<0.001

Source: Panel Chile Solidario, 2007.

Running multinomial models by sex, age maintains its significance and direction among boys (Appendix 15). Educational attainment only affects boys. Not having completed high school doubles the chances of completing the transition (vs. not having started it). Living in extended households reduces boys' chances of completing their transition from school to work (vs. not having started it).

Girls have higher chances of being in transition (relative to not having started their transition), the older they are and if they are the first-born or the eldest daughter living in the household. The larger the households' dependency rate, the smaller the chances of girls being 'in transition' (Appendix 16). Educational attainment is not statistically significant in any of the estimations for girls.

All in all, the dataset analysis demonstrates that the most relevant assets for long-term Chile Solidario beneficiaries to have a successful transition from school to work (complete their transition) are those related to the households' structure (presence of other adults in the household) and the employment status of the head of the household. Youth living in dwellings where the head of the household is employed or where there are other adults present (available for house chores, childrearing, etc) have lower chances of having to contribute to their households' income/ care responsibilities.

4.5.3. Youth's perspective on their opportunities in the labor market

Interviewed youth agree that completing high school is the minimal level to get any type of job. However, technical high school is considered more useful in the labor market than regular high school.

Completing high school you have better employment options. Everybody knows that! It's not like you'll make more money but it is easier to find a job. For example, a supermarket chain hires you right away with complete high school, and they are always hiring. You don't make much money because I have a friend that completed high school and works and she works as a cashier and she earns like CH\$300,000.⁵³ It's not a great salary either. Now, it's different when you have post-secondary courses. There are good jobs, that pay well, but you need higher studies. They pay

⁵³ CH\$ refers to Chilean pesos.

like CH\$600,000 or a million pesos. Depending on what you study, how much you'll earn... (Clara, 25, Peñalolén).

A technical high school certificate may increase their employment chances as soon as they graduate. According to others, attending college is not an option due to financial costs and their obligation to financially contribute to their household. In these cases, getting a technical certificate is more profitable than completing regular high school.

Because of my social level I wouldn't have...For example, I would be naïve to think about going to college, even more considering I'm the only child of a single mom that is the only income we have. So, I said why would I be in a regular high school if I'm forced to get in College afterwards and it's a huge expense? That's how I saw it. I can't. I can't. I need a technical certificate, work to earn money and then continue studying and move up from there. That's what I did and it's worked out fine so far (Diego, 25, Peñalolén).

We couldn't afford a technical high school so I went to a regular one, nearby. (...) The difference between a regular high school and a technical one is that with the first you only finish high school, you don't get any degree. Instead, if you go to a technical high school you can work in a career. They would have found me an internship and a job would have helped me a lot at the time (Rosina, 25, El Bosque).

But working is not always the most cost-efficient decision. This is clear among girls for whom the dedication to childrearing and house chores constraint their chances of getting a job. On the other hand, the limited local labor market opportunities and the high cost of transportation affect youth decision to work. For instance, the youth interviewed in El Bosque worked in the central area of Santiago (Centro and Providencia) or in the upper-side of the city (Las Condes). This implies long hours for commuting and high

transportation costs that not every youth can spend. According to young mothers, the salary they would get does not compensate for the reduced time they would spend with their children or the costs of child care and transportation.

I looked for jobs in other neighborhoods because there are no big companies in here. But if they don't have buses for employees (bus de acercamiento) I can't make it. Between waking up at 4 am, commuting and the transportation cost, I would lose half of my salary. When I worked in XXX they had a bus for employees that picked us up. In the job that I just got in, they also have a bus but commuting takes two hours (Javier, 24, El Bosque)

If I completed high school, it wouldn't change anything. Because one may have high school but they ask for work experience. They mainly ask for work experience to hire people now. Or there are jobs that you don't make much. And I'm alone with my three children and it's hard for me... I prefer to stay at home and take care of them (Carmen, 24, El Bosque).

But, what do Chile Solidario youth consider a good job? Interviewed youth, regardless of sex and age, prioritize the salary followed by the schedule (8 hours per day from Monday to Friday) and stability. Having benefits is less mentioned which may be interpreted as youth urgent economic needs which overshadow their future ones.

A good job? First of all, the salary matters. How much do they pay? And salary goes hand in hand with the area in which you are going to look for a job, what you can do. With the courses I have, even though I didn't complete high school, I have a lot of knowledge on warehouse. I've always worked on that. So, (a good job) pays well, offers benefits and stability. To me, that... Having stability is the most important thing. If I had stability and a good salary, it would be good. But if I didn't have a good salary but at least sufficient to cover my expenses, it would be a good job for me as long as it gives me stability. I don't get anything looking for a job that pays CL\$500,000 and is only for a month. I'd rather work in a job for six months for CL\$300,000 per month to avoid being afraid that they can kick me out at the end of the month or if I only get a contract for a month, what am I gonna do after? (Javier, 24, El Bosque).

Youth who dropped out without completing high school recognize this as their main obstacle to get a good job. Among those who completed high school, the main obstacles they identify are lack of experience, lack of networks and lack of College studies.

I've only worked in an internship in high school so it'd be hard to get a good job. I could get a job working as a domestic or selling, but not in administration as I'd like because they ask for experience (Jennifer, 24, El Bosque).

I spent a lot of time looking for a job. I checked on line, I sent CVs everywhere. I looked for anything. Working in stores, wherever. I don't mind working anywhere. When you have no job, you can't choose. But they usually ask for someone with experience, at least 2 years. But if you don't work, you can't have experience (Cristian, 23, El Bosque).

The only aspect that interviewed youth recognize as a compensation for their lack of experience is having networks. Therefore, youth entrance into the labor market is largely affected by their ties, which are redundant in a context of high residential segregation.

My sister told me that I could work with her in the salon, because her boss needed help. So, if I looked for a job without a relative or acquaintance in the business, they would ask me for a CV, experience and plenty of stuff (Rosina, 25, El Bosque).

All in all, Chile Solidario youth employment is largely affected by their area of residence (lack of local opportunities), their household composition (being parents or not), their low educational attainment and their lack of networks. Young girls' situation is more disadvantaged, partly due to their central role as mothers. While young mothers require public programs to 'share' child care responsibilities, the rest of youth (regardless

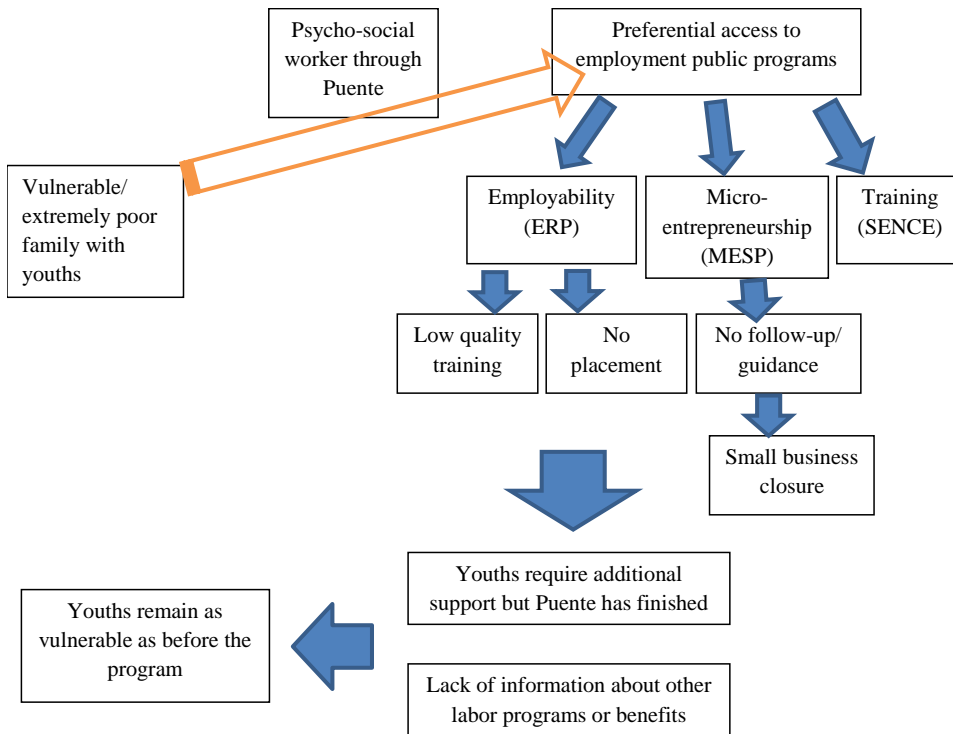
their sex) require labor market experience in formal jobs to start a potentially ascending employment trajectory. Since they do not count on high SES networks that could offer them these chances, public labor market programs have a major role to play; especially those related to programs, such as Chile Solidario, which goal is to eliminate extreme poverty.

4.5.4. Employment programs for Chile Solidario beneficiaries: missing the target.

The question is whether employability programs meet these requirements. Unfortunately, they do not. As Figure 4.5 shows neither the micro-entrepreneurship program (MESP), the employability program (ERP) or the training provided by SENCE, promoted youth employment opportunities. Actually, they reproduce youth initial vulnerable situation as we can see in Figure 4.5.

Interviewed youth were offered the opportunity to participate in the employability or training program while their families were part of the Puente program. Those who accepted the opportunity were either eager to study and could not afford it or were discouraged after several months of unemployment. The latter assumed that the program would get them a job as employees or allow them to continue with the MESP program to open their own business.

Figure 4.5. The vicious cycle of unsuccessful labor market programs for Chile Solidario youth



I was looking for jobs but I couldn't find any. I was looking for something related to administration, even as cashier in a supermarket. I looked everywhere. I had two or three interviews. They asked for experience and I had none. And since it was a position that required someone responsible, I think they needed an adult, with experience (...) I looked at jobs for a year or so, and I gave up. I was staying at home with my children when the social worker visited us (Jennifer, 24, El Bosque).

The psycho-social worker told me that I was going to take a course where they'd teach me how to deal with an interview for work and I'd receive a benefit for that. She told me I'd get a job, that they would pay for commuting and give me benefits at the end of the course. They helped me in how to introduce myself in an interview and they gave me a subsidy to buy things for work, anything I needed (Cristian, 23, El Bosque).

Youth who received the employability program (ERP) value the skills they learnt. However, those who took training courses (SENCE) to improve their knowledge and their employment opportunities learnt nothing.

I did my professional practice and after that I worked for a while and then I was unemployed and they contacted me from FOSIS for the youth employability program (ERP). We were like three months more or less, attending workshops where they taught us how to fill in a CV, how to talk in a job interview. Then, we got our benefit, some money to buy things... There were some who took the course to work independently so they got money to buy supplies. But I opted for dependent work so I bought formal cloth for job interviews. What we got was personality because I was shyer. But not anymore. I used to get nervous in an interview, but not anymore (Carolina, 23, Peñalolén).

They were offering training courses in English, Administration and other things. Since I did Administration in high school, I went for it. They gave me money for transportation and certain money to invest in a project at the end of the course. But the course was too basic! It was less than what I knew. I only sat there because I already knew the material. I went there to learn new things, something useful but it wasn't a contribution for me. Maybe it was for others. There were people that didn't even know how to turn on a computer... They taught us how to turn on the computer, the keyboard, how to erase things (Jennifer, 24, El Bosque).

A problem that affected all the interviewed youth who applied for a job through ERP program, is that they did not get a placement or they were offered a job in unattractive jobs such as fast-food restaurants.

They told me I would get a job, daily bus tickets and benefits at the end of the course. Like CL\$130,000. We went to several job interviews but I didn't get any job. Maybe I could have get a job but I chose not to. They offered jobs in fast-food stores and I didn't like the shifts. There were 3 shifts. With 2 shifts I end up crazy, so imagine with 3 and at night till 3 am! They (FOSIS) had an agenda will all the places where we could apply, but

they were pretty much the same. Fast-food restaurants (Cristian, 23, El Bosque).

The rest of the interviewed youth opted to take the micro-entrepreneurship program instead of a placement, but they are not currently working as micro-entrepreneurs. Clara did not have her permit to sell in the streets, so they confiscated her goods. Diego could not handle the amount of work and opted for a stable, more relaxed, dependent job. Lucia could not continue with her small fast food restaurant due to health problems.

I applied for FOSIS, and I got that course they tried to get you a job. It was for 2 weeks and they gave us CL\$100,000. Then you could choose if you wanted them to look for a job for you or to work independently. I opted to work as an independent because I had my children. And when I got the money, it went great. I had plenty of things to sell. They gave me CL\$300,000 and I invested that money. I worked as a street vendor selling batteries and electronic devices. But the municipal inspectors passed by and took my merchandise away because I didn't have a permit (Clara, 25, Peñalolén).

After the employability program's failure, most youth go back to their initial vulnerable situation: unemployed and without a new job experience to add to their CVs. Therefore, despite their time invested and the expectations allocated to the program, they end with the same chances of getting a position as before the program. In the case of those who opt for MESP programs and lose the business due to involuntary reasons (as Clara), they have no information about other programs they may access and they have no one to ask. Since the Puente program has finished, they have lost contact with the psycho-social support. Therefore, they do not improve their employability options or wellbeing.

4.6. CONCLUSIONS

Chile Solidario offers a large amount of labor market programs for adults and young beneficiaries. Programs can be divided in three different categories, based on their goals. Some are focused on promoting employment (through micro-entrepreneurship and job placement); others are focused on promoting employability (through training), and others are focused on promoting the demand for employees (through subsidies).

The available evaluations conclude that the participation of Chile Solidario beneficiaries in employment programs is low. This is partly explained by the lack of coordination between involved agencies and the lack of diffusion of this opportunity among Chile Solidario beneficiaries. Regarding programs' effects, there are important differences. First, training programs (offered by SENCE) do not promote labor market opportunities among participants because of their low quality and short duration (Larrañaga 2011). The institutions in charge of implementing the courses (OTECs) are committed to guarantee a certain level. However, they do not necessarily do it and SENCE does not supervise them due to budget constraints. Second, subsidies for companies which hire Chile Solidario beneficiaries do not promote formal employment or stable jobs because companies take advantage of this program to finance temporary positions (DIPRES 2009; Larrañaga 2011). Third, employment programs for adults increase participants' income and employment rates. Regarding youth, there is only one available impact evaluation, focused on the micro-entrepreneurship program, which concludes that the program increases income and working hours, having a larger effect

among those who were initially unemployed or self-employed (Martínez, Puentes, and Ruiz-Tagle 2013).

Considering the relevance of youth transition from school to work, we estimate the impact of households' assets in the different stages of the transition. General models, as well as models separated by sex, reveal that if the head of the household is working, youth have higher chances of not starting their transition from school to work. If this implies continuing studying after high school completion, Chile Solidario should continue its efforts to contribute to the head of the households' employability. An interesting result, that requires further analysis, is that educational attainment is not relevant for girls' being in transition (relative to not having started the transition). Households' variables are more relevant than youth.

In-depth interviews with Chile Solidario youth who participated in the micro-entrepreneurship program (MESP) and the employability programs (ERP) reveal that these programs do not meet youth needs. FOSIS connects youth to available jobs in companies which pay low incomes and provide precarious job conditions. Therefore, FOSIS does not promote employability among Chile Solidario youth but the access to a job that they may access without their mediation (low-qualified). For those who opt for self-employment (MESP), FOSIS does not provide guidance or supervision after the program. Therefore, youth tend to lose or abandon their projects in the short-term, returning to their initial vulnerable situation (before participating in the employment/training program).

The results shed light on a scarcely evaluated but yet significant issue. In the case of MESP, FOSIS should invest funds to provide continued guidance and support instead of only providing general guidelines on how to manage a business. In the case of the ERP, they should increase the list of companies with which they have agreements and also connect youth with employments they would not be able to access by themselves due to their lack of experience and networks. Only these jobs could eventually lead to an ascendant labor market trajectory which may allow Chile Solidario youth to exit from their extreme poverty.

5. Conclusions

Conditional Cash Transfer programs have become the most popular policy initiative to eradicate the inter-generational reproduction of poverty in Latin America. It has been almost a decade since they were expanded to at least 18 countries in the region, and they have been maintained despite government changes and economic crises. The question is: are they working? Long-term impact evaluations are not encouraging either because evidence suggests that short-term impacts were not sustained within time (Attanasio, Battistin, and Mesnard 2011; Behrman and Skoufias 2006), or because the impacts are insufficient to promote the reduction of poverty in the long-term (Yaschine 2012). This is not surprising for critics of CCTs, considering these policies do not tackle the structural roots of poverty and social exclusion, namely, educational segmentation and the segmentation of the labor market. However, it might be too soon for a final verdict due to the limitations of long-term evaluations (not representative of the beneficiary population; lack of baseline data or control group to measure their impact, among others) and, the short age of long-term beneficiaries (to estimate CCTs' impact on social mobility).

This dissertation tries to contribute in understanding this apparent 'failure' of CCTs with a different approach. Instead of evaluating the impact of CCTs, I explore and describe long-term beneficiaries' transition from school to work, a crucial stage in the reproduction of poverty. From an assets-vulnerability and structure of opportunities approach (Kaztman 1999b), my goal is to provide evidence on the aspects that affect youth transition. I consider three categories of the transition: 'not started' transition (full-

time students and disaffiliated youth), youth ‘in transition’ (part-time students and workers; unemployed and, full-time workers in unprotected jobs) and, ‘completed transition’ (full-time workers in protected jobs). Identifying which factors contribute to a successful transition among beneficiaries will shed light on policy suggestions to improve CCTs’ long-lasting impact.

CCTs may contribute in the transition from school to work either by promoting the investment in human capital through conditionalities and grants; or by providing access to employment and employability programs. To account for these differential CCT approaches, I considered the regional emblematic examples of each, namely, Oportunidades and Chile Solidario. While Oportunidades is a pioneer CCT and is strictly focused on human capital investment (without connection with the labor market), Chile Solidario is the regional CCT that offers greater connections with social programs, including employment. Due to the exploratory-descriptive approach, I apply mixed-methods. I analyze CCTs’ surveys (Panel Chile Solidario for Chile and ENCELURB for Mexico) and in-depth interviews with long-term young beneficiaries and their mothers (cash recipients).

The analysis with Oportunidades data (ENCELURB, 2009) identifies the main characteristics of each stage of the transition. Youth who have not started their transition tend to be girls (two out of three), students and more educated. They tend to live in households with higher human capital (average level of education of the adult in the house) and younger head of the households, but with larger dependency rates reflected in the predominance of households in the earlier domestic cycle. Youth ‘in transition’

completed fewer years of education and tend to live in single and female headed households. Finally, youth who completed their transition tend to live in households where the head of the household is older and economically inactive. However, the average income of the household is higher than for the rest of the youth, which might be reflecting youth burden as an income provider.

The estimations demonstrate that boys, single youth and older youth are more prone to start and complete the transition. Living in a household where the head of the household or his/her partner are employed as well as larger dependency rates reduces youth chances to transit from school to work. Living in a female headed household reduces the chances of completing the transition relative to not starting it. Living in a house where the head or partner are employed reduce youth chances of starting /completing the transition (relative to not starting it). But living in households with low average educational level (primary or less) increases the chances of completing the transition as well as being 'in transition'. Being the first-born increases youth chances of being 'in transition' and completing the transition as well.

Among Chile Solidario beneficiaries, youth who have not started their transition completed more years of education and tend to be attending school. They live in households with large dependency rates, young head of the household and most live with both parents. Youth 'in transition' are mostly boys, low-educated and unemployed. Most of them live in female headed households with low-educated head of the household. Youth who completed their transition are older and mainly boys. The dependency rate is

lower in their households and the average per capita income is higher, but they live with the greatest proportion of economically inactive heads of the household.

According to the multinomial logistic regressions, girls have lower chances to start their transition or complete it, while age and being single increases youth chances of being ‘in transition’ and completing it. Just as in the analysis for Mexico, living with an employed head of the household reduces the chances of being in transition or completing it. However, living in households where the head of the household have lower educational attainment increases the odds of being ‘in transition’ (low-quality jobs or unemployed). In Mexico, the educational level of the head of the household may not be that relevant in the transition of Oportunidades beneficiaries due to the lack of variation. Most of the head of the households in ENCELURB data have primary or less education. However, among Chile Solidario beneficiaries, the variation is larger.

Another difference between the aspects that influence the transition between Mexico and Chile is that among Chile Solidario beneficiaries household’s income matters. In Mexico, income has no effect. While in Mexico, the presence of additional adults in the household (beyond the head/partner), has no influence in the transition to adulthood, in Chile it seems to ‘protect’ youth from incorporating into the labor market full-time. This aspect requires further study to understand its implications.

An interesting difference between the estimations for Mexico and Chile is the differential role of youth educational attainment in the transition from school to work. While in Mexico, it affects both girls’ and boys’ transition, in Chile not graduating from

high school increases the chances of completing the transition only for boys (vs. not having started it). In Mexico, having some high school reduces the chances of completing the transition, while having some/ complete middle school almost doubles the chances of completing the transition. Girls and boys who have some/complete middle school have higher chances of being 'in transition' relative to other educational levels. The other educational levels have no statistically significant incidence in completing the transition from school to work.

The interviews in both cities account for the main constraints that youth face in their transition from school to work. While in Mexico, I centered the attention on youth not starting their transition –due to continuing studying-, in Chile I focused the attention on youth difficulties to complete their transition by obtaining a quality job. The reasons behind youth failure are the same as those faced by other poor youth: residential segregation, lack of access to quality educational services, lack of local labor market opportunities and high costs of transportation and commuting, as well as high opportunity costs. All these aspects had been previously documented for the general poor population but not for the one under study. The evidence collected in the study, reflects the main bottlenecks that beneficiaries face in the educational system (through tracking in the case of Mexico) as well as the inadequacy of the cash transfer to cover for educational costs. Considering that the value of Oportunidades' transfer is defined based on the opportunity cost of studying to avoid teenager and child work, I question the adequacy of the sources for this calculation.

The analysis in Mexico City presents a different reality from the one presented in residential segregation research. Even though it might be low relative to other cities, the interviewed youth were largely affected by it. But more so, because their isolation from educational and employment opportunities is largely defined by high transportation costs. I suggest therefore, that Oportunidades promote transportation subsidies, at least for students attending mandatory levels.

In the transition from school to work, Oportunidades can contribute by increasing youth future employment opportunities due to the investment in human capital. First, Oportunidades can promote youth continuing studying through the cash transfer and conditionality. However, it is too low to cover for educational expenses as well as the opportunity cost of remaining at school. Second, Youth with Opportunities could provide support for those who aim to take the exam to get into college or to enroll in college. But its timing is completely off and youth cannot take advantage of it for educational purposes. Finally, Oportunidades' mandatory workshops for youth could be used to provide information regarding schools, college options, scholarships and training programs. Instead they are only focused on health issues and provide the same workshop every time regardless how many times youth attended it.

Regarding the local educational supply, youth in Santiago and in Mexico attend low-quality schools which do not provide them the knowledge or skills they require to get in college. Oportunidades fails to support youth who aspire to study beyond high school. Oportunidades' reward to students for graduating from high school (*Youth with*

Oportunidades), could be paid during the first round of exams to get into college. On the other hand, considering that one of the program conditionalities is that teenagers attend workshops, some of them could concentrate on grants and College education opportunities. Unfortunately, the bureaucratic aspects involved in any type of change to be implemented in the program, avoids its implementation. Interviewed *Oportunidades*' staff members argue that any change to be implemented has to be done at the national level. It requires so much coordination and human resources training, that changes try to be avoided.

Finally, considering that youth favorable transition from school to work is not only determined by their educational attainment, but also their job experience and networks, *Oportunidades* should offer labor market fairs or information regarding NGOs or federal programs for first-job experiences. Even though SEDESOL offers labor market fairs and *Oportunidades* count with a website (*PortalVas*) which includes employment and scholarships information, *Oportunidades*' staff does not promote these among beneficiaries. In part because they are not informed about them –as I checked in my interviews- and in part because the activities they have with beneficiaries are clearly defined and cannot be changed –due to the bureaucratic aspects I mentioned above–.

Different from *Oportunidades* which is missing one piece to promote the transition from school to work (due to the lack of connections with the labor market), Chile Solidario offers a vast amount of employment programs to youth and adults. However, these are inadequately implemented and do not provide what they are designed for. This is clear among youth who enroll in these courses expecting to get a better job

but end up getting one on their own because the program does not provide them of any networks or more attractive opportunities than those available without going through the courses. The lack of training of the staff as well as the lack of government's supervision on the employment programs, largely undermine their potential impact. Moreover, Chile Solidario employment programs are gender-blind. Nonetheless, I clearly evidenced the differential needs of boys and girls, especially those who are mothers. Considering that Chile Solidario offers a network of connections to their beneficiaries, childcare options should be promoted. Third, the reduced period that Chile Solidario is offered to the families (5 years), regardless of their economic situation may also be affecting its long-term impact. Youth who take the employment courses require of guidance after them, but since they are no longer Chile Solidario beneficiaries they cannot –easily- access information or opportunities.

Based on the presented results, there is room for improvement both in Oportunidades and in Chile Solidario. Nonetheless, these policies will not contribute to reduce poverty in the long-term, if they do not get actively involved in controlling the quality of the services offered to beneficiaries or improving it (by investment in infrastructure, hiring and training personnel). Considering the welfare regimes in which Oportunidades and Chile Solidario were created and are implemented, the chances of this happening are very low.

For the particular case of Oportunidades, future studies should improve the quality of the available panel dataset (ENCELURB). This could be done by defining a budget to locate youth who emancipated from their household of origin or who migrated.

They probably are in a better position than those who remained living with their parents after seven years, so the real impact of the program may be underscored due to the restrictions of the dataset. More ethnographic studies should be focused in urban areas. This has been successfully done in rural areas, but there have been scarce attempts in urban areas –and only after three years of the program’s implementation–.

For the case of Chile Solidario, impact evaluations of each of the employment programs discussed in this dissertation should be done. How do this dissertation’s results apply to the general population of beneficiaries? These studies should include interviews with members of the centers that provide training courses (OTEC, for its Spanish acronym) and also from the potential employers with which the programs have agreements.

For CCTs in general, it is important to continue doing research in the heterogeneity among beneficiaries. These studies could shed light on how to define cutoffs within the eligibility score, demanding different conditionalities and providing different benefits based on this threshold. One clear aspect that came out of this dissertation is that similar approaches for different problems tend to fail.

Appendices

APPENDIX 1. DEFINITION OF THE MAIN VARIABLES (HOUSEHOLD AND DWELLING)

Measures	Panel Chile Solidario (Chile)	ENCELURB (Mexico)
Average age of the head of the household		25-40
		41-60
		61 or more
Sex of the head of the household		Female
		Male
Household structure		Nuclear with kids
		Single headed household with kids
		Extended household with kids
		Composite household with kids
		Other
Domestic cycle		Young couple without kids
		Household where eldest kid is 13 or less
		Household where eldest kid is 14-18
		Household where eldest kid is 19 or more
Marital status of the head of the household		Single
		Married
		Co-habiting
Household dependency rate	Total number of persons who do not work/ Total number of persons who work	
Number of individuals in the house	Total number of persons in the house	
Number of minors in the house		0 to 5 years old
		6 to 11 years old

Overcrowded house* (ratio between the number of persons living in the house and the number of rooms available to sleep ,considering rooms for exclusive or multiple uses)	Not overcrowded (0-2.4 persons per room) Moderately overcrowded (2.5 to 4.9 persons per room) Critically overcrowded (5 or more persons per room)	
Average educational attainment of the head of the household	Complete primary or less Some/complete high school Some high school High school or more	No education/ Primary incomplete Primary complete Incomplete middle school Complete middle school Incomplete high school Complete high school or more
Average educational attainment of the partner of the head of the household	Complete primary or less Some/complete high school Some high school High school or more	No education/ Primary incomplete Primary complete Incomplete middle school Complete middle school Incomplete high school Complete high school or more
Average educational attainment of HH and partner	1 or both have incomplete/ complete primary education 1 or both have high school incomplete At least one completed high school Both completed high school/ 1 or both have post-secondary education	1 or both have incomplete/ complete primary education 1 or both have middle school incomplete 1 or both have middle school complete 1 or both have high school incomplete At least one completed high school Both completed high school/ 1 or both have post-secondary education

Occupational status of the HH	Employer Self-employed Employed in the private sector Employed in the public sector Domestic service	Employer Self-employed Employed
Total per capita income	Calculated based on labor income (from principal and secondary job) from each household member and other income they receive such as rent and remittances (excluding public transfers).	
Property of a car/ truck	No Yes	
Property of the dwelling	Own house Rented house Given Other situation (occupied/shared)	Own house Rented house Lent/taking care of the house Other situation
Non-renting	Strategy used by households to solve homelessness, sharing a home with another home or family.	
Drainage		Drainage in the dwelling
Acceptable Higienic service*	Toilet connected to sewage Toilets connected to septic tank	Higienic service with water
Unacceptable Higienic service*	Sanitary latrine connected to black hole Drawer on black hole (<i>pozo negro</i>)	Higienic service without water

	Drawer on ditch or canal	
	Drawer connected to another system	
	Toilet facilities absent	
Acceptable water availability*	Locked inside the house	
Unacceptable Water availability*	Locked within the site but outside the house.	
	It has no system, it is carried	

*Source: CASEN, 2009.

APPENDIX 2. DEFINITION OF THE MAIN VARIABLES (YOUTH)

Measures	Panel Chile Solidario (Chile)	ENCELURB (Mexico)
Age		
Sex		Male Female
Parent		No Yes
Youth is the first-born or eldest son/daughter of the head of the household		No Yes
Marital status		Single Married/Cohabiting
Educational attainment	No education/ Primary incomplete Primary complete Incomplete high school Complete high school Post-Secondary education	No education/ Primary incomplete Primary complete Incomplete middle school Complete middle school Incomplete high school Complete high school Post-secondary education
Attendance to school		No Yes
Occupational status		Employed Unemployed Economically inactive

APPENDIX 3. DEFINITION OF OPORTUNIDADES ELIGIBILITY SCORE⁵⁴

Variable	Definition
Overcrowded house	Number of household members/ number of rooms
Dependency ratio	Total number of minors/ Total number of members in the household
Sex of the head of the household	
Access/ right to medical service	
Total number of children younger than 11	
Years of education of the head of the household	0=Never attended/ did not complete any level; 1=Primary Education
Age of the head of the household	
Bath without water	
Floor is not paved	
House without oven	
No property of fridge	
No property of washing machine	
No property of car/ truck	
Area of residence	Urban/ rural
	1. Costera del Noroeste
	2. Altiplano
	3. Tarahumara
	4. Tamahulipecas
	5. Costa Sinaolense
	6. Semiarida
	7. Nayar
	8. Sierra Gorda
	9. Huasteca
Region of residence	10. Maya
	11. Bajio
	12. Costa del Sur
	13. Balsas
	14. Centro (DF & Zona Metropolitana)
	15. Vertiente del Golfo
	16. Mixteca
	17. Taxquena
	18. Mesa central de Chiapas
	19. Golfo de Tehuantepec

Source: (SEDESOL 2002).

⁵⁴ In 2010, the score was updated. Interested readers should check: http://www.oportunidades.gob.mx/Portal/wb/Web/metodo_de_identificacion_de_hogares_en_situacion_de_pobreza

APPENDIX 4. DESCRIPTION OF ENCELURB DATA COLLECTION

While an experimental design was implemented to evaluate Oportunidades' impact on rural areas, this was not possible in the urban areas due to the dispersion of poor households as well as the costs. Combining the household national representative dataset for 2000 (ENIGH) and the 2000 population census, the Secretary for Social Development (SEDESOL) defined a poverty index to classify urban areas (between 50,000 and 1 million inhabitants), with the exception of metropolitan areas. Based on a discriminant analysis, they estimated an index and the threshold to identify eligible households. To be incorporated to the program, the score should be higher or equal to 0.69 (households with score lower than 0.69 and higher than 0.12 were considered quasi-poor or almost eligible; and households with a score higher than 0.12 were considered non-poor). The National Statistical Institute (INEGI) classified all the households –at the national level-, adding information by blocks and provided this information to SEDESOL. Metropolitan areas from Mexico DF, Puebla, Guadalajara and Monterrey, as well as cities with more than a million inhabitants were excluded in this stage. Areas with 500 poor households or more were selected for their incorporation in the program in 2002. The rest of the eligible areas would be incorporated in 2004 depending on the available resources. A baseline dataset was collected in poor and non-poor areas in 2002 (non-eligible areas had similar socio-economic characteristics but could not be incorporated in the first round due to budget constraints). Blocks including 50 or more eligible households were all included in the sample (Campeche, Colima, Chiapas, Guanajuato, Guerrero, Hidalgo, Mexico, Michoacán, Morelos, Puebla, San Luis Potosí, Sinaloa, Sonora, Tabasco, Tamaulipas, Tlaxcala, Veracruz in 62 *municipios* and 71 localities). The control group (non-intervention areas) was defined with Propensity Score Matching (nearest neighbor matching method, with replacement) by blocks (each treatment block is matched with one or more control blocks). 387 blocks were selected for the control group area (Colima, Chiapas, Guanajuato, Guerrero, Hidalgo, México, Michoacán, Puebla, Sinaloa, Sonora, Tabasco, Tamaulipas, Tlaxcala, Veracruz, a total of 76 *municipios* and 108 localities) (Instituto Nacional de Salud Pública -SEDESOL, 2005).

First, all the households residents in the selected blocks (control and treatment group) were surveyed through the Tamizaje questionnaire which captured socio-demographic information to redefine the classification of the groups (poor, almost poor and non-poor). Those households which reported being part of Oportunidades, were selected for the treatment sample (3,645). Based on administrative data, another 656 households that had not reported being part of the program but were part of it, were included as well (Total: 4301 treatment households). Other 1,178 households from adjacent blocks were incorporated to complete the treatment sample (these households did not complete the Tamizaje questionnaire). The control group was finally composed of 5,638 households, including poor and almost poor.

In the households selected for the sample, the Public Health Institute (INP) applied socio-economic surveys (ENCELURB) and nutritional/ biological tests⁵⁵ to measure wasting (weight-for-height), stunting (height-for age), and developmental delays (weight-for-age) among infants (0-5). The socio-economic questionnaire, central source of information in this study, covered information on health, education, occupation, perceptions, addictions and reproductive health for each household member. The total sample for the baseline questionnaire was 17,201 households (76,002 individuals).

In the eligible areas for 2002, SEDESOL informed the population about the program and potential beneficiaries had to attend the offices to enroll (offices opened only from July-August 2002). In their first interview, a preliminary poverty score was calculated based on self-report of income and household conditions. Only for those below the 'critical score', the program officials arranged a visit to the household to re-calculate the household's score. Families were not directly notified about their incorporation to the program. The decision was provided to the local offices. Unfortunately some households never heard about their acceptance, and others claimed for it after the period was closed.

In 2003 (September-November) follow-up data was collected incorporating 1,500 households to the sample (eligible and almost eligible in intervention and non-intervention areas) obtaining a total sample of 18,041 households. In 2004⁵⁶, another follow-up data was collected (17,023 households and 72,421 individuals). In 2009, the last follow-up was collected with a special section on education, occupation and reproductive health for 14-24 years old (those who were at least 7 years old when the program started). Only households that were surveyed in 2002 (poor, almost poor and beneficiaries) were surveyed in 2009 (households in control areas were not considered). This implies that the control group for long term evaluations, can only be composed of households in treatment areas that were never beneficiaries (poor and almost poor). This implies several disadvantages not only in terms of inferences that can be made, but also regarding the power of these inferences due to attrition. Almost half of the original poor and almost poor households became beneficiaries by 2009 and only 500 households, of the baseline data, had never received the program (Parker 2011). 78% of the 2002 households (poor and beneficiaries) were re-surveyed in 2009. However, households that remained in the sample are slightly better off than households that were lost between waves (more house ownership and access to drained water) (Gutiérrez 2012).

Considering that the data was not randomly selected and the significant attrition between waves, the final sample is not nationally or regionally representative of the population. Moreover, there are no weights to allow for population inferences. The results from the evaluations are only applicable to the sample.

⁵⁵ ENCELURB was applied in September-November of 2002 in treatment areas and in October-December in control areas.

⁵⁶ The survey was applied between June and August of 2004 in control areas, and between September and November in treatment areas (INSP-SEDESOL 2005).

APPENDIX 5. INTERVIEW GUIDELINES FOR BENEFICIARIES OF OPORTUNIDADES.

Topic guide for interviews with mothers/ female guardians

- I. Demographic aspects
 - a. Age
 - b. Marital status
 - c. Educational level
 - d. Average household income
 - e. Occupational status

- II. Household's situation before applying for the CCT program
 - a. Description of children and teenagers' educational situation
 - b. Description of children and teenagers' labor market situation
 - c. Description of adults' labor market situation
 - d. Identification of the main sources of household income
 - e. Identification of the main person in charge of income distribution within the household, and decisions regarding expenses.

- III. First contact with CCT program
 - a. Description of how they heard about the program and why they felt they could be eligible.
 - b. Description of the application process (bureaucratic aspects, time consumption, costs involved –transportation, loss of days at work, etc-)
 - c. Information provided regarding the benefits and conditions. What was their perception on having to fulfill conditions? How difficult did it seem to fulfill the conditions?

- IV. Reception of cash transfer
 - a) When they started receiving the cash transfer, how was it used? (e.g. payment of food, household's repairs, etc). How would they have covered these costs in case they hadn't got the benefit?
 - b) Were the children responsible for the cash transfer? Could they handle it? Was it only managed by the mother/ female guardian or the adults in the house? Why?
 - c) Whose member of the household decided how to spend it?

- V. After the first six months of receiving the cash transfer:
 - a) Description of children and teenagers' educational situation
 - b) Description of children and teenagers' labor market situation
 - c) Description of adults' labor market situation
 - d) Identification of the main sources of household income

e) Identification of the main person in charge of income distribution within the household, and decisions regarding expenses.

VI. After two years of receiving the cash transfer (repeat items from last question)

VII. Main benefits and criticisms of the CCTs, regarding:

- a. Cash transfer (amount, timing)
- b. Conditions
- c. Bureaucratic aspects
- d. Other aspects identified by the interviewee.

Thanks for your time!

Topic guide for interviews with youth

- I. Demographic aspects
 - a) Gender and age
 - b) Marital status
 - c) Parents' educational level
 - d) Average household income

- II. Neighborhood characteristics
 - a) Community resources (presence of schools, health centers and other facilities)
 - b) Availability of transportation to main areas of the city
 - c) Perception of Delinquency in the area
 - d) NGOs presence (their aims and value for the community)
 - e) Presence of economic enterprises (potential sources of employment for local youngsters such as: factories, maquilas, small businesses, etc)

- III. Education:
 1. For those who do not study anymore, we will explore their final years in school:
 - a) Describe last years of school, main difficulties and frustrations faced, family pressure, individual and family educational expectations.
 - b) In case of dropout before the completion of high school: main reasons, family reaction, communication between school authorities and parents.
 - c) For beneficiaries: the relevance of the grant to stay in school and other programs promoted by the CCT (e.g. Jovenes con Oportunidades in Mexico)
 - d) Labor market expectations based on educational investment

 2. For those who continue studying after high school:
 - a) Factors that facilitated the transition from high school to higher education (which was the role of the CCT and other government programs?)
 - b) Main difficulties foreseen for the completion of the cycle, if any
 - c) Labor market expectations based on educational investment

- IV. Entrance in the labor market (which were the household conditions at the time? Economic situation, domestic cycle)
 - a) Timing (age, school activity at the moment, grade that individual was attending at the time)
 - b) Reasons behind the decision to work (influence of family needs, influence of peers)
 - c) Mechanisms used to get first job (role of strong and weak ties; role of formal mechanisms such as advertisements)

- d) Obstacles faced to get first job (cover aspects such as: lack of skills required, lack of information on attractive jobs, discrimination, costs of commuting, lack of compatibility between school and work or family responsibilities and work)
 - e) Characteristics of first job (In which economic activity? Which occupation? With social protection? With contract? Under law regulations? Income?)
 - f) Contribution of education attained for job's tasks (were the acquired skills in school sufficient for the job? If not, how did s/he acquire what was missing? Did the job offer training opportunities?)
- V. Following experiences in the labor market (This section is a retrospective account of the interviewees' job experiences after the first one until the time of the interview)
- a) Status (employee /self-employed)
 - b) Occupation (main tasks; degree of autonomy and decision power; usefulness of skills learnt at school; difficulties of the job; income; social protections; work conditions; hours per week; amount of time worked in this job in months/ years)
 - c) Economic activity of the company/ individual enterprise
 - d) Mechanism used to get the job (explore relevance of educational attainment as a pre-requisite to get the job)
 - e) Timing of entrance in the job (Household context in which this job was taken; individual main situation –change of marital situation, procreation, etc-)
 - f) Compatibility of work with domestic responsibilities
 - g) Compatibility of work with school
 - h) Expectations of labor mobility (which are the main obstacles to get them? How can they be surpassed?)

APPENDIX 6. RECRUITMENT OF INTERVIEWEES IN MEXICO

I went to Mexico for the first time during summer 2011 in order to check my possibilities and interview some contacts I got through Dr. Roberts, former students from the University of Texas (UT) and connections I got through UT current students. I got access to SEDESOL offices, contacted program's authorities in Texcoco, Valle de Chalco and Mexico DF, and made arrangements for my fieldwork. I went back to Mexico City in January 2012 and I hired a research assistant. I spent 2 days in the central offices of Oportunidades for the State of Mexico (in Toluca) where they helped me to select a random sample of households that have been receiving the benefit for at least 6 years and that resided in the selected municipalities (Nezahualc6yotl and Valle de Chalco).

Once we got authorized access to the list of households to visit, we faced a major difficulty. Most of the households had no phone line and the addresses were not clearly defined (no door number or complete street name). We had to visit the office of Oportunidades in Valle de Chalco (which serves for Nezahualc6yotl area as well). We met different officials (*promotores*) who directly dealt with beneficiaries in a regular or monthly basis and they offered us the opportunity to attend mandatory encounters with cash recipients. There were three different channels to access beneficiaries and we used them all. The first one was the delivery of payment schedules, defined by area and group of neighborhoods (*colonias*). Cash recipients are called to attend these mandatory meetings where they receive a calendar with the payment dates defined for the entire year. The second channel was to attend mandatory talks for cash recipients (*Mesas de Atenci6n de Oportunidades*), where they receive a speech on Oportunidades' co-responsibilities and rights. The last channel was to attend training courses for cash recipients' representatives (*vocales*)⁵⁷. These meetings (*Mesas de Atenci6n Comunitaria*) lasted for three hours and were based on activities and games, in which we participated. Since Oportunidades has no adequate infrastructure for such massive encounters, they use schools, community centers and sport centers for these meetings.

Our first encounter with Oportunidades' cash recipients was in a calendar delivery, from 9 am to 2:30pm in a weekday. Thousands of women were around, policemen with large guns were watching over the main entrance and we had to get in by asking for a program officer. After we got in, we asked the officers we knew if they could introduce us to the cash recipients we had on our list. But they did not know any of them.

⁵⁷ Representatives are cash recipients who are elected by their peers and they are their direct connection to program officers. There is one representative every 100 households, by neighborhood. There is one representative for education, another for nutrition, another for health and another for program supervision. They are in charge of informing the rest of the cash recipients about changes in meetings, delivering messages, clearing doubts regarding co-responsibilities and helping the program's officials spreading the word on meetings.

They sent us to the representatives (*vocales*) from the areas where the listed families lived. We explained to each representative who we were, we showed them our student identification cards, and they kindly introduced us to the people they knew. Skepticism was the first reaction. Why were their names on a list? How did we get that list? How would this affect their benefit from Oportunidades? It was really hard to explain, but most of them agreed to participate once we explained the selection had been at random. We were rejected by some, due to lack of time or just lack of confidence about our intentions. One of the potential interviewees talked to me about insecurity and risks that they were suffering in the area, and why she was not comfortable providing me an address or phone number. By the end of the day, we had arranged five interviews. Their addresses were not the ones the program had for them. Their phones were different as well, and most of them had one even though Oportunidades had no record of it. Due to the limited number of interviews arranged, we attended training meetings and 8 mandatory talks for cash recipients. We recruited long-term beneficiaries (at least six years in the program) in the meetings attended. After some filter questions (kids' ages and educational attainment), we defined their eligibility for our research purposes and requested an interview. We did our first interviews with cash recipients (mothers) and based on the interview and the data we collected about each youth in the households, we decided which youth we were going to interview. Our initial goal was to interview at least twenty youth who dropped out from school before completing Secondary education, twenty who had completed that level and twenty who continued studying. However, youth and their mothers were mostly available on weekends or at night. Since not even the interviewees went around their neighborhood at night, we did not take the risk. The fieldwork was reduced to intensive interviewing days compensated with material collection in local libraries.

After having some successful interviews, which proved to interviewees we were no menace, we started applying a snowball sample. This recruitment method was not as efficient as we expected due to the families high mobility and the program's lack of record of the latest address.⁵⁸ Combining all these recruitment methods, we got a total of 42 interviews (21 with youth and 21 with mothers).

⁵⁸ Interviewees revealed they do not let Oportunidades' staff know about their move-out because the paperwork for address change takes six months, and they do not get paid in that period.

APPENDIX 7. PROPORTIONS, MEANS AND STANDARD DEVIATIONS FOR INDEPENDENT VARIABLES FOR BOYS.

Characteristics of male group	Not started transition	In transition	Completed transition
Age	19.5 (1.6)	20.1 (1.9)	20.7 (1.8)
Youth is parent	0.6	2.5	7.1
Eldest son/daughter of the head of the household	56.3	55.2	68.3
Youth marital status			
Youth has a partner (Married/ cohabitating)	3.5	12.8	19.1
Single	96.6	87.2	81.0
Attendance to school/ post-secondary education	66.1	15.3	0.0
Employed	0.0	94.6	100.0
Youth educational level			
Incomplete primary education or less	4.0	8.3	2.4
Complete primary education	1.2	14.1	7.1
Incomplete middle school	6.3	9.1	7.1
Complete middle school	15.5	29.8	37.3
Incomplete high school	27.0	14.9	12.7
Complete high school	27.0	19.4	30.2
Post Secondary education	19.0	4.6	3.2
<i>Household variables</i>			
Per capita household income			
Tertile 1	28.7	13.0	4.0
Tertile 2	42.0	32.2	30.2
Tertile 3	29.3	54.8	65.9
Per capita household income	998.8 828.4	1330.3 727.6	1526.0 685.2
Average number of persons in the household	6.3	6.8	6.6
	2.5	2.4	2.7
Average amount of minors (0-5)	0.2	0.3	0.4
	0.6	0.7	1.0
Average amount of minors (6-11)	0.5	0.6	
	0.8	0.9	0.8
Level of overcrowding			
Not overcrowded	35.6	30.6	32.5
Medium	40.2	42.6	46.8
Critic	24.1	26.9	20.6
Drainage in the house	70.1	68.4	58.7
Higienic service without water	63.8	69.0	63.5
Property of the dwelling			
Rented house	3.5	2.9	0.8
Lent/ taking care of the house	17.2	15.1	11.1
Own	78.7	81.6	88.1
Other type of arrangement	0.6	0.4	0.0
Female headed household	31.6	34.5	28.8
Age of the HH			
25-40	20.7	15.7	12.8

41-50	50.0	54.8	55.2
51-60	23.0	22.9	21.6
More than 60 years old	6.3	6.6	10.4
Occupational status of the HH			
HH is economically inactive	85.6	79.6	75.4
HH is unemployed	0.6	2.9	2.4
HH is employed	13.8	17.6	21.4
Marital status of the head of the household			
Married	52.9	51.0	52.8
Cohabiting	21.3	20.3	21.6
Single	25.9	28.7	25.6
Partner of the head of the household is economically inactive	55.3	56.6	67.0
Partner of the head of the household is employed	44.7	43.4	33.0
Educational level of HH and partner			
One or both adults have no education or incomplete primary education	32.2	49.2	39.7
One or both adults completed primary education	24.7	26.2	37.3
One or both adults have some middle school or completed the level	31.0	20.0	19.8
One or both adults have some high school or more	12.1	4.6	3.2
Household composition			
Biparental household with kids	56.9	53.7	49.2
Single headed household	19.5	19.2	19.1
Single headed household (but extended/ composite)	6.3	9.5	6.4
Biparental household (extended/ composite)	17.2	17.4	24.6
Other household arrangement	0.0	0.2	0.8
Property of a car/ truck	11.5	8.3	13.5
Household domestic cycle			
Youngest kid in the house is 14-18	15.5	11.4	6.4
Youngest kid in the house is 19 or more	84.5	88.6	92.9
Dependency rate (non employed/employed)	2.815	1.418	1.321
	(2.051)	(1.148)	(0.944)
Marginality municipal index	-1.262	-1.219	-1.191
	(0.286)	(0.284)	(0.331)
<i>N</i>	174	484	126

Source: ENCELURB, 2009.

APPENDIX 8. PROPORTIONS, MEANS AND STANDARD DEVIATIONS FOR INDEPENDENT VARIABLES FOR GIRLS.

Characteristics of female group	Not started transition	In transition	Completed transition
Age	19.6 (1.8)	20.5 (1.9)	20.9 (2.0)
Youth is parent	10.9	9.3	9.5
Eldest son/daughter of the head of the household	55.0	61.9	68.4
Youth marital status			
Youth has a partner (Married/ cohabitating)	18.6	8.2	7.4
Single	81.4	91.8	92.6
Attendance to school/ post-secondary education	42.9	22.8	0.0
Employed	0.0	97.2	100.0
Youth educational level			
Incomplete primary education or less	4.7	3.9	0.0
Complete primary education	6.5	12.5	5.3
Incomplete middle school	5.6	7.5	3.2
Complete middle school	17.1	24.9	32.6
Incomplete high school	26.1	12.8	7.4
Complete high school	32.6	29.5	44.2
Post secondary education	7.5	8.9	7.4
<i>Household variables</i>			
Per capita household income			
Tertile 1	29.5	15.0	4.2
Tertile 2	38.5	32.4	24.2
Tertile 3	32.0	52.7	71.6
Per capita household income	964.2 (709.4)	1245.2 (668.8)	1645.4 (1040.6)
Average number of persons in the household	6.7 (2.4)	6.7 (2.3)	6.4 (2.6)
Average amount of minors (0-5)	0.5 (0.8)	0.4 (0.8)	0.4 (0.8)
Average amount of minors (6-11)	0.6 (0.9)	0.6 (0.8)	0.5 (0.8)
Level of overcrowding			
Not overcrowded	31.1	30.6	28.4
Medium	42.6	45.2	43.2
Critic	26.4	24.2	28.4
Drainage in the house	68.6	69.8	57.9
Higienic service without water	68.6	71.5	74.7
Property of the dwelling			
Rented house	1.6	3.2	5.3
Lent/ taking care of the house	15.8	14.6	11.6
Own	82.0	80.8	83.2
Other type of arrangement	0.6	1.4	0.0
Female headed household	35.1	38.9	30.5
Age of the HH			
25-40	19.3	15.0	13.7

41-50	48.8	50.0	48.4
51-60	27.0	28.2	28.4
More than 60 years old	5.0	6.8	9.5
Occupational status of the HH			
HH is economically inactive	18.3	13.9	22.1
HH is unemployed	0.6	2.1	2.1
HH is employed	81.1	83.6	75.8
Marital status of the head of the household			
Married	49.4	41.1	61.1
Cohabiting	21.1	23.2	13.7
Single	29.5	35.7	25.3
Partner of the head of the household is economically inactive	48.9	52.8	55.2
Partner of the head of the household is employed	51.1	47.2	44.8
Educational level of HH and partner			
One or both adults have no education or incomplete primary education	42.5	51.1	52.6
One or both adults completed primary education	23.1	24.6	20.0
One or both adults have some middle school or completed the level	25.9	20.0	23.2
One or both adults have some high school or more	8.4	4.3	4.2
Household composition			
Biparental household with kids	45.0	46.6	54.7
Single headed household	18.0	19.6	16.8
Single headed household (but extended/ composite)	11.5	16.0	8.4
Biparental household (extended/ composite)	24.8	16.7	20.0
Other household arrangement	0.6	0.7	0.0
Property of a car/ truck	6.5	5.7	11.6
Household domestic cycle			
Youngest kid in the house is 14-18	18.9	7.1	9.5
Youngest kid in the house is 19 or more	81.1	92.5	90.5
Dependency rate (non-employed /employed)	2.833	1.296	1.287
	(2.187)	(1.032)	(1.266)
Marginality municipal index	-1.261	-1.225	-1.191
	(0.279)	(0.287)	(0.342)
<i>N</i>	322	281	95

Source: ENCELURB, 2009.

APPENDIX 9. MULTINOMIAL LOGISTIC REGRESSION FOR BOYS BENEFICIARIES OF OPORTUNIDADES.

Male characteristics	In transition						Completed transition					
	Model 1		Model 2		Model 3		Model 1		Model 2		Model 3	
	Coef	RRR	Coef	RRR	Coef	RRR	Coef	RRR	Coef	RRR	Coef	RRR
Age	0.197*** (0.061)	1.218	0.184* (0.080)	1.203	0.175* (0.080)	1.192	0.345*** (0.074)	1.413	0.299** (0.096)	1.349	0.285** (0.096)	1.329
Youth is the eldest kid in the house	-0.090 (0.191)	0.914	0.596* (0.266)	1.814	0.621* (0.268)	1.860	0.352 (0.257)	1.422	1.256*** (0.333)	3.512	1.295*** (0.335)	3.652
Single (Ref: married /cohabitating)	-1.037* (0.452)	0.354	-1.048* (0.534)	0.350	-1.063* (0.534)	0.345	-1.405* (0.490)	0.245	-1.364* (0.579)	0.256	-1.403* (0.579)	0.246
<i>Educational level (ref: completion of HS or more)</i>												
Complete primary or less	2.093*** (0.381)	8.105	1.937*** (0.462)	6.940	1.980*** (0.466)	7.241	0.915+ (0.491)	2.498	0.708 (0.568)	2.031	0.766 (0.572)	2.151
Some/complete middle school	1.310*** (0.237)	3.706	1.249*** (0.280)	3.486	1.283*** (0.281)	3.609	1.167*** (0.297)	3.214	1.101*** (0.344)	3.006	1.158*** (0.347)	3.185
Some high school	0.214 (0.247)	1.239	0.135 (0.293)	1.145	0.163 (0.294)	1.177	-0.112 (0.363)	0.894	-0.295 (0.411)	0.744	-0.251 (0.413)	0.778
Overcrowded household			0.686** (0.244)	1.985	0.700** (0.244)	2.014			0.783* (0.308)	2.187	0.803** (0.308)	2.232
Female headed household			-0.195 (0.324)	0.822	-0.141 (0.329)	0.868			-0.680 (0.424)	0.507	-0.607 (0.427)	0.545
HH is single			-0.511 (0.383)	0.600	-0.521 (0.386)	0.594			-0.181 (0.490)	0.834	-0.174 (0.491)	0.840
HH is cohabitating			-0.221	0.802	-0.196	0.822			-0.039	0.962	-0.001	0.999

			(0.286)		(0.287)				(0.362)		(0.364)	
Youngest kid in the house is 14-18			0.172	1.187	0.162	1.176			-0.417	0.659	-0.459	0.632
			(0.395)		(0.396)				(0.560)		(0.563)	
HH is employed			-1.694***	0.184	-1.720***	0.179			-2.429***	0.088	-2.450***	0.086
			(0.368)		(0.371)				(0.435)		(0.437)	
Partner of the HH is employed			-1.161***	0.313	-1.142***	0.319			-1.865***	0.155	-1.844***	0.158
			(0.280)		(0.281)				(0.364)		(0.364)	
One or both adults have no education or incomplete primary education			0.688*	1.991	0.635*	1.887			0.524	1.689	0.425	1.530
			(0.270)		(0.273)				(0.354)		(0.360)	
One or both adults completed primary education			0.392	1.480	0.378	1.459			0.776*	2.173	0.733*	2.081
			(0.286)		(0.287)				(0.366)		(0.368)	
Property of the dwelling			-0.311	0.733	-0.289	0.749			-0.299	0.742	-0.286	0.752
			(0.252)		(0.255)				(0.327)		(0.329)	
Dependency rate			-1.061***	0.346	-1.059***	0.347			-1.364***	0.256	-1.362***	0.256
			(0.110)		(0.110)				(0.155)		(0.155)	
Local marginality index (2005)					0.510	1.665					0.806	2.238
					(0.404)						(0.498)	
Constant	-2.572 ⁺	0.076	0.855	2.350	1.638	5.146	-6.625***	0.001	-1.517	0.219	-0.250	0.779
	(1.341)		(1.809)		(1.918)		1.645		2.182		(2.323)	

+ p<0.10 * p<0.05 ** p<0.01 *** p<0.001

Source: ENCELURB, 2009.

APPENDIX 10. MULTINOMIAL LOGISTIC REGRESSION FOR GIRLS BENEFICIARIES OF OPORTUNIDADES.

Female characteristics	In transition						Completed transition					
	Model 1		Model 2		Model 3		Model 1		Model 2		Model 3	
	Coef	RRR	Coef	RRR	Coef	RRR	Coef	RRR	Coef	RRR	Coef	RRR
Age	0.280*** (0.051)	1.324	0.208** (0.068)	1.231	0.209** (0.068)	1.232	0.376*** (0.068)	1.456	0.330*** (0.088)	1.391	0.332*** (0.088)	1.393
Youth is the eldest kid in the house	0.228 (0.179)	1.256	0.913*** (0.240)	2.491	0.921*** (0.241)	2.512	0.473+ (0.263)	1.605	1.152*** (0.326)	3.164	1.177*** (0.327)	3.245
Single (Ref: married /cohabitating)	1.394*** (0.282)	4.031	1.661*** (0.325)	5.265	1.666*** (0.326)	5.293	1.523*** (0.444)	4.584	1.724*** (0.488)	5.609	1.716*** (0.488)	5.561
<i>Educational level (ref: completion of HS or more)</i>												
Complete primary or less	0.421 (0.277)	1.523	0.575+ (0.347)	1.778	0.573+ (0.347)	1.774	-1.069* (0.521)	0.343	-1.008+ (0.571)	0.365	-1.025+ (0.572)	0.359
Some/complete middle school	0.673** (0.219)	1.961	0.509* (0.259)	1.663	0.507+ (0.259)	1.661	0.504+ (0.284)	1.655	0.333 (0.325)	1.396	0.313 (0.327)	1.368
Some high school	-0.337 (0.251)	0.714	-0.172 (0.292)	0.842	-0.170 (0.291)	0.844	-1.079* (0.442)	0.340	-0.960 (0.475)	0.383	-0.964* (0.475)	0.381
Overcrowded household			0.500* (0.229)	1.649	0.513* (0.231)	1.670			0.729* (0.312)	2.072	0.776* (0.315)	2.173
Female headed household			-0.058 (0.284)	0.943	-0.033 (0.287)	0.967			-0.735+ (0.391)	0.480	-0.672+ (0.393)	0.511
HH is single			-0.405 (0.330)	0.667	-0.396 (0.331)	0.673			-0.523 (0.456)	0.593	-0.517 (0.457)	0.596
HH is cohabitating			0.246 (0.263)	1.279	0.260 (0.264)	1.297			-0.370 (0.389)	0.691	-0.340 (0.391)	0.711

Youngest kid in the house is 14-18			-0.565 (0.387)	0.568	-0.578 (0.387)	0.561			-0.007 (0.526)	0.993	-0.010 (0.526)	0.990
HH is employed			-1.006*** (0.308)	0.366	-0.993*** (0.308)	0.370			-1.646*** (0.386)	0.193	-1.624*** (0.387)	0.197
Partner of the HH is employed			-1.321*** (0.256)	0.267	-1.306*** (0.257)	0.271			-1.382*** (0.340)	0.251	-1.353*** (0.341)	0.259
One or both adults have no education or incomplete primary education			0.156 (0.259)	1.169	0.138 (0.260)	1.148			0.358 (0.349)	1.431	0.312 (0.352)	1.366
One or both adults completed primary education			0.169 (0.282)	1.184	0.158 (0.283)	1.171			-0.106 (0.393)	0.900	-0.141 (0.395)	0.869
Property of the dwelling			0.180 (0.226)	1.197	0.187 (0.226)	1.206			0.203 (0.305)	1.225	0.219 (0.306)	1.245
Dependency rate			-1.065*** (0.111)	0.345	-1.059*** (0.111)	0.347			-1.180*** (0.161)	0.307	-1.172*** (0.161)	0.310
Local marginality index (2005)					0.198 (0.355)	1.219					0.545 (0.464)	1.725
Constant	-7.273*** (1.105)	0.001	-3.704* (1.476)	0.025	-3.530* (1.519)	0.029	-10.326 (1.511)	0.000	-6.450*** (1.928)	0.002	-5.896** (1.980)	0.003

+ p<0.10 * p<0.05 ** p<0.01 *** p<0.001

Source: ENCELURB, 2009.

APPENDIX 11. MINIMUM CONDITIONS OF THE SOCIAL PROTECTION SYSTEM CHILE-SOLIDARIO

Health dimension

The family needs to be enrolled in the Primary Health Care service (by having an ID or an enrollment certificate).

Pregnant women need to have their health checkups up to date according to the Health Ministry regulations (at graduation the corresponding checkup needs to have been performed)

Children 6 years old and under need to have their vaccinations up to date according to the Health Ministry regulations (at graduation the last corresponding vaccine needs to be up to date).

Women 35 years old and above must have their Pap (Papanicolau test) up to date.

Women using birth control therapy need to be under medical control (at graduation the last control date needs to be recorded).

Elders in the family suffering from a chronic disease need to be under medical control in the corresponding health center (at graduation the last control date needs to be recorded).

Members of the family with a disability or in rehabilitation need to be participating in a rehabilitation program (they need to at least know the alternatives available and need to be in process of incorporation in the program).

Members of the family need to be informed in the health topics and self-care

Education dimension

Children in pre-school age need to be assisting a program of infant education (if no vacancies are available, they need to be at least enrolled and applying).

When in a family of a working mother and the absence of any other adult that could take care of children, 6 years old and below children need to be participating in an infant care service (if no vacancies are available, they need to be at least enrolled and applying).

Children up to 15 years old need to be assisting to an educational institution (in case of desertion, children need to be in the process of reincorporation to the educational system).

Children participating in pre-school, primary, or secondary school need to be beneficiaries of the corresponding school assistance program.

Children 12 years old and above need to know how to read and write (or at least in the process of learning).

Children with disabilities that could be getting an education need to be participating

in an either regular or differentiated educational system (if no vacancies are available, they need to be at least enrolled and applying).

There needs to be an adult responsible for the education of the child by (a) certifying that he-she is the child's representative and by (b) being in regular contact with the school (at graduation, the representative needs to have attended the last representatives' meeting).

Adults need to have a positive and responsible attitude towards education and the school, at least by acknowledging the use of the child's participation in formal educational processes.

Adults need to know how to read and write (or at least in the process of learning to read, write, and basic mathematical calculations if they have the will to learn).

Habitability dimension

The family needs to have a clear housing situation in relation with ownership of the land and house the family inhabits.

If the family wants to apply for a house it needs to be applying.

The family needs to have access to drinking water.

The family needs to have access to an adequate energy system.

The family needs to have access to an adequate hygienic system.

The house cannot leak water when raining, cannot be able to flood, and needs to be adequately sealed.

The house needs to have at least to inhabitable rooms.

Each member of the family needs to have a bed with basic equipment (sheets, blankets and pillows).

The family needs to have the basic appliances for cooking (kitchen burner, crockery and cutlery for all family members).

The family needs to have a suitable waste disposal system.

The environment of the house needs to be free of contamination

If applicable, the family needs to have access to the Water Consumption Subsidy.

Work dimension

At least one adult member of the family needs to have a regular job and have a regular salary.

No children under 15 years old must leave school to work.

Unoccupied members need to be enrolled in the Work Information Municipal Office (OMIL from Spanish).

Income dimension

Family members eligible to SUF (subsídio único familiar) must be receiving it (or at least be applying).

Family members eligible to the Family Subsidy (Asignación Familiar) must be receiving it.

Family members eligible to PASIS (Pensión Asistencial) must be receiving it (or at least be applying).

The family income needs to be above the indigence line.

The family need to have a budget structured according to its income and prioritized needs.

Dynamic family dimension

The family needs to have regular conversations about topics such as habits, schedules, and recreational practices.

The family needs to have adequate mechanisms to deal with conflicts.

Clear coexistence norms need to exist in the family.

There needs to be an equal distribution of the house chores among all family members, regardless of the gender and in accordance with age.

The family needs know the community resources and the development programs available in the local social network (sports clubs, elderly centers, initiative groups, community organizations, and others).

If there is domestic violence in the family, the directly involved members need to be enrolled in a support program (or at least know the alternatives and be in the process of incorporation).

Families with a child enrolled in a protection system need to visit the child regularly.

Families with a teenager in prison need to support him/her and collaborate in the rehabilitation program.

Identification dimension

All family members need to be enrolled in the Civil Registry.

All family members need to have an ID.

The family needs to have the CAS score card up to date at graduation in their corresponding municipality.

All men in the family older than 18 need to have their military situation up to date.

All adult members of the family need to have their background records regularized.

All family members with a disability need to have it certified by the COMPIN and need to be in the National Registry of Disabilities.

Source: MIDEPLAN, Information Notebook 02, Description of the Social Protection System Chile-Solidario.

APPENDIX 12. INTERVIEW GUIDELINE FOR BENEFICIARIES OF CHILE SOLIDARIO.

Interview guideline for youth

1. Education

- a) Educational situation when the family started participating in Chile Solidario.
- b) Educational trajectory and the role of Chile Solidario (access to scholarships, subsidies).

2. Employment

- a) Occupational status when the family started receiving Chile Solidario.
- b) Employment trajectory (check the age of entrance into the labor market, reasons behind the entrance, types of experiences s/he got in the market, salary and quality of jobs).
- c) Mechanisms to get jobs.
- d) Main difficulties to get a job (make emphasis on the role of education)

3. Chile Solidario

- a) Program's contributions to the family (housing improvement, etc).
- b) Relationship with psycho-social support.
- c) Information provided by the psycho-social support regarding employment programs

4. Employment programs related to Chile Solidario

- a) Received an invitation to participate? Reasons to accept/ decline?
- b) Type of program selected and description of it (reasons to prefer that program over others).
- c) What was the result of the program (employment/ small business)?
- d) Main advantages and disadvantages of the program
- e) Suggestions for improvement.

5. Overall evaluation of Chile Solidario

- a) Contribution to his/her education
- b) Contribution to his/her employment opportunities
- c) Contribution to the family's wellbeing.
- d) Suggestions for improvement.

Interview guideline for mothers (Cash recipients)

1. Social capital

- a) Time living in the municipality.
- b) General perception of the municipality.
- c) Relationship with neighbors.
- d) Participation in local organizations.
- e) Opinion about educational services in the area.
- f) Opinion about employment opportunities in the area.

2. Household characteristics

- a) House ownership
- b) Household composition
- c) Educational level of household members; attendance to school.
- d) Occupational status of household members

3. Program Puente

- a) Description of the household situation when they are offered the program
- b) Description of conditions to be fulfilled.
- c) Description of her relationship with the psycho-social support.
- d) Description of the programs/ subsidies, they accessed through Chile Solidario.

4. Transition to Chile Solidario

- a) Description of the transition and impacts for the household
- b) Family's participation in public programs after Puente.

5. Overall evaluation of the program

- a) Contribution to his/her education
- b) Contribution to his/her employment opportunities
- c) Contribution to the family's wellbeing.
- d) Suggestions for improvement.

APPENDIX 13. PROPORTIONS, MEANS AND STANDARD DEVIATIONS FOR INDEPENDENT VARIABLES (SELECTED SAMPLE: BOYS)

Male characteristics	Not started transition	In transition	Completed transition
Age	19.3 (1.6)	20.4 (2.0)	21.2 (1.9)
Youth is parent	3.5	1.9	3.6
Eldest kid in the house	70.4	69.1	64.3
Youth marital status			
Youth has a partner (Married/ cohabitating)	2.6	3.1	5.4
Single	96.5	95.7	92.9
Attendance to school/ post-secondary education	59.1	12.3	0.0
Employed	0.0	56.2	100.0
Youth educational level			
Incomplete primary education or less	15.7	22.4	11.9
Complete primary education	8.7	13.7	16.5
Incomplete high school	23.5	27.3	29.4
Complete high school	42.6	31.1	41.3
Post secondary education	9.6	5.6	0.9
Type of high school attended			
Regular high school	40.9	38.3	44.6
Technical high school	25.2	19.8	24.1
Household variables			
Per capita household income			
Tertile 1	53.9	38.9	7.1
Tertile 2	35.7	39.5	42.0
Tertile 3	10.4	21.6	50.9
Average number of persons in the household	5.5 (4.3)	5.3 (2.6)	5.4 (1.9)
Average amount of minors (0-5)	0.5 (1.6)	0.3 (0.9)	0.4 (0.6)
Average amount of minors (6-11)	0.6 (1.0)	0.6 (0.9)	0.5 (0.7)
Level of overcrowding			
Not overcrowded	59.1	59.9	56.3
Medium	30.4	31.5	33.9
Critic	10.4	8.6	9.8
Access to drinking water			
Acceptable	85.2	90.7	84.8
Deficient	14.8	9.3	15.2
Hygienic service			
Acceptable	73.0	80.2	71.4
Deficient	27.0	19.8	28.6
Non-renters	9.57	14.2	16.9
Property of the dwelling			
Rented house	6.1	3.7	5.4

Given house	29.6	19.8	17.9
Own	54.8	67.3	70.5
Other type of arrangement (occupied/ shared)	9.6	9.3	6.2
Female HH	51.3	51.2	42.9
Occupational status of the HH			
HH is economically inactive	12.2	20.4	29.5
HH is unemployed	6.9	10.1	12.7
HH is employed	81.7	71.6	61.6
Marital status of the head of the household			
Married	46.1	42.6	52.7
Cohabiting	12.2	20.4	17.9
Single	16.5	12.3	10.7
Age of the HH			
25-40	24.3	13.7	13.4
41-50	52.2	51.9	47.3
51-60	19.1	27.2	33.0
More than 60 years old	4.3	6.8	6.3
Household composition			
Biparental household with kids	43.5	44.4	42.9
Single headed household	32.2	24.1	19.6
Single headed household (extended/ composite)	9.6	11.7	9.8
Biparental household (extended/ composite)	14.8	18.5	27.7
Other household arrangement	0.0	1.2	0.0
HH educational attainment			
No education	4.4	12.4	7.3
Incomplete primary education	47.4	54.0	58.7
Complete primary education	24.6	18.0	17.4
Incomplete high school	16.7	11.2	10.1
Complete high school or more	7.0	4.3	6.4
Educational level of HH and partner			
One or both adults have no education or incomplete primary education	50.9	68.3	69.7
One or both adults completed primary education	22.8	16.1	13.8
One or both adults have incomplete secondary education	14.9	10.6	9.2
At least one adult completed secondary education (or more)	11.4	5.0	7.3
Property of a car/ truck	12.2	9.3	13.4
Household domestic cycle			
Youngest kid in the house is 14-18	23.5	17.9	5.4
Youngest kid in the house is 19 or more	76.5	82.1	94.6
Dependency rate (non-workers/workers)	2.848	2.170	1.359
	(1.453)	(1.675)	(0.917)
Community health index (HDI)			
Tertile 1	35.7	37.0	25.9
Tertile 2	36.5	32.7	28.6
Tertile 3	27.8	30.2	45.5

Community income index (HDI)			
Tertile 1	37.4	38.9	32.1
Tertile 2	27.0	30.2	34.8
Tertile 3	35.7	30.9	33.0
Community education index (HDI)			
Tertile 1	35.7	35.8	30.4
Tertile 2	31.3	32.7	40.2
Tertile 3	33.0	31.5	29.5
<i>N</i>	115	162	112

Source: Panel Chile Solidario, 2007.

APPENDIX 14. PROPORTIONS, MEANS AND STANDARD DEVIATIONS FOR INDEPENDENT VARIABLES (SELECTED SAMPLE: GIRLS).

Female characteristics	Not started transition	In transition	Completed transition
Age	19.5 (1.8)	20.4 (1.8)	21.3 (1.6)
Youth is parent	18.6	25.7	42.9
Eldest kid in the house	57.6	78.9	68.6
Youth marital status			
Youth has a partner (Married/ cohabitating)	5.9	1.8	2.9
Single	94.1	98.2	88.6
Attendance to school/ post-secondary education	57.6	13.8	0.0
Employed	0.0	32.1	100.0
Youth educational level			
Incomplete primary education or less	5.9	4.6	5.7
Complete primary education	5.1	11.9	17.1
Incomplete high school	30.5	22.0	11.4
Complete high school	45.8	53.2	65.7
Post secondary education	12.7	7.3	0.0
Type of high school attended			
Regular high school	47.5	46.8	37.1
Technical high school	28.8	28.4	40.0
Household variables			
Per capita household income			
Tertile 1	39.0	40.4	8.6
Tertile 2	39.8	40.4	51.4
Tertile 3	21.2	19.3	40.0
Average number of persons in the household	5.6 (1.9)	5.6 (3.2)	5.8 (2.0)
Average amount of minors (0-5)	0.6 (0.8)	0.5 (1.1)	0.8 (0.8)
Average amount of minors (6-11)	0.7 (0.8)	0.8 (1.1)	0.6 (0.7)
Level of overcrowding			
Not overcrowded	50.8	53.2	60.0
Medium	42.4	38.5	40.0
Critic	6.8	8.3	0.0
Access to drinking water			
Acceptable	89.0	84.4	97.1
Defficient	11.0	15.6	2.9
Higienic service			
Acceptable	79.7	68.8	88.6
Defficient	20.3	31.2	11.4
Non-renters	29.7	31.2	45.7
Property of the dwelling			
Rented house	6.8	6.4	2.9

Given house	22.0	22.0	22.9
Own	65.3	65.1	62.9
Other type of arrangement (occupied/ shared)	5.9	6.4	11.4
Female HH	39.0	55.0	60.0
Occupational status of the HH			
HH is economically inactive	11.9	22.9	31.4
HH is unemployed	9.6	7.1	0
HH is employed	79.7	71.6	68.6
Marital status of the head of the household			
Married	52.5	35.8	40.0
Cohabiting	19.5	18.3	8.6
Single	9.3	17.4	17.1
Age of the HH			
25-40	18.6	24.8	8.6
41-50	50.8	53.2	54.3
51-60	23.7	17.4	22.9
More than 60 years old	6.8	4.6	14.3
Household composition			
Biparental household with kids	44.1	32.1	20.0
Single headed household	13.6	23.9	14.3
Single headed household (but extended/ composite)	14.4	21.1	37.1
Biparental household (extended/ composite)	26.3	22.0	25.7
Other household arrangement	1.7	0.9	2.9
HH educational attainment			
No education	10.3	11.1	11.4
Incomplete primary education	43.1	55.6	57.1
Complete primary education	24.1	21.3	14.3
Incomplete high school	14.7	11.1	11.4
Complete high school or more	7.8	0.9	5.7
Educational level of HH and partner			
One or both adults have no education or incomplete primary education	52.2	59.3	54.3
One or both adults completed primary education	24.3	21.3	25.7
One or both adults have incomplete secondary education	19.1	17.6	17.1
At least one adult completed secondary education (or more)	4.3	1.9	2.9
Property of a car/ truck	3.4	11.0	2.9
Household domestic cycle			
Youngest kid in the house is 14-18	20.3	16.5	2.9
Youngest kid in the house is 19 or more	79.7	83.5	97.1
Dependency rate (non-workers/workers)	2.920	2.547	1.779
	(1.698)	(1.735)	(1.372)
Community health index (HDI)			
Tertile 1	34.7	36.7	40.0
Tertile 2	34.7	33.0	20.0
Tertile 3	30.5	30.3	40.0

Community income index (HDI)			
Tertile 1	35.6	31.2	25.7
Tertile 2	33.1	35.8	28.6
Tertile 3	31.4	33.0	45.7
Community education index (HDI)			
Tertile 1	36.4	35.8	22.9
Tertile 2	34.7	25.7	28.6
Tertile 3	28.8	38.5	48.6
<i>N</i>	118	109	35

Source: Panel Chile Solidario, 2007.

APPENDIX 15. MULTINOMIAL LOGISTIC REGRESSION FOR THE TRANSITION FROM SCHOOL TO WORK AMONG LONG-TERM CHILE SOLIDARIO BENEFICIARIES (SAMPLE RESTRICTED TO BOYS).

Male characteristic	In transition						Completed transition					
	Model 1		Model 2		Model 3		Model 1		Model 2		Model 3	
	Coef	RRR	Coef	RRR	Coef	RRR	Coef	RRR	Coef	RRR	Coef	RRR
Age	0.363*** (0.078)	1.437	0.292*** (0.081)	1.339	0.296*** (0.082)	1.344	0.594*** (0.086)	1.812	0.461*** (0.101)	1.586	0.462*** (0.101)	1.588
Youth is the eldest kid of the HH	-0.127 (0.279)	0.881	0.082 (0.309)	1.086	0.093 (0.310)	1.098	-0.510 (0.312)	0.601	0.115 (0.387)	1.122	0.126 (0.387)	1.135
Youth is single	0.406 (0.792)	1.501	0.195 (0.925)	1.216	0.133 (0.916)	1.142	0.228 (0.817)	1.256	0.135 (1.060)	1.144	0.065 (1.049)	1.068
Youth completed primary education or less	0.763* (0.306)	2.145	0.393 (0.341)	1.481	0.404 (0.343)	1.497	0.320 (0.356)	1.378	-0.098 (0.438)	0.906	-0.097 (0.439)	0.907
Youth did not complete secondary education	0.749* (0.320)	2.115	0.476 (0.351)	1.610	0.471 (0.353)	1.601	0.819* (0.360)	2.269	0.771+ (0.438)	2.162	0.764+ (0.441)	2.146
Overcrowded household			0.112 (0.298)	1.118	0.144 (0.299)	1.155			0.381 (0.378)	1.464	0.390 (0.381)	1.476
Household per capita income (1st Tertile)			-0.489 (0.475)	0.613	-0.499 (0.477)	0.607			-2.635*** (0.625)	0.072	-2.611*** (0.630)	0.073
Household per capita income (2nd Tertile)			-0.333 (0.422)	0.716	-0.333 (0.426)	0.717			-0.774+ (0.453)	0.461	-0.724 (0.457)	0.485
Sex of the head of the household			-0.099 (0.376)	0.906	-0.084 (0.379)	0.920			-1.176* (0.466)	0.309	-1.189* (0.468)	0.305
Single headed household			-0.374 (0.430)	0.688	-0.399 (0.434)	0.671			0.322 (0.560)	1.380	0.329 (0.567)	1.390
Extended household (presence of other relatives)			0.034 (0.358)	1.035	0.039 (0.360)	1.040			0.743+ (0.442)	2.102	0.776+ (0.444)	2.172
HH is employed			-0.802* (0.368)	0.449	-0.828* (0.370)	0.437			-2.307*** (0.483)	0.100	-2.331*** (0.484)	0.097
Dwelling was given to the family			-0.151 (0.342)	0.860	-0.172 (0.344)	0.842			0.237 (0.449)	1.268	0.186 (0.454)	1.205

Dwelling is shared/ occupied	-0.232 (0.480)	0.793	-0.216 (0.480)	0.806					-0.134 (0.625)	0.875	-0.214 (0.634)	0.807
Dwelling is rented	-0.298 (0.670)	0.743	-0.242 (0.674)	0.785					0.361 (0.836)	1.435	0.454 (0.837)	1.575
HH has no education or less than complete primary	0.312 (0.300)	1.366	0.278 (0.305)	1.320					0.343 (0.379)	1.410	0.359 (0.385)	1.432
Dependency rate	-0.261* (0.115)	0.770	-0.257* (0.115)	0.774					-0.826*** (0.192)	0.438	-0.829*** (0.193)	0.437
Community Human Development Index												
Tertile 1				0.107 (0.351)	1.113						-0.369 (0.444)	0.691
Tertile 2				0.437 (0.350)	1.547						0.078 (0.436)	1.081
Constant	-7.579*** (1.853)	0.001	-4.327* (2.050)	0.013	-4.527* (2.057)	0.011	-12.24*** (2.020)	0.000	-5.669* (2.566)	0.003	-5.546* (2.588)	0.004

+ p<0.10 * p<0.05 ** p<0.01 *** p<0.001

Source: Panel Chile Solidario , 2007.

APPENDIX 16. LOGISTIC REGRESSION FOR THE TRANSITION FROM SCHOOL TO WORK AMONG GIRLS (LONG-TERM CHILE SOLIDARIO BENEFICIARIES).

Female characteristics	In transition					
	Model 1		Model 2		Model 3	
	Coef	OR	Coef	OR	Coef	OR
Age	0.263** (0.083)	1.301	0.213* (0.089)	1.237	0.213* (0.090)	1.238
Youth is the eldest kid of the HH	0.943** (0.311)	2.567	1.102*** (0.337)	3.011	1.100*** (0.338)	3.005
Youth is single	1.700+ (0.876)	5.475	1.488 (0.941)	4.429	1.434 (0.942)	4.196
Youth completed primary education or less	0.568 (0.430)	1.764	0.512 (0.465)	1.668	0.492 (0.470)	1.636
Youth did not complete secondary education	0.089 (0.349)	1.093	-0.149 (0.389)	0.861	-0.158 (0.391)	0.854
Overcrowded household			0.090 (0.319)	1.094	0.147 (0.331)	1.158
Household per capita income (1st Tertile)			-0.065 (0.461)	0.938	-0.057 (0.462)	0.945
Household per capita income (2nd Tertile)			0.035 (0.412)	1.035	0.038 (0.413)	1.038
Sex of the head of the household			-0.037 (0.390)	0.964	-0.009 (0.393)	0.991
Single headed household			1.033+ (0.543)	2.809	1.025+ (0.548)	2.786
Extended household (presence of other relatives)			0.704+ (0.376)	2.021	0.710+ (0.381)	2.034
HH is employed			-0.681+ (0.407)	0.506	-0.703+ (0.410)	0.495
Dwelling was given to the family			0.337 (0.391)	1.401	0.351 (0.392)	1.420

Dwelling is shared/ occupied			0.192 (0.630)	1.212	0.162 (0.629)	1.176
Dwelling is rented			-0.483 (0.615)	0.617	-0.475 (0.615)	0.622
HH has no education or less than complete primary			0.452 (0.319)	1.571	0.481 (0.322)	1.617
Dependency rate			-0.214 ⁺ (0.118)	0.807	-0.220 ⁺ (0.120)	0.802
Community Human Development Index						
Tertile 1					-0.085 (0.382)	0.918
Tertile 2					0.188 (0.394)	1.207
Constant	-7.707 ^{***} (2.057)	0.000	-6.271 ^{**} (2.335)	0.002	-6.282 ^{**} (2.357)	0.002

+ p<0.10 * p<0.05 ** p<0.01 *** p<0.001

Source: Panel Chile Solidario, 2007.

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