

Determinants of Female (In)Activity on the Labor Market in Western Balkan: A Comparative Perspective within a Group of Mediterranean and South-Eastern European Countries.

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Aim of the paper

- To investigate the determinants which have influence on the female participation in the labor market, in the context of the traditional literature and studies in this area
- To add a new approach by including the effect of the overall cultural context on women's decision whether to supply their labor.

Current knowledge on the factors affecting female labor supply

Factors that influence female labour force participation:

- Macro variables: level of economic development of the country, overall unemployment, etc.
- Personal factors: level of education; age; marital status, etc.
- Household characteristics: spouse's characteristics, type of household, fertility, childcare facilities;
- Culture

Methodology (1)

- Data from WVS: large-scale, cross-national, and longitudinal survey research program on basic human values

- The econometric specification is as follows:

$$P(Y_i=1)=\alpha+\beta A_i+\gamma B_i+\gamma C_i+\delta D_i+\varepsilon_1 E_1+\dots+\varepsilon_{n-1} E_{n-1}+\mu_i,$$

where $Y_i = 1$ if woman is active, 0 otherwise;

A =matrix of individual factors as variable;

B =matrix of household characteristics;

C = matrix of macroeconomic factors ;

D =matrix that represents cultural and values-related variables

E =binary E_1 to E_n variables for each country in the research, n-1 entities included in the model

Methodology (2)

- To explain how culture influence female labour force participation, we follow the model from Contreras and Plaza (2010) by developing Female Perception of Machista Cultural Context (FPMCC) Index which measures whether female has internalized machista cultural values or not, and Female Cultural Index measuring whether women possess conservative culture values towards family, marriage and children.

Methodology (3)

- We compare a set of countries from Western Balkan (Albania, Kosovo, Montenegro, Macedonia, Serbia and Bosnia and Herzegovina) which are not members of European Union with a group of South Mediterranean countries-members of European Union (Greece, Italy, Spain and Portugal).

FPMCC and female conservative index

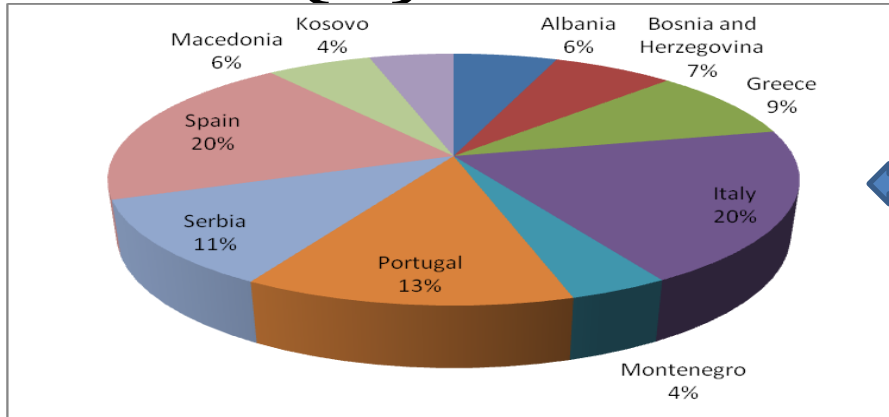
	Agree/Moderately agree	Disagree/Moderately disagree
Man should have more right to a job than female	X	
Both the husband and wife should contribute to household income		X
Men should take as much responsibility as women for the home and children		X

FPMCC variable assigns value of 1 when the woman surveyed is at least in agreement with statement one, and is at least in disagreement with statement two and three. Otherwise, the variable takes a value of 0.

	Agree/Moderately agree/approve	Disagree/Moderately disagree/Disapprove
If someone says a child needs a home with both a father and a mother to grow up happily, do you tend to agree or disagree?	X	
If a woman wants to have a child as a single parent, but she doesn't want to have a stable relationship with a man, do you approve or disapprove?		X
It is alright for two people to live together without getting married		X

The Female Conservative Index has a value of 1 if women tend to agree with statement one and disprove statements two and three. Otherwise it has value of 0.

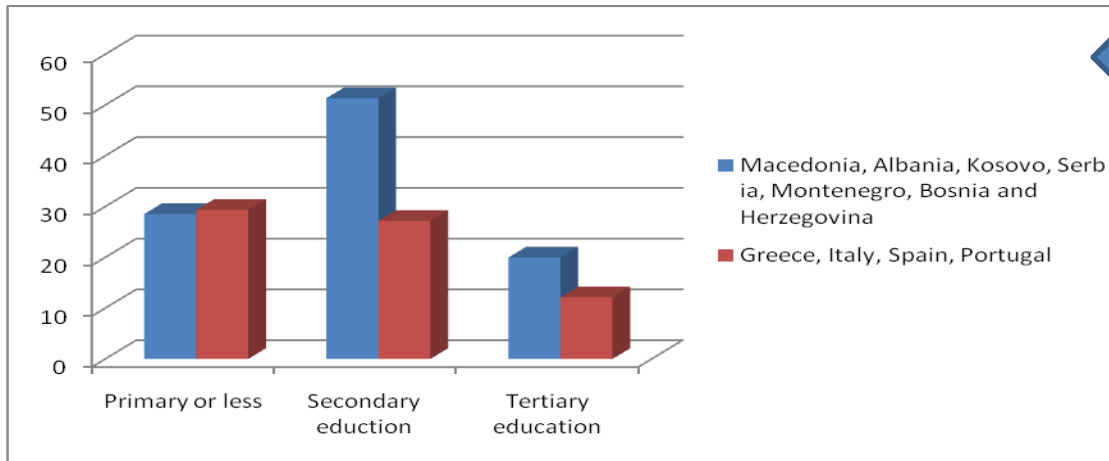
Data (1)



Number of individuals in the sample is 16471.

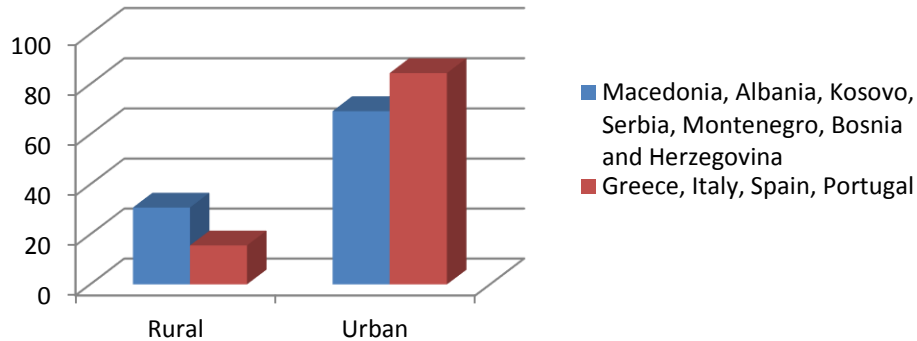
Share of countries in the sample.

38.3% of the women in the sample are from selected countries from the Western Balkan region, while 67.2% are from selected Southern Mediterranean countries.



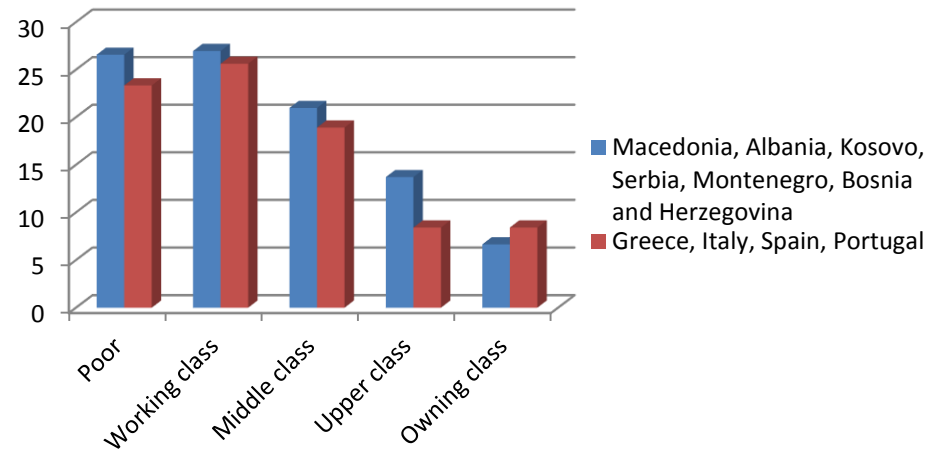
Highest level of education attained with respect to the two groups of countries.

Data (2)



Share of females from rural/urban areas with respect to the two groups of countries.

Share of females from different income classes with respect to the two groups of countries.



Data (3)

- A 5.93% of the women from the South Mediterranean group of countries reported internalized machista cultural values against 2.54% of the women from selected Western Balkan countries
- 28.72% of the women from the South Mediterranean group of countries and 29.36% of the women from selected Western Balkan countries revealed conservative values toward family, marriage and children.

Results

- To check stability of the parameters first we run the regression on the set of individual and household characteristics to which we add the cultural variables. To capture differences between the two set of countries, we add interaction effects.
- The first model explained 41.7% (Nagelkerke R^2) of the variance in activity of women on the labor market and correctly classified 73.8 % of cases.

Results (2)

	sign	coefficient
AGE		1,431***
AGEsq	-	0,995***
Number_of_children	-	0,82831***
Marital_status	-	0,59689***
EDU2		2,314427***
EDU3		2,532058***
Rural_Urban_area		1,127729***
GDP	-	0,00465***
GDPsq		1,314923***
INC1	-	0,72529***
INC2	-	0,86143***
INC4		1,257206***
INC5		1,658406***

Note: *,** and *** indicate significance at the 10, 5 and 1% level, respectively.

Results (3)

	sign	coef	sign	3
Conservative_index	-	0,841***		
FMPCC	-	0,567***		
inter_FMPCC				2,026***
inter_marital				1,904***
Inter_number_children				1,276***
Inter_Age			-	0,976***

Note: *,** and *** indicate significance at the 10, 5 and 1% level, respectively.

Conclusion

- More educated women have higher activity on the labor market.
- Non-linear relationship between
 - age and female force participation (inverted U-shape)
 - Economic development and female labor force participation (U-shape)
- The number of children is negatively associated with female labor force participation as well as marital status of the women.
- Type of habitat and income level of the household are significant for female labor force participation

Conclusion (2)

- Culture shows a significant effect on female activity
 - Women who demonstrate a conservative cultural values are less likely to participate in the labor market
 - Women whose attitude toward gender roles is traditional are less likely to participate in the labor market
- Interactive terms revealed several differences in factors which have influence on female labor force participation with respect to the two set of countries.

Thank you