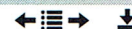


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TRACKING THE FACTORS THAT INFLUENCE FEMALE EMPLOYMENT: THE ALBANIAN CASE

Thaís García-Pereiro, Ivano Dileo

1. Introduction

Women's employment is considered as one of the essential engines of sustainable and inclusive growth in modern societies. Its contribution is potentially huge in terms of socio-economic development, productivity, efficiency, effectiveness and gender equality. Moreover, women participation in productive activities might generate a significant multiplier effect in local labour markets by demanding specific employment figures, usually fulfilled by other women, in activities related to home-and-child care.

In Albania, along the forty-five years of the socialist regime, the implementation of government's full employment policy somehow forced women to be actively involved the labour market. The relative success of the massive female incorporation to paid work was linked to the implementation of complementary policies such as the universalisation of education, the availability of free health care and the diffusion of child-care facilities to reconcile work and family life (Gjonca et al., 2008). Despite these, women's empowerment process was limited by the maintenance of an unbalanced division of care and domestic duties within families, with gender roles typical of traditional patriarchal societies (Kapllanaj et al., 2016).

During the transition to a market economy, female labour force participation dramatically dropped. According to Gjonca et al. (2008) rates of female labour market participation have declined from 47.4% in 1989 to 40.7% in 2001. New opportunities for employment generated by market liberalization led to unstable employment (Beluli, n.d.), and for women it has been hard to re-enter in paid work after unemployment or childbearing periods. Despite important educational improvements in Albania, neither women's participation in the labour market has increased nor have wage gaps been reduced.

Women's disadvantages in the labour market indicate that national employment programmes have failed in guarantying equal access and opportunities (EU/SDC, 2014).

The aim of this paper is twofold. On the one hand, to describe the evolution of labour market indicators in Albania highlighting observed gender gaps, and on the

other, disentangling individual and household socio-demographic, economic and cultural factors that influence women's recent employment choices in the country.

In the first part of the analyses, labour market indicators –interpreted within the European context- are drawn from the INSTAT data-warehouse, while the second part makes use of the Albanian micro-data of the 6th Round of European Social Survey conducted between 2012 and 2013.

2. Theoretical background

The decision to participate in paid labour market activities is opposed to full involvement in other kind of activities, such as housework, education, or retirement. At an aggregated level, this decision influences the size and composition of employment, having an important effect also on household activities, further education, and retirement programs (in terms of contribution to pension funds).

The neoclassical economic theory suggests that female decision of entering the labour market is the result of changes in the cost-benefit relationship of wage relative to activities such as domestic labour, home production and leisure time (Pettit and Hook, 2005). The cost-benefit analysis is influenced by both demand and supply sides of the labour market. On the supply side, individuals are considered rational actors who act to maximise benefits. As a consequence, the decision to enter the labour market is aimed at reaching an optimal allocation of time, considering that: a) a higher amount of time spent working is translated into higher earnings but also into lower levels of satisfaction and non-market utility from leisure time; b) more time spent on leisure activities increases its indirect utility but reduces income. In Gary Becker's theory (1981), the family is the central decision-making unit. Family is the joint agent that decides how to allocate time of each its members in one of the following three activities: household consumption, household production and paid job. In order to increase family income and minimise opportunity costs, families allocate their time applying a sort of specialization rule based on the differentiation of roles among household members. By applying this rule, families maximise both income and indirect utility from household productions. Becker's New Home Economics explain gender differences through the comparative advantages that women could obtain when concentrating their time in household production. This implies a clear division of roles within the family, in which men specialise in paid work and women in housework. Female labour supply strongly depends on her husband labour resources: if these resources are high, it is more convenient for women to specialise in household production. Moreover, education and employment choices of women are robustly linked to their reproductive and care roles.

Mincer and Polachek (1974) build a Human-Capital Earning Function, in which women's earnings are discontinuous due to a particular life course that is frequently interrupted by marriage, childbearing and childrearing. Authors stated that participation in labour market activities differs by number of children, marital status, age and other characteristics. Moreover, woman's chances to be engaged in paid work increase along with her human capital accumulation.

The theoretical perspective set out in this paper shifts from the classic economic theories regarding labour supply to more recent developments that link gender and development: from the initial Women in Development (WID) to the Gender and Development (GAD) approaches. Even if both frameworks are more institutional than theoretical in nature, this paper treats them as essential to widen the efficiency and utility economic concepts towards a more comprehensive scheme of sustainable and inclusive development in transition economies.

The WID approach emerged during the 70's in the discourses of international organizations and the third sector, which considered women as important subjects for economic development with equal levels of productivity than men. Therefore, WID strategies aimed at investing in women's productivity to obtain both economic and social returns. One of the more important critics made to WID has been its unique focus on women, without considering the key role played by gender as a social relationship. Thus, gender relations must be read looking beyond the productive sphere to bring about empowerment. This is the gap that the GAD approach aimed at closing (Rathgeber, 1990). It emerged in the 80's from socialist feminists, adding to the former women's focus the concept of equity and socially and culturally constructed gender relations. According to this framework, women's status heavily depends on their resources and their position within societies, particularly when the mainstream is patriarchal. Therefore, the final goal is to reduce socio-economic disparities between men and women by promoting access to employment and income (Parpart, 2003; Parpart and Barriteau, 2000).

A rich body of literature has examined the determinants of female labour force participation around the globe, but in Albania the role played by social, economic, cultural and regional factors has largely been ignored

3. Data and methods

The central aim of this paper is to analyse factors that influence female employment in Albania using the relative country dataset of the 6th Round of the European Social Survey (ESS6-2012/13). The ESS is an academically-driven cross-sectional social survey designed to chart and explain the interaction between Europe's changing behaviour patterns of its diverse populations. The project is directed by a "Central Coordinating Team" led by Roger Jowell at the Centre for

Comparative Social Surveys, City University, UK. The dataset corresponds to the most recent round, conducted in 2008. The national team comprised the Open Society Foundation for Albania, as the data collector, and Alban Nelaj, as the National Coordinator.

The cross-national character of the ESS allows making accurate comparisons between the countries subject of these research. The variables that will be use are part of the core model of the questionnaire which includes socio-demographic and economic characteristics of the respondent and some concerning its parents and partner. The Albanian sampling procedure followed a two stages frame and a stratified three-stage probability sampling design.

The first attempt was to use other national data sources, but due to diverse important limitations the analyses were ran using Albanian ESS6 data. Unfortunately, all public available datasets (downloadable from INSTAT's apposite website) lack of some essential information for the analysis of female employment in Albania. For example, in the dataset of 3% sample of the last Census (2011) variables regarding activity and employment status are missing, while a similar situation can be found in the dataset of the 2013 Labour Force Survey with regard to the presence of children in the household.

The analysis of women's employment in Albania three focuses on two possible employment situations: employed or not employed in the seven days prior to the survey. To study the socio-economic and demographic profiles of women who were employed or not employed, the paper first analyses the percentage distribution of 11 independent variables (see Table 1) in relation to the dependent variable (working or not at the time of the survey). Table 2 includes the percentage distribution of the employment status of male population in order to highlight some important gender differences of employment in Albania.

Table 1 –*Descriptive measures of the variables used in the analyses of the determinants of female employment.*

Variable Name	Description
Employed	A dummy variable that assumes value=0 if women are not employed, and =1 if women are employed (Dependent variable).
Age	Ratio variable. Comprises individuals aged 15-64 years old.
Age2	Ratio variable. Comprises individuals aged 15-64 years old. It is computed as $age2=age*age$.
Married	A dummy variable that takes on the value=1 if women are married, and =0 if women are not married.
Without children hh	A dummy variable that takes on the value=1 if women are not living with children in the household, and =0 if they are.
Household size	Ratio variable. Number of individuals living in the household.
Tertiary education	A dummy variable that assumes value=0 if women achieved less than tertiary education, and =1 if women achieved tertiary education.

Income	A dummy variable that assumes value=1 if the level of the household income pertains to the highest five deciles of the distribution (6 th to 10 th deciles) and =0, otherwise (1 st to 5 th deciles).
Secondary and tertiary education (father)	A dummy variable that assumes value=0 if respondent the father achieved less than secondary education, and =1 if he achieved secondary and tertiary education.
Secondary and tertiary education (mother)	A dummy variable that assumes value=0 if respondent the mother achieved less than secondary education, and =1 if she achieved secondary and tertiary education.
Not employed mother	A dummy variable that takes on the value=1 if the mother was working when respondent was 14 years old, and =0 if she was not.
Tiranë	A dummy variable that takes on the value=1 if respondent resides in Tiranë, and =0 if resides in another prefecture.

To evaluate the results of the descriptive analysis in a multivariate setting, it was computed a binary logistic regression model that measures a woman's likelihood (interpreted by the odds ratio) to be employed (against being not employed) at the time of the survey, controlling for the eleven independent variables considered. Only individuals between 15 and 64 years old were selected from the Albanian ESS6 sample. Given that not all individuals in the population aged 15+ had precisely the same chance of selection, the design weight was applied to correct these slightly different probabilities of selection.

The econometric analyses started with applying appropriate econometric methods on the sample dataset. Predicted employment probabilities were computed to measure gender differences in employment. While the probability of female employment was examined by a multivariate logistic regression, a binomial logistic regression was applied to account for gender differences in employment probabilities. Making use of the same mathematical equation, one partial and one general econometric model were built separately. The partial regression includes socio-demographic, economic and regional variables. The general model includes also the cultural proxies and analyses the effects of each explanatory variable on the odds of being employed.

4. Recent evolution of labour market indicators in Albania

One of the main goals of the Lisbon Strategy for the 2000-2010 period in the labour market field was to increase European male and female employment rates to 70% and 60%, respectively, by the end of the reference period (Calamo & García-Pereiro, 2014). As shown in Figure 1, European countries do not reach the expected value on female employment rates. The newest strategy Europe2020 does not specifically mention employment gender goals. Instead, countries are called to concentrate their efforts in rising comprehensive employment rates to 75% by 2020.

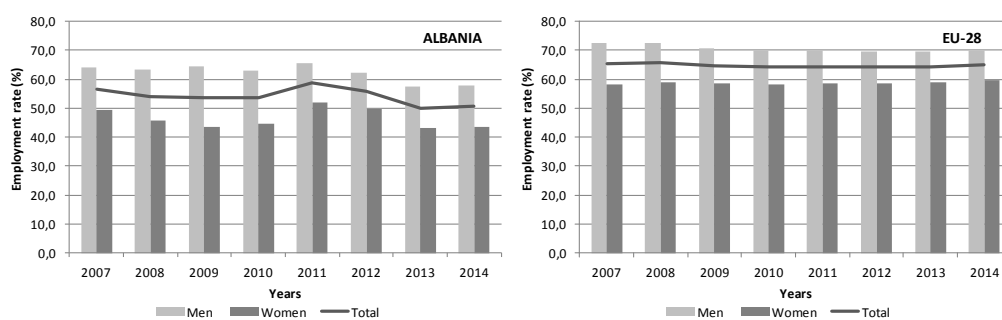
In Albania, male employment rates remained over 60% until 2012. The impact of the crisis in the Albanian labour market started one year before, and both total

and male employment rates have not reached their pre-crisis levels again. The evolution of the female employment rate has not followed a clear pattern. Between 2007 and 2009, the rate decreased from 49.3% to 43.6%, then raised reaching its maximum value in 2011 (51.8%) to drop again to 43.4% in 2014.

Regarding unemployment rates (Figure 2), the evolution in EU-28 countries displays an increase after the economic crisis, reaching its maximum value in 2013 (near 11%). However, gender differences in this context are almost inexistent. The Albanian case greatly differs from the European trend.

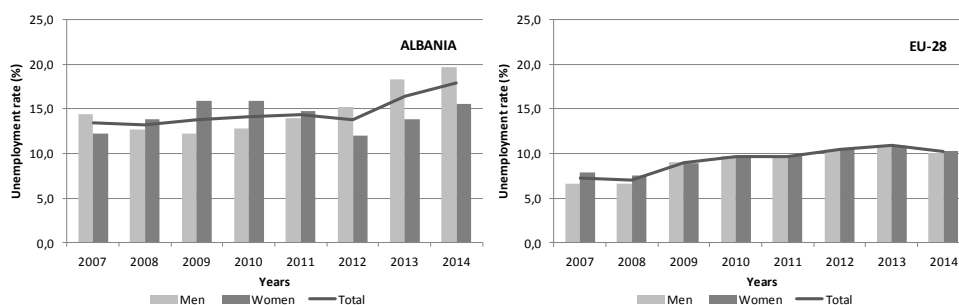
Since the end of the communist regime, unemployment rates have been traditionally higher among females than among males (UNICEF, 2007). However, this trend reverses after 2011: when, for the first time, unemployment rates are higher among males, and gender gaps are becoming even more evident than before. Unemployment in Albania is on the rise since 2012, its total figures have grown from 13.8% to 17.9% in 2014.

Figure 1 – Albania and EU-28. Evolution of employment rates by gender. Years 2007-2014.



Source: own elaboration, INSTAT and EUROSTAT on-line databases.

Figure 2 – Albania and EU-28. Evolution of unemployment rates by gender. Years 2007-2014.



Source: own elaboration, INSTAT and EUROSTAT on-line databases.

5. Gendered employment profiles in Albania

It has been illustrated the recent downward trend in employment rates during the last years in Albania, considering its main gender differences and reading the observed trends through a European lens. The purpose of this section is to shed further lights on the employment profile differences between men and women. Table 2 shows percentage distribution of the socio-demographic, economic, cultural and regional characteristics of both employed and not employed individuals by gender in Albania.

The first box of Table 2 displays the values of the socio-demographic characteristics of the sample. The mean age of not employed individuals is gender balanced: around 26 years for both men and women. Instead, employed women are approximately 3 years older than their male counterparts, with a mean age of 42 years old. More than half of the individuals are married, but there are some important differences that diverse to be highlighted. First, the lowest percentage of married individuals regards those who are not employed. Second, among employed the share of married women is larger (76.3%) than men (69.5%). A similar distribution is observed among people living with children. This common feature might be attributable to the strong and direct relationship that still exists between marriage and fertility in Albania (Gjonca et al., 2008). The size of the household is slightly higher among the not employed categories.

Table 2 – *Percentage distribution of socio-demographic, economic, cultural and regional characteristics of employed and not employed individuals by gender. Albania, 2012/2013.*

Sample characteristics	Employed (%)		Not employed (%)	
	Women	Men	Women	Men
Socio-demographic characteristics				
Age (mean)	41,80	39,04	35,86	35,45
Married	76,30	69,52	61,36	51,68
Children	72,76	64,90	57,14	44,00
Household size (mean)	4,25	4,42	4,68	4,72
Economic characteristics				
Tertiary education	39,85	22,53	10,05	4,82
Income (6th to 10th deciles)	46,33	23,41	9,56	10,92
Culture proxies				
Secondary and tertiary education (father)	84,51	72,38	68,91	67,30
Secondary and tertiary education (mother)	65,61	66,99	67,66	63,16
Not employed mother	10,85	41,68	43,65	50,03
Regional characteristics				
Big city	65,24	44,78	33,21	23,46
Tiranë	39,99	24,79	19,96	14,80

Source: own elaboration, ESS6-Albania.

Regarding economic characteristics, the highest educational level attained shows consistent differences between employed and not employed individuals. The percentage of those with tertiary education is significantly higher for the first group. Moreover, there is a difference of seventeen percentage points that favours women: almost 40% of them attained tertiary education. There are not income divergences between unemployed men and women, but they hold lower income levels than those employed. Within the last group, 46.3% of employed women have an income level between the 6th and 10th deciles, while the figure for employed men is 23 percentage points lower.

Three variables have been included as proxies of the cultural determinants of employment, and all of them regard human capital of the household of origin. The first two measures mother's and father's level of education. The highest percentage of fathers that achieved secondary and tertiary education is found among employed individuals, especially among women (84.5%). The third proxy regards the employment status of the mother when the respondent was 14 years old. It is important to note that only 10.9% of employed women declared that their moms were not employed, being the lowest value of the sample.

The last group of determinants are the regional ones. The percentage of individuals that declared to live in a big city or in the suburbs of a big city is much higher for those employed than for those not employed. Again, the highest value pertains to employed women (65.2%). This situation repeats when considering those who live in Tirana.

6. Determinants of women's employment in Albania

The former section demonstrates that there are some important gender differences regarding employment in Albania, but it does not tell anything about the magnitude of such gaps. It is possible to know how employment probabilities differ by running a binary logistic regression model that considers gender as one of the covariates and computing the predicted employment probabilities for each level of gender. The results show that a man in Albania in 2012/2013 had a 46% chance of being employed, while a woman had a 22% chance. According to these values, a man in Albania was almost 2 times as likely to be employed as a woman (46.1% compared with 22.2%).

These predicted probabilities are strong indicators of gender imbalances in employment. But it is important to highlight that, after controlling for the eleven covariates considered in these analyses, the observed gender gap becomes even larger. In fact, in 2012/2013 the chance of being employed of an "average" man in Albania was almost the same (around 47%), while an "average" woman had much

lower chance (16.4%). This means that an average man in Albania was 3 times as likely to be employed as an average woman.

Table 3 presents the results of a binary logistic regression (odds ratio) that allows you to compare the factors that influence women's probability of being employed at the time of the survey. Female employment determinants considered are the same independent variables studied in the descriptive analysis.

Table 3 – Results of the binary logistic regression models ($Exp(B)$ = Odds Ratio).

Covariates	Spec. 1 Exp(B)		Spec. 2 Exp(B)	
Socio-demographic characteristics				
Age	1,57	***	1,52	***
Age (square)	0,99	***	0,99	***
Married	0,85		0,70	
Without children hh	0,99		1,14	
Household size	0,87		0,89	
Economic characteristics				
Tertiary education	6,04	***	5,47	***
Income hh (6th to 10th deciles)	6,81	***	6,38	***
Culture proxies				
Secondary and tertiary education (father)			3,37	**
Secondary and tertiary education (mother)			0,58	
Not employed mother			0,43	**
Regional characteristics				
Tiranë	2,01	**	1,84	**
<i>N</i>	576		576	
<i>Pseudo R2</i>	0,26		0,30	
<i>Log likelihood</i>	-206,74		-216,68	

Source: own elaboration, ESS6-Albania.

Statistical significance = **: $p < 0.05$; ***: $p < 0.01$.

The first specification shows the effects of eight covariates, excluding the cultural proxies. The effect of age on females' chance of being employed is considerably positive. Age is squared and included in the models to see the diminishing return of increasing of age, this demonstrates that age has a non-linear effect in women's employment, first positive and then negative. Neither the dummy for married women nor the ones indicating the presence of children in the household and the household size have a statistical significant effect on women's employment.

Both economic variables introduced in the specifications are the variables that influence the most female employment in Albania. Woman likelihood of being employed is more than six times higher if she had achieved tertiary education, relative to those with secondary education or less. It is also more likely for a woman to be employed rather than not employed if her household income level pertains to the highest deciles of the distribution (6th to 10th).

When examining regional characteristics, the probability of being employed is higher for women who were living in Tirana if compared to those living in other Albanian prefectures.

Including the effects of the three cultural proxies in the second specification increases the proportion of the total variability of women's employment that is accounted for by the model. In this specification, the direction and magnitude of the other covariates do not significantly change, only the effects of the economic covariates decrease slightly.

There are two cultural proxies that have a significant impact on female employment chances. The first, and most important, is the employment status of the mother when the respondents were 14 years old. The odds of being employed are 57% lower for woman whose mother was not working than for those who had working moms. The second regards father educational attainment: the employment likelihood is more than 3 times higher for women who had a father that achieved secondary or tertiary education compared to those whose fathers achieved primary education (or less).

7. Concluding remarks and policy implications

The results of this paper show that cultural proxies are important determinants, thus, to increase women's employment in Albania it is necessary to gradually change the traditional division of gender roles within the household. This is not an easy goal to achieve, but important efforts need to be done in this field. Expanding child and elder care services might help, but it won't be sufficient if traditional structures prevail. It is crucial to raise social awareness by promoting gender equality in the Albanian society and tackling all faces of discrimination. Regarding women's employability, important results could be achieved by hardly investing in further education and training programmes, and in women's entrepreneurship.

Female employment is positively associated with higher levels of education and household income, a result that must be undoubtedly accompanied by the creation of jobs for educated women. However, this measure needs to be only complementary to a more inclusive programme aimed at reducing not only gender inequality but also socio-economic inequalities among subpopulations of women. Following this line, it might be useful to track young women in their educative choices, guiding them towards more effective educational paths that offer higher employment chances and salaries.

To increase the demand of female employment, public policies can act not only supporting women's entrepreneurial activities, but also creating comparative advantages for private enterprises that hire women in their reproductive ages (García-Pereiro & Dileo, 2015). Working women have a greater expenditure

capacity and tend to delegate their household duties (housework, child and elder care) to other subjects. Therefore, it would be also important to create subsidies or benefits for employed women that decide to hire caregivers, institutionalising such figure in the formal labour market. Further research on the subject should examine the effects of macro-level determinants on female employment (Patimo et al., 2015) and its interactions with micro-level determinants.

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SUMMARY

Tracking the factors that influence female employment: the Albanian case

During the socialist regime in Albania the government policy of full employment boosted female participation and, consequently, employment rates were higher than in most part of OECD countries. Other set of policies, such as the investments in childcare facilities and education, undoubtedly stimulated women to enter and remain in the labour market. Since the beginning of the transition to a market economy, women's participation in the labour market has consistently decrease, as confirmed by the reduction of the number of employed women, the higher number unemployed and the larger share of housewives. The gap between men and women in productive activities has become larger than during the socialist period, negatively influencing gender equality in the country.

The purpose of this paper is to identify and measure the effects of some social, economic, demographic, cultural and regional determinants that influence female employment in Albania. Data are drawn from the last micro-dataset of the European Social Survey (2012). Logistic regression techniques are employed on survey data to estimate the odds ratios of female employment. The econometric findings will be extremely useful to feed knowledge-based policies aimed at increasing female labour force participation in Albania.

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