



FYR Macedonia: Gender Diagnostic: Gaps in Endowments, Access to Economic Opportunities and Agency



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FYR Macedonia: Gender Diagnostic: Gaps in Endowments, Access to Economic Opportunities and Agency

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Executive Summary

FYR Macedonia has closed several gaps in gender inequalities, particularly in education and health, but key disparities persist in access to economic opportunities and agency, particularly among certain ethnic groups. This report provides an overview of gender disparities in several outcomes related to human and physical endowments, access to economic opportunities, and agency. In addition, it offers potential explanations of these gaps and, in the process, identifies knowledge gaps to be addressed in future research. The report is based primarily on data from the 2008 Household Budget Survey (HBS), the Life in Transition Survey (2008), and the European Values Survey (2008).

Gender Disparities in Endowments (Human Capital, Time, and Access to Finance and Savings)

On average, FYR Macedonia has achieved gender equality in health and in education; however, gender disparities persist for certain population subgroups. For example, gender gaps in enrollment rates still exist among ethnic Albanians, and secondary enrollment rates remain particularly low for ethnic Roma males and females. Overall, average learning outcomes are better for females than for males in FYR Macedonia, as in most countries in the region. However, women are more likely than men to choose general programs or social sciences as their primary field of education. Both men and women are unlikely to undertake additional training following their initial education, but each for different reasons: women are more likely than men to cite family obligations as a key factor in this decision (19 percent of women compared to 1.5 percent of men) as women devote a much larger percentage of their time to domestic activities. In addition, only a limited number of

children enroll in pre-school. Finally, we do not identify gaps in access to credit but rather in access to savings: a smaller percentage of women (18 percent) than men (25 percent) report any savings.

Gender Disparities in Economic Opportunities (Labor market and Entrepreneurship)

Female labor force participation is low, particularly among women who have received only a primary education or less. About 51 percent of women participate in the labor force (in the age group 15-65), as compared to 78 percent of men and 62 percent of the ECA region on the whole.¹ Women with low education are even less likely to participate. Notably, the effect of education upon participation is greater for women than for men. Furthermore, proxies related to domestic responsibilities (such as marriage and number of children) negatively influence female labor force participation. Having a spouse who earns more reduces the probability of employment for women but not for men. Previous studies have shown that region of residence may also negatively influence participation. For example, data from the HBS shows that women in Tetovo, a region in which a high percentage of the population belongs to the Albanian ethnic group, are less likely to participate in the labor force than women from other regions. The same survey also reveals that a large share of Albanian women has received only a primary education, thus underscoring the determining influence of education upon female labor force participation.

In 2006, based on average hourly earnings, the raw gender gap in wage was calculated at 18 percent. Controlling for self-selection, occupations, industry, (potential) experience, and education, it increases even more, to 19 percent for the entire working-age population. The decomposition of the unconditional wage gap further underscores the importance of education for women: Women's returns to education appear larger than those for men. Nevertheless, longer life expectancy, low lifetime labor force participation, and persistent gender gaps in wage increase the likelihood of lower income for older women.

Although female-managed businesses are as productive as male-managed businesses, few women are entrepreneurs. Moreover, while more women pursue an education in business than men, fewer women actually start businesses of their own. With the limited data available, we do not detect any statistically significant differences in access to credit between men and women who start businesses or in their rela-

1. Unless otherwise stated, we refer to the ECA regional average as the average of the low and middle income countries of the ECA region.

tive success rates. Differences in access to networks and human capital, however, could play a role.

Gender Disparities in Agency (Domestic violence, Collective Actions, and Social Norms)

Gender disparities in agency remain in FYR Macedonia. Women's participation in collective actions is limited, and gender stereotypes remain pervasive. In addition, domestic violence is an issue that merits more analysis: While data limitations on domestic violence prevent an in-depth analysis, a 2005 survey showed that a large share of women aged 15-49 claimed to believe that "a husband is justified in beating his wife/partner."² This belief is most commonly found among uneducated women in rural areas and among the Roma ethnic group.³ Although data on the topic is limited, the available evidence suggests that domestic violence is a serious issue; 61 percent of 850 interviewed women stated that they have been victims of domestic violence. Respondents were housewives between the ages of 30 and 40 with low levels of education.⁴ Regarding social norms, women appear less likely to participate in collective actions, but female political representation has increased over time. On average in the population, gender stereotypes on the role of men as breadwinners and women as the main care-provider in the household prevail, but women and men do not share the same opinion on these gender roles. For example, men are twice as likely (about 50 vs. 25 percent, respectively) to agree with the statement that men should take priority over women if jobs are scarce.

Conclusions and Policy Implications

Looking forward, further efforts to increase women's access to economic opportunities in FYR Macedonia are needed. Policies aimed at fostering the competitiveness of the private sector for job creation are key for addressing the high unemployment rates faced by both men and women; these high rates of unemployment might discourage

2. Macedonia statistical office and UNICEF (2006) "Multiple Indicator Cluster Survey: Monitoring the situation of children and women 2005-2006." http://www.unicef.org/statistics/index_24302.html

3. Macedonia Statistical Agency and UNICEF. 2006.

4. CEDAW (2004) "Consideration of reports submitted by States parties under Article 18 of the Convention on the Elimination of All Forms of Discrimination against Women Combined initial, second and third periodic reports." The former Yugoslav Republic of Macedonia." <http://daccess-dds-ny.un.org/doc/UNDOC/GEN/N04/463/31/IMG/N0446331.pdf?OpenElement>

participation further. However, as explained in the World Bank 2012 World Development Report, WDR hereafter, these policies will not suffice to remove all the persistent gender gaps in economic opportunities.

Given that low female labor force participation appears to be most prevalent among unskilled workers, **the recent introduction of the minimum wage in FYR Macedonia could help reduce the gender gap in labor force participation.** Angel-Urdinola (2008) presents a series of simulations of how the gender gap in wage could change with the introduction of a minimum wage. He assumes a level of the minimum wage between 0.6 and 1 median wage (this is, between 30 and 50 Dinars per hour). The results indicate that the introduction of a minimum wage of between 40 and 50 Dinars per hour could help to decrease the gender gap in wage by between 15 and 23 percent by reducing the larger gender gap in wage observed among workers with little or no education. A minimum wage set above the market-clearing price of labor, however, can decrease labor demand. Angel-Urdinola (2008) suggests that the high levels of discrimination and low levels of mobility in the labor market could imply that employers are paying low-skilled women below their marginal product of labor. In this respect, the recent introduction of a minimum wage of €150 per month represents an interesting development to follow.⁵

In the case of FYR Macedonia, policies can also increase female labor force participation by affecting the potential wages or the reservation wages of less skilled women. Changes in potential wage may be affected by improvements in education levels, decreased segregation in fields of study, and specialized training opportunities for women, in particular those with general degrees. Reservation wages may be affected by providing childcare subsidies, maternity leave, or incentives for women starting their own businesses; the latter may help unemployed women with business degrees (which accounts for approximately 16 percent of unemployed women) to secure employment and contribute to closing the gender gap in entrepreneurship entry (see box 1).⁶ Further analysis should determine whether supply-side constraints on the preschool education system affect female labor force participation.⁷ Further analysis should also look at the current set of active labor market policy schemes. For example, the report finds that women are more likely

5. "Macedonia sets minimum wage." SETimes.com. Oct. 5, 2011. http://setimes.com/cocoon/setimes/xhtml/en_GB/features/setimes/roundup/2011/10/05/roundup-bs-03

6. Gamberoni E. and J. Posadas (2012) "Gender gaps in labor market outcomes: participation, unemployment, and wage gaps in FYR Macedonia, mimeo, World Bank, Washington DC.

7. See also Posadas, J. "Grandparents as Childcare Providers: Arguments to Consider When Designing Childcare Policies," forthcoming.

BOX 1**International experience on ALMPs related to training for self-employment**

Active labor market programs (ALMPs) based on training vary according to the targeted groups (e.g., they can target a diverse set of skilled and unskilled workers) and may take many forms. Kluge et al. (2012) analyze the experience of several programs relying on studies and impact evaluations. For example, in analyzing the trainings that target students trying to find a job, the authors look at training for self-employment. They point out that interventions that combine the corporate mentoring of students in universities and vocational training centers at an early stage can provide students with basic business skills and information on private sector skill requirements and may even help in establishing contacts between entrepreneurs and graduates for potential future collaboration. Interventions can also be implemented during the final years of university education. For example, Turkey's Entrepreneurship for Youth project offers eight months of entrepreneurship training at the end of which graduates draft their own business plans. The most feasible business plans then receive funding from the Entrepreneurship Board. Similar programs have been implemented in the Middle East, North Africa, and Senegal, and qualitative evaluations have shown positive results.

The authors conclude that we need more impact evaluation of existing programs and more analysis on the best institutional setting in which to deliver these programs in order to derive generalizable conclusions. At the same time, the authors provide some good practices for the design of training-related ALMPs. These include, for example, the establishment of one-stop centers, where individuals can search for assistance. These centers and the counselors, however, need to have the right human resources and technologies and to assign individuals to the right program based on the worker's competencies and aptitudes.

Source: Kluge, Rother, and Sánchez Puerta (2012).

than men to report "family obligations" as key reason for not undertaking further education.

Further analysis should also focus on labor laws. Labor laws in FYR Macedonia stipulate limited working time/shifts and different retirement ages for women with potentially negative impacts on gender gaps in earnings and employment.

FYR Macedonia also needs to address gaps in agency and, in particular, domestic violence. The limited information available suggests that training police on provisions related to domestic violence and supporting institutions that provide protection and assistance to victims increase the likelihood that women will report instances of domestic violence. International experience summarized in the WDR 2012 suggests that service providers can target women more effectively by addressing their time and mobility constraints and bringing services to them directly. These services include, for example, community paralegals and mobile legal aid clinics that enable women to avail themselves of the justice system. Additionally, the WDR 2012 suggests that increasing the number of

women in the justice system and police force actively involved in addressing domestic violence increases the likelihood that women will report instances of domestic violence.⁸

Limited data availability, particularly for ethnic minorities, prevented deeper analysis. Given the multiethnic population of FYR Macedonia, improved data collection for ethnic minorities in such areas as labor participation, wage gaps, health related outcomes, and agency is of paramount importance for designing targeted policy solutions based on sound evidence.

8. World Bank. 2011. "Gender Equality and Development. WDR 2012." Page 32. World Bank, Washington DC.

SECTION I

Introduction

The development challenges facing FYR Macedonia, such as a population with limited skills and insufficient competitiveness in the private sector for job creation, cannot be overcome without addressing issues of gender. Women remain an unexploited source of economic growth. For example, although analysis shows that businesses started by women are as productive as those started by men, fewer women start their own businesses. Similarly, despite overall gender parity in school enrollments and females showing better learning outcomes than males, female labor force participation remains low.

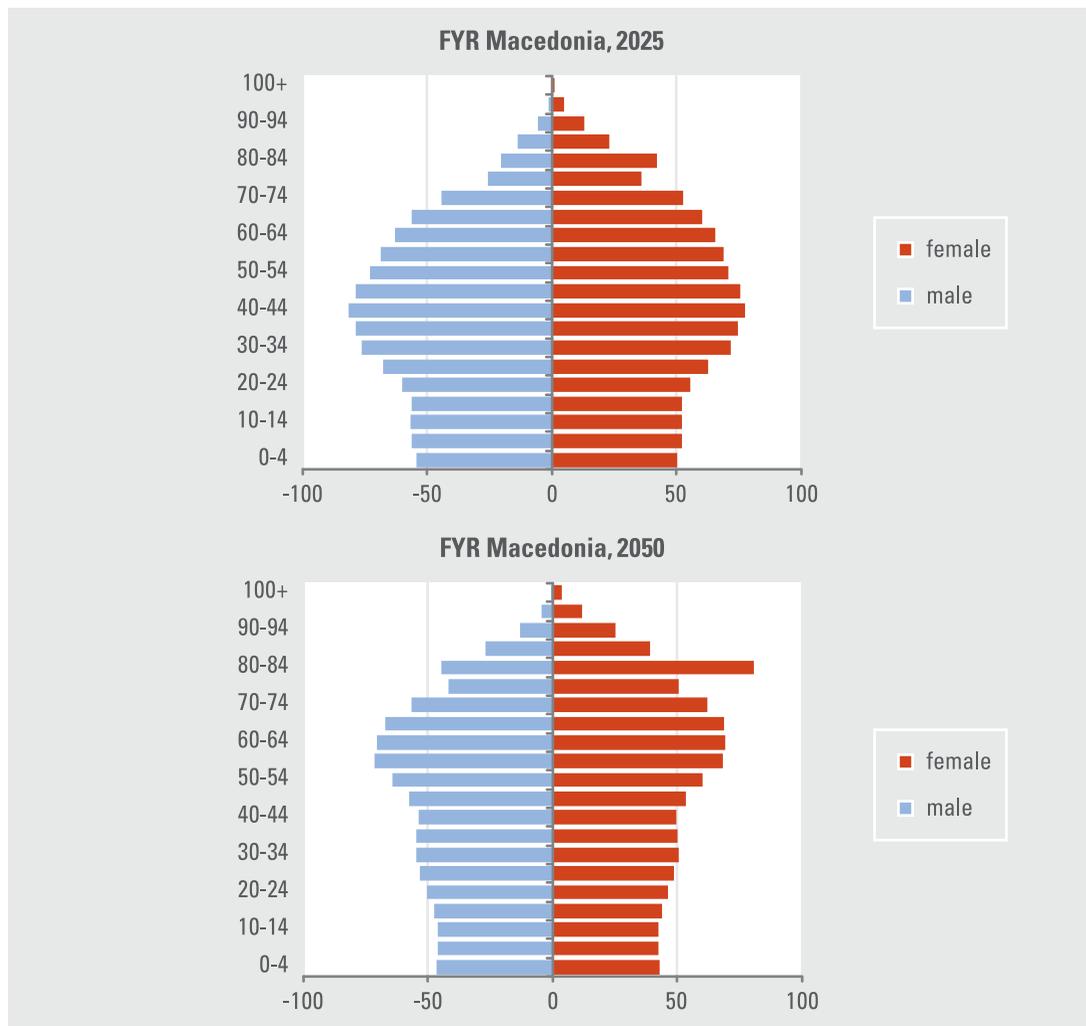
The population is aging (see figure 1), and this fact, together with low lifetime labor force participation and gender gaps in wage, increase the likelihood of low income for older women. In FYR Macedonia, pension benefits depend on asset accumulation in individual accounts (OECD, IOPS Country Profiles). Widows aged 50 or older can apply for a survivor pension, which usually pays 70 percent of the survivor benefit.

Women in FYR Macedonia report lower satisfaction with their lives than men (see figure 2).^{9 10} As in other countries, subjective measures of life satisfaction and age have an inverted U-shaped association (see Gra-

9. The analysis is based on the EVS (2008) and LITS (2010). Both, the EVS and the LITS ask questions about subjective well-being. It is interesting to present the information from both sources as the questions differ in (a) the wording, (b) the leading questions, and (c) the average characteristics of respondents by gender. As we know, all these parameters influence responses (Gamberoni and Posadas, 2012). In particular, the main difference is that the LITS asks about the households with the EVS asks about the individual. In addition, the EVS and the LITS contain different information that allows examining different aspects that relate to gender differences.

10. The annex provides for the t-test results related to the statistical significance of key variables highlighted in this document.

FIGURE 1
The population in FYR Macedonia is aging

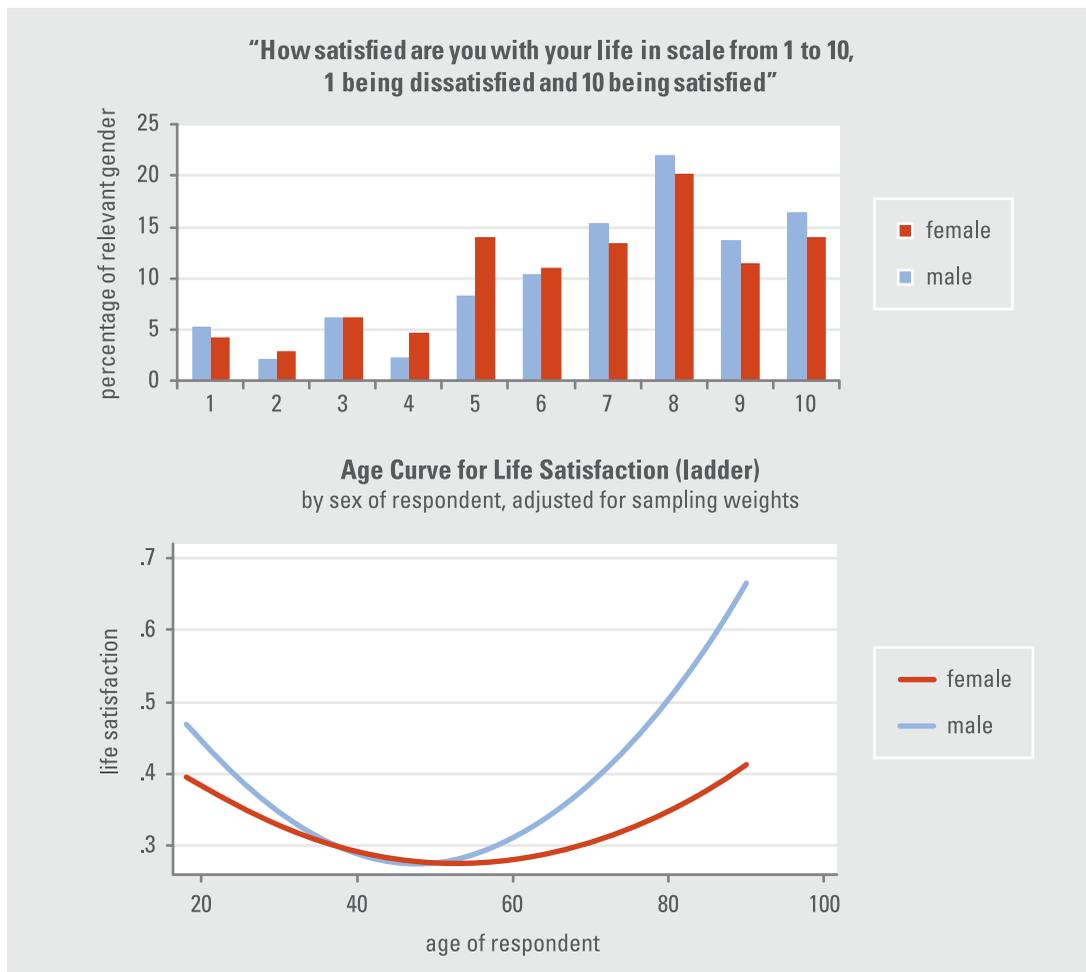


Source: UN database.

ham 2011). In the case of FYR Macedonia, older women appear to be less satisfied than older men (see figure 2, right panel).

Women attach more importance to family and religion than men, but women and men attach the same high importance to work, friends, and leisure (see figure 3). Life satisfaction depends on the satisfaction achieved in different domains, particularly those considered very important. Approximately 86 percent of women think that work is a very important criterion for life satisfaction, but female labor force participation is only 50 percent. This may explain, in part, why women self-rate themselves as less satisfied.

FIGURE 2

Women appear to be less satisfied with their lives than men

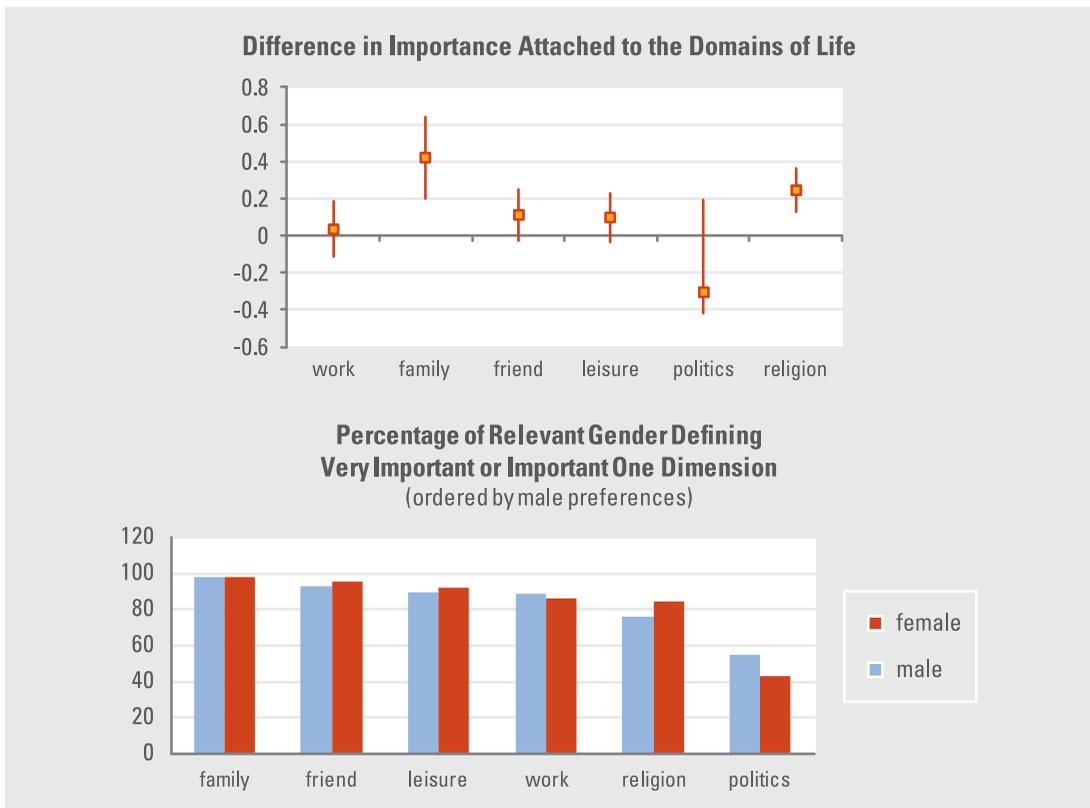
Source: Authors' calculations based on EVS (2008) and LITS database (2010).

In this context, the present report examines gender gaps in endowments (both human and physical), economic opportunities, and agency in FYR Macedonia. It follows the framework of the WDR 2012, which puts the household at the center of the analysis. Decisions made in the household depend on the bargaining power of each member of the household and thus on their access to endowments, economic opportunities, and agency. Persistent gender gaps can be affected only through direct action in these three dimensions. The key findings can be summarized as follows:¹¹

11. For a similar analysis in the ECA region, please refer to World Bank (2012) “Opportunities for Men and Women: Emerging Europe and Central Asia,” World Bank, Washington DC.

FIGURE 3

Women and men attach the same importance to work, friends, and leisure while women attach more importance to family and religion



Source: Authors' calculations based on EVS (2008).

- In education, FYR Macedonia has achieved gender parity in enrollment rates, with the exception of certain ethnic minorities. In the case of Roma, net enrollment rates fall by nearly 50 percent for both males and females between primary and secondary school. For Albanians, in both primary and secondary school the percentage of males enrolled is always higher than that of females.
- Women have a higher life expectancy than men, the maternal mortality rate is below the regional average, and abortion rates fell by 50 percent between 2000 and 2010 but remain high. FYR Macedonia also remains one of the countries in the region with the lowest contraceptive prevalence among women.
- Men spend more time on paid work while women spend more time on domestic activities.
- Gender gaps are prominent in access to savings but not in access to credit.

- While male labor force participation in FYR Macedonia is comparable to the regional average, female labor force participation is far below it. Gender gaps in labor force participation are greater for older and less educated women, and the gender gap in participation varies dramatically by regions, with Tetovo showing the lowest female labor force participation. This regional disparity is probably due to differences in education level between men and women of particular ethnic groups.
- Women are more likely than men to work as unpaid family workers or employees than to be self-employed. In terms of informality, it affects young men in particular.¹²
- Female and male employees differ slightly in terms of sector of concentration, and the female intensity of production is greater in larger businesses and in businesses in the garment and textile industries, in which they primarily represent production workers.
- Controlling for self-selection in the labor market and for several typical covariates, wages for women are lower than wages for men.
- Female participation in self-employment and entrepreneurship is very low, and fewer women start their own businesses than men. Success rates for entrepreneurship, however, do not differ according to gender. Moreover, female-managed businesses appear to be as productive as male-managed businesses regardless of whether productivity is measured in terms of volume of sales or value added per worker.
- Given the low labor force participation of less educated women, policies should focus on identifying appropriate interventions to increase their participation. The recent introduction of a minimum wage might represent one of such policies. Other policies might look at ways to affect reservation wages for women. These include, for example, providing childcare subsidies, maternity leave, and flexible work schedules. In addition, programs geared toward incentivizing women to start their own businesses might encourage unemployed women with business degrees to participate in the labor force.
- Revising labor laws which stipulate limited working time/shifts and different retirement ages for women might encourage female labor force participation.
- Statistics on domestic violence are scarce, but studies report that cultural norms discourage the reporting of domestic violence.¹³ In 2005

12. We identify informal employers with those that did not declare being registered in the pension fund, the pension and health insurance fund, or the fund for health and social insurance of MKD.

13. CEDAW. 2004.

approximately a quarter of women aged 15-49 claimed that a husband is justified in beating his wife/partner in various circumstances. This belief is more likely to be held by women in rural areas or women with no education.¹⁴

- Female political participation has improved over time, but women appear to be less interested in politics than men and less likely to participate in collective actions.
- Social norms related to different allocation of responsibilities between men and women persist: approximately 72 percent of men and 70 percent of women agree with the statement that “a job is alright but what most women really want is a home and children.”
- Several laws in FYR Macedonia guarantee gender equality. Some studies, however, suggest that these laws may not be actively enforced. A new strategy for gender equality covering the period 2013-2017 is under discussion and will replace the current strategy, which has covered the period 2007-2012. The government has also recently adopted its first five-year strategy on gender-responsive budgeting.

The present report is structured as follows. Section two looks at gender gaps in endowments, including those in education, health, time, and access to finance (credit and savings). Section three looks at gender gaps in economic opportunity, in particular those in labor market and entrepreneurship.¹⁵ Section four looks at gender gaps in agency, analyzing gender gaps in such outcome measures as political representation, participation in collective action, and domestic violence and providing a summary of the existing legislation that might influence the observed gender gaps. Section five concludes.

14. Macedonia Statistical Agency and UNICEF. 2006.

15. The section draws heavily on a policy note (Gamberoni and Posadas, 2012) prepared in the context of “FYR Macedonia employment and job creation just in time support and capacity building” (HD) and the “Gender in the Western Balkans Programmatic Work.”

SECTION II

Endowments

2.1 Education

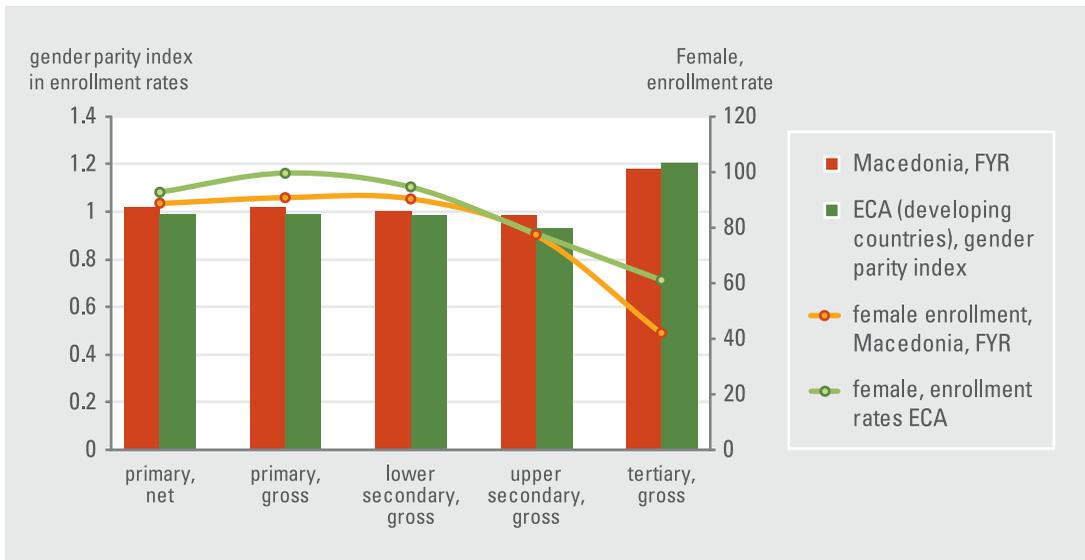
FYR Macedonia has achieved gender parity in enrollment rates, but enrollment rates in tertiary education remain lower than the regional average (figure 4, top panel). In 2010, female net enrollment rates slightly outpaced male net enrollment rates, except in the upper secondary level, and were similar to gross enrollment rates.¹⁶ Enrollment rates were also in line with the ECA regional average, except in the tertiary education level, where approximately 42 percent of females and 35.5 percent of males are enrolled, as compared to the regional average rates of 60 percent and 50 percent for females and males, respectively.

Some ethnic groups still lag behind in terms of educational attainment and access to education (figure 4, bottom panels). While the sample under analysis is limited, calculations based on household data for 2008¹⁷ reveal that a large share of Roma, particularly women, did not begin or complete primary education. Similarly, 62 percent of women from the Albanian ethnic group have completed only primary education. Enrollment rates differ as well. Looking at the Roma ethnic group, the percentage of females enrolled in secondary school is higher than that of males. Between primary and secondary education, however, enrollment rates among the Roma fall from 86 percent to 42 percent for males and from 78 percent to 52 percent for females. Among

16. Net enrollment rates in primary education measure the percentage of children of a certain age enrolled in primary education while gross enrollment rates measure the percentage of individuals enrolled in primary school regardless of age.

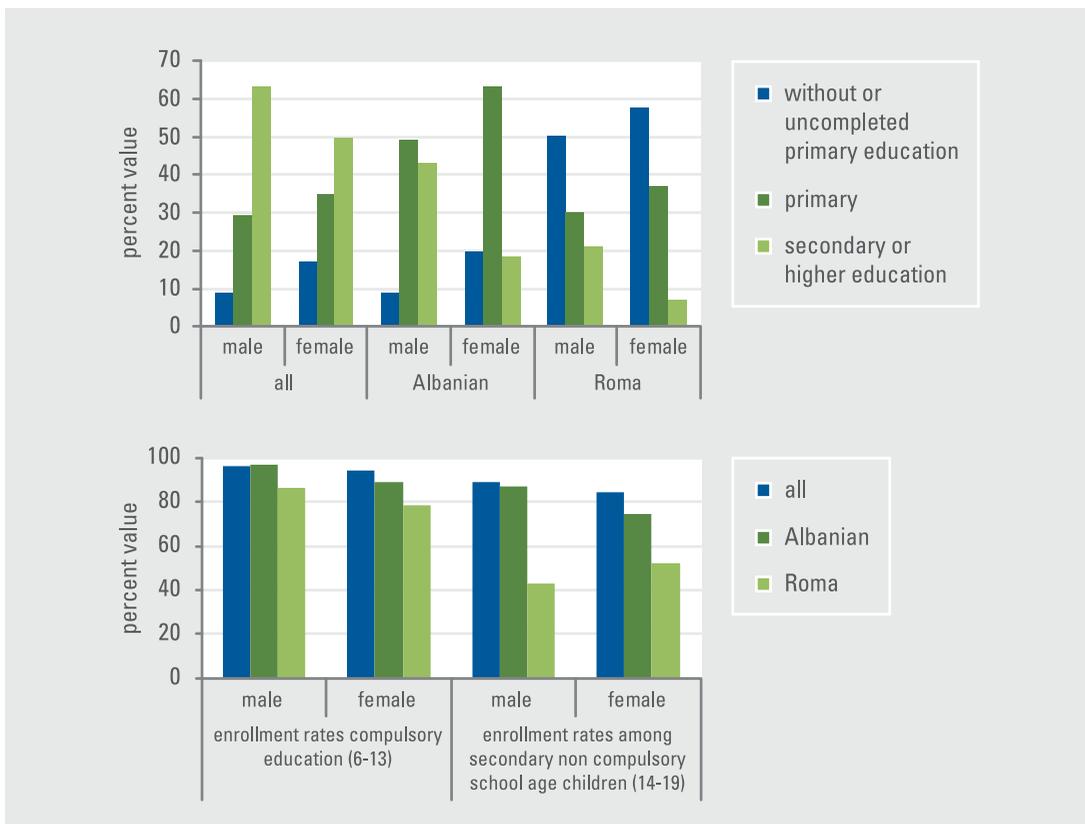
17. In 2009/2010, the education system changed, and secondary education became compulsory.

FIGURE 4
FYR Macedonia has achieved gender parity in enrollment rates...



Source: WDI indicators, 2010 data (latest available data).

...but not all the ethnic groups share the same access to education.



Source: Authors' calculations based on Household Budget Survey data, 2008.

Albanians, enrollment rates in both primary and secondary education are always higher for males than for females.¹⁸

On average, in terms of learning outcomes, females outperform males; but FYR Macedonia test scores remain well below the regional average (figure 5). Females appear to outperform males in reading achievement (as measured by the PIRLS average score at the fourth grade) in all ECA countries for which data are available except for Turkey (figure 4, left panel). However, among the ECA countries for which data are available, FYR Macedonia has the lowest PIRLS reading mean. Similar conclusions appear to apply when looking at indicators of learning outcomes in science and mathematics. Females appear to outperform males, and overall FYR Macedonia performs below the regional average (based on countries for which data were available in 2003).¹⁹

Men and women, however, tend to choose different fields of study (see figure 6). Women are more likely to choose general programs and subjects related to the social sciences. Men are more likely instead to choose engineering, production, or construction. Moreover, a low share of both men and women choose not to pursue additional training, but the reasons for this decision differ by gender. In 2010, less than two percent of women and men declared to have undertaken training in the past month. Both men and women cite lack of interest as a reason for not pursuing additional education, but approximately 19 percent of women and 1.5 percent of men also cite family obligations.²⁰

2.2 Health

Women have a higher life expectancy than men. Life expectancy is 76.4 years for women and 72.1 years for men. Looking at the age ranges that are closer to the legal retirement ages in FYR Macedonia, women's

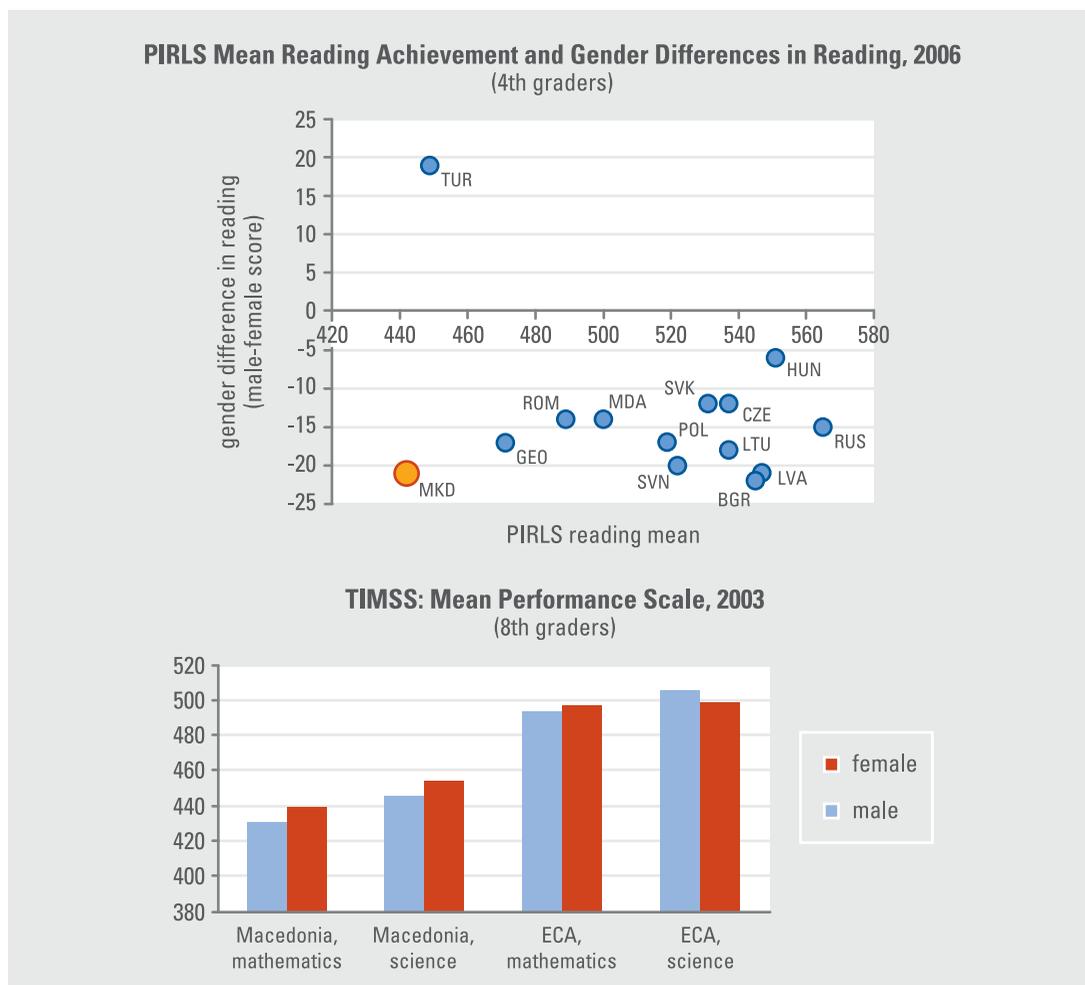
18. To increase enrollment rates, the government provides free textbooks, transportation, and dormitory accommodations for all primary and secondary school students. The Government has also introduced the Secondary Education Conditional Cash Transfer program, which provides benefits for the most socio-economic disadvantaged families conditional upon enrollment and attendance in secondary education schools. In the past school year, 4210 girls received this benefit out of 8985 beneficiaries. Approximately 13 percent of beneficiaries are Roma. The Ministry of Education, in cooperation with the Roma Education Fund, has also implemented the "Secondary Scholarship and Mentorship Project," which aims at improving the retention rate and achievement of Roma secondary school students. Since 2009, 713 Roma females have benefited from this program out of 1617 beneficiaries.

19. More up-to-date data will be available in December 2012, following the publication of the 2011 PIRLS and TIMSS surveys, which also include Macedonia, FYR.

20. Gamberoni and Posadas. 2012.

FIGURE 5

Females outperform males, and FYR Macedonia performs well below the regional average in learning outcomes related to reading, science, and mathematics



Note: In the top figure, we account for all countries for which data were available. Years of scores are 2006 for Bulgaria, Georgia, Hungary, Latvia, Lithuania, FYR Macedonia, Moldova, Romania, Russia, and Slovenia; 2001 for Czech Republic and Turkey. In the bottom figure, the average ECA values exclude FYR Macedonia and include all the countries for which data were available for the 2003, namely, Armenia, Bulgaria, Estonia, Hungary, Latvia, Lithuania, Moldova, Romania, Russian Federation, Serbia, Slovak Republic, and Slovenia.

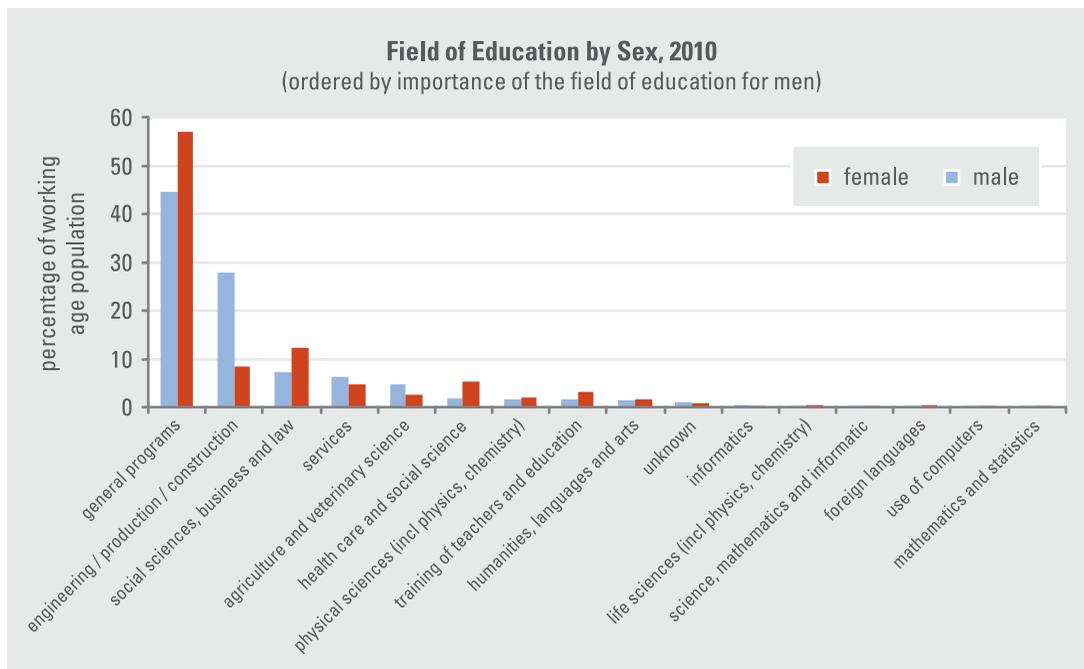
Source: Authors' calculations based on WDI data, latest available years.

life expectancy after retirement is 19.5 years (age range 60-64 years old) while men's life expectancy is 13.5 years (age range 65-69 years old).

The maternal mortality rate is below the regional average. In 2010, the number of women who die during pregnancy and childbirth per 100,000 live births was estimated at 10, approximately half the

FIGURE 6

Compared to men, women are more likely to choose general programs and subjects related to the social sciences as fields of study and less likely to choose engineering.



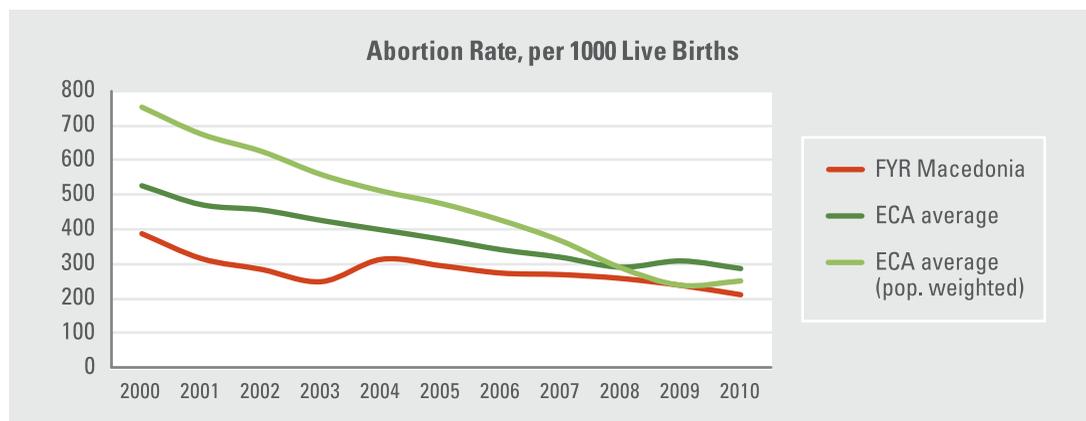
Source: Gamberoni and Posadas, 2012.

regional average of 20. In 2009, 99.8 percent of births were attended by skilled health staff, and the latest available data reveal that in 2006, 98.8 percent of pregnant women received prenatal care.²¹

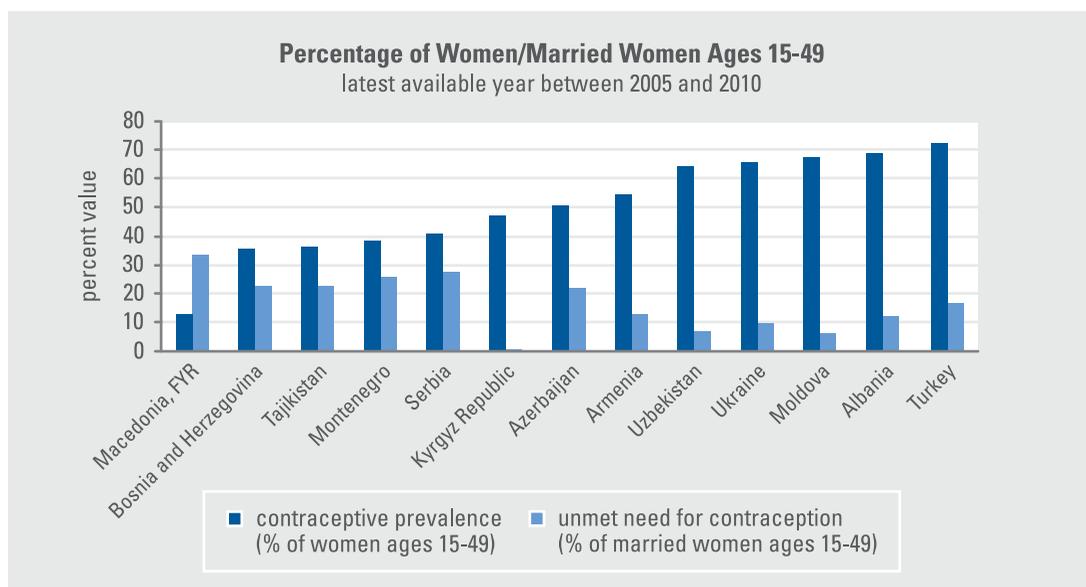
Between 2000 and 2010, the abortion rate fell by approximately 50 percent. It remains high, however, and FYR Macedonia is among the countries in the region with the lowest contraceptive prevalence among women (see figure 7). Looking at ECA countries for which data were available, FYR Macedonia is among the countries in the region with the lowest use of contraception and the highest percentage of unmet demand for contraception among married women. In 2005, the last year for which data are available for FYR Macedonia, only 13.5 percent of women were using contraceptive methods, as compared, for example, to Serbia, where in 2006 the contraceptive prevalence was 41.2 percent. Additionally, in 2006, approximately 34 percent of married women not trying to become pregnant were not using any form of family planning.

21. World Bank. 2012. "World Development Indicators database." World Bank, Washington DC.

FIGURE 7
The abortion rate fell by 50 percent...



... but FYR Macedonia is among the ECA countries with the lowest contraceptive prevalence and the highest unmet demand for contraception among married women.

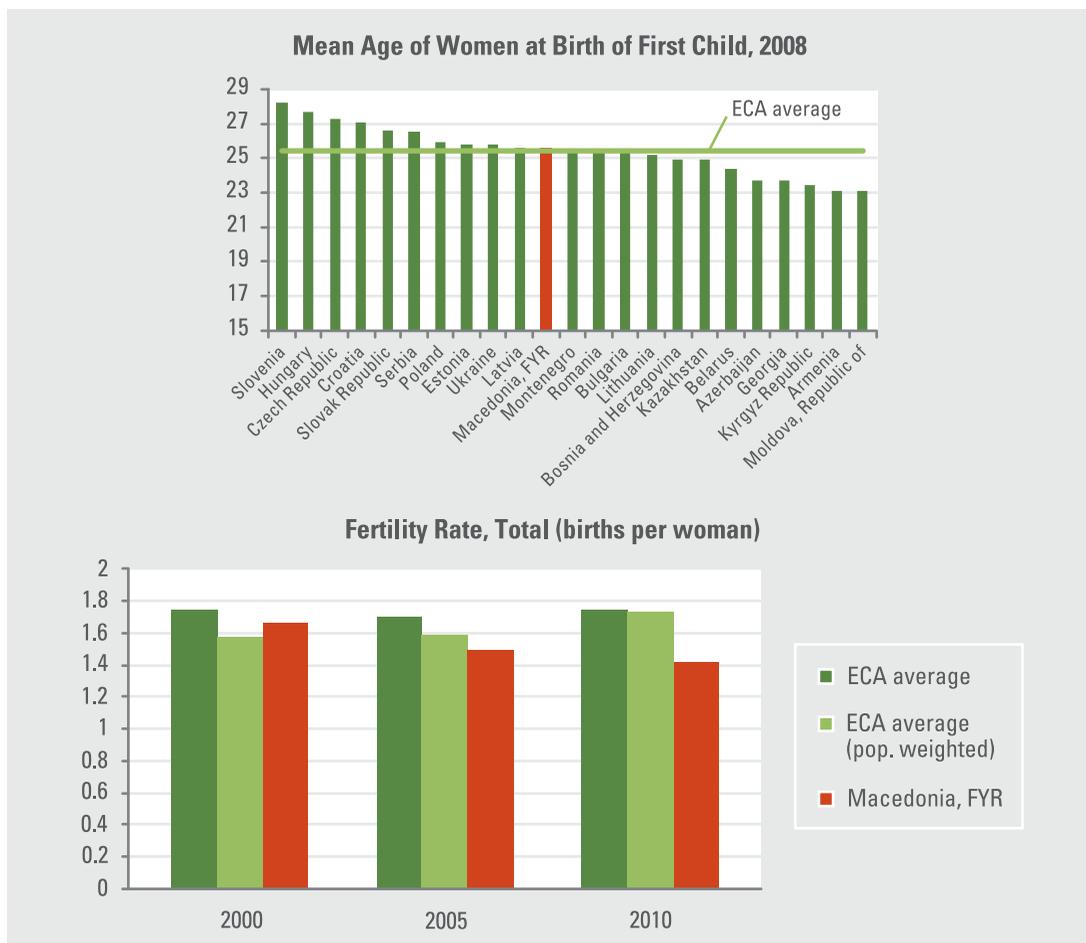


Source: WDI data, based on latest available year between 2005-2011.

The average age of a woman at the birth of her first child is 25.6 years, which is in line with the ECA average. Fertility rates, however, fell from 1.6 to 1.4 births per woman between 2000 and 2010 (see figure 8). Adolescent fertility rates in 2010 were approximately 19.5 births per 1,000 women aged between 15 and 19 years old, which is below the regional average of 27.

FIGURE 8

Women in FYR Macedonia have low fertility rates, but the average age of a woman at the birth of her first child is in line with the regional average.



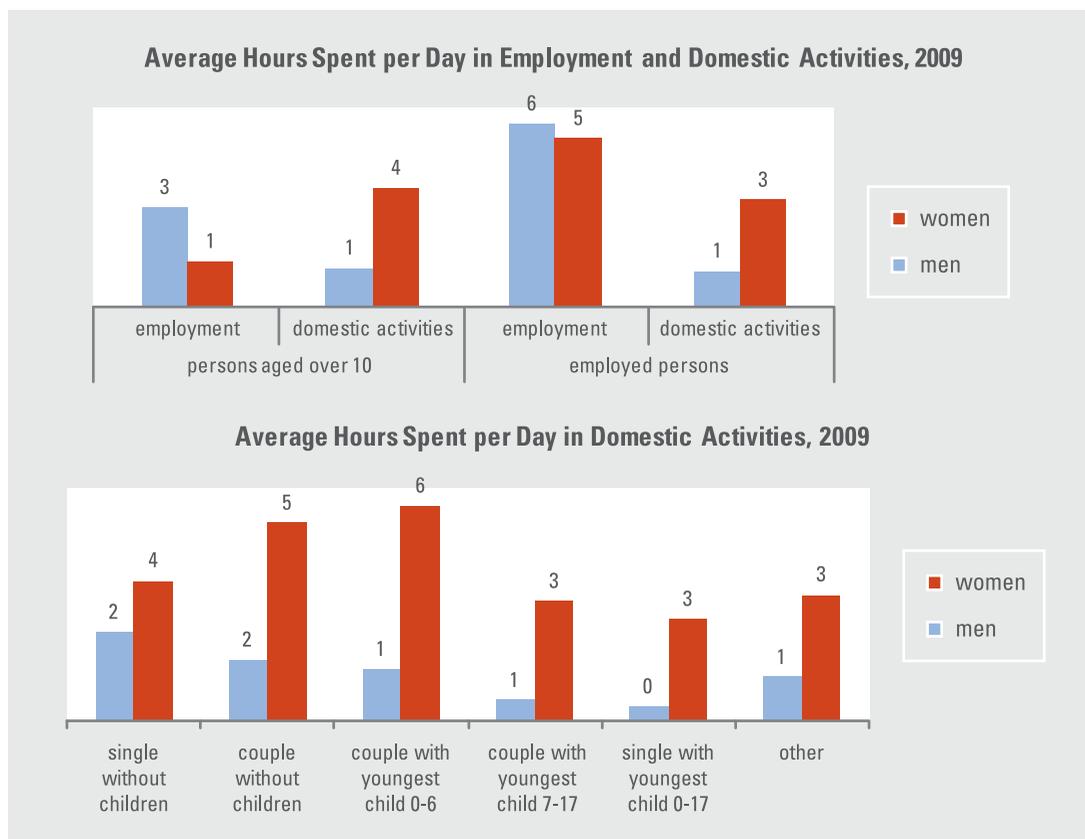
Source: Authors' calculations based on WDI indicators.

2.3 Time

Division of household responsibilities between men and women remains traditional in FYR Macedonia: Men spend more time on paid work while women spend more time on domestic activities (see figure 9). Even when focusing only on employed persons, women appear to spend more time than men on domestic activities and approximately the same amount of time in domestic activities as the average for the population. Married women with children aged 0-6 devote more time to domestic activities than other women. Single men devote more

FIGURE 9

The typical division of household responsibilities still dominates in FYR Macedonia, even among employed persons



Source: Macedonia statistical office, time use survey (2010).

time to domestic activities than other men. This suggests that the traditional division of household responsibilities is still in place.

Low enrollment rates in pre-school education reflect limited working time for parents. The net enrollment rate in kindergarten (children aged 0 to 6) has been increasing, but the net enrollment rate for pre-primary (children aged from 3 to 6) remains lower than the ECA regional average. The net enrollment rate in kindergarten increased from 12.36 percent in 2005 to 14.5 percent²² in 2010. The gross enrollment ratio of pre-primary school education was 25.5 percent in 2010, which is well below the ECA regional average of 56 percent.²³

22. FYR Macedonia statistical office, 2010.

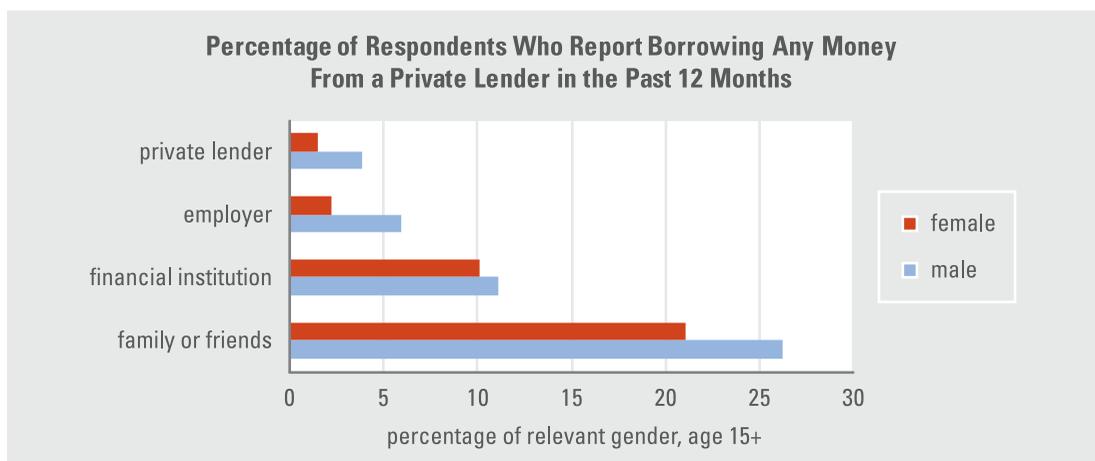
23. World Bank. 2012. "WDI database."

2.4 Access to credit and savings and the ability to smooth consumption

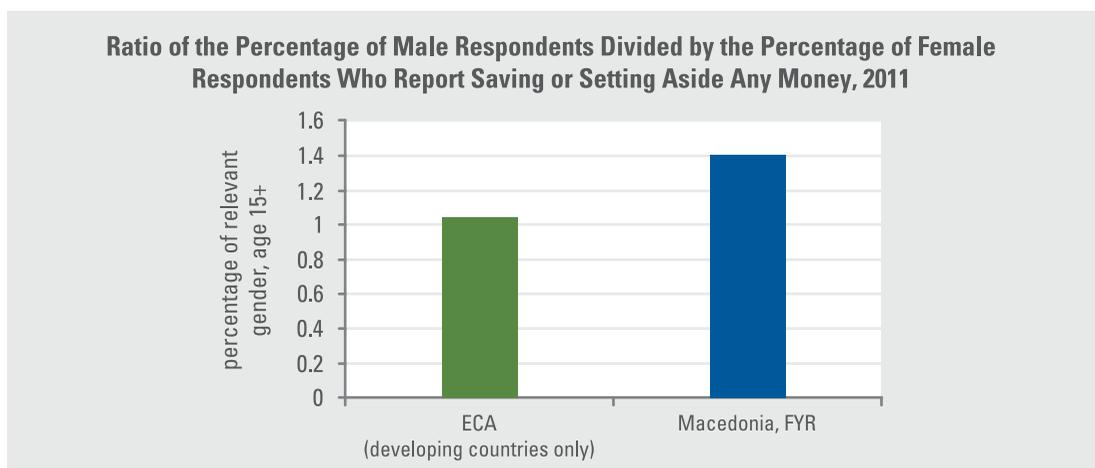
In 2011, a lower share of women than men reported having accessed any form of credit (see figure 10, top). Data from the World Bank Gallup Findex database (2012) reveal that while the distribution of men and women across source of credit does not differ, a lower share of women than men reported having borrowed money. In the past year, approximately 30 percent of women and 36 percent of men declared having asked for a loan.

FIGURE 10

A lower percentage of women than men reported having borrowed money in the past year...



... or having saved any money.



Source: Global findex survey (2011).

FIGURE 11
Women are more risk-averse than men.



Source: Authors' calculations based on LITS database (2010).

Gender gaps are also prominent in access to savings when compared to the ECA regional average. In FYR Macedonia in 2011, a lower share of women (18 percent) than men (25 percent) reported having saved any money (see figure 10, bottom). In the ECA region overall, however, as many women as men reported having saved money in the past year. Finally, the reasons given for “having saved any money” do not differ by gender: the majority of men and women cite future expenses (Global Findex database).

The gender gap in saving does not take into account that women in FYR Macedonia are more risk averse than men (figure 11). Calculations based on the LITS (2010) show that women are more risk-averse than men and that these differences are statistically significant.²⁴ For example, when asked to evaluate their willingness to take risks on a scale from 1 to 10, with 1 being “not willing to take risks at all” and 10 being “very much willing to take risks,” 40 percent of females and 25 percent of males respond with a number equal to or lower than 3.

24. We test difference in risk aversion by calculating the average response of men and women to these two questions: a) “Please, rate your willingness to take risks, in general, on a scale from 1 to 10, where 1 means that you are not willing to take risks at all, and 10 means that you are very much willing to take risks” and b) “I am now going to ask you a hypothetical question. Imagine you could choose between two jobs, Job A and Job B. Job A offers an average salary, and not much chance for promotion, but it is a safe long-term job. Job B offers a high salary, and a lot of chance for promotion, but significantly less job security which job would you choose?”

SECTION III

Economic Opportunities²⁵

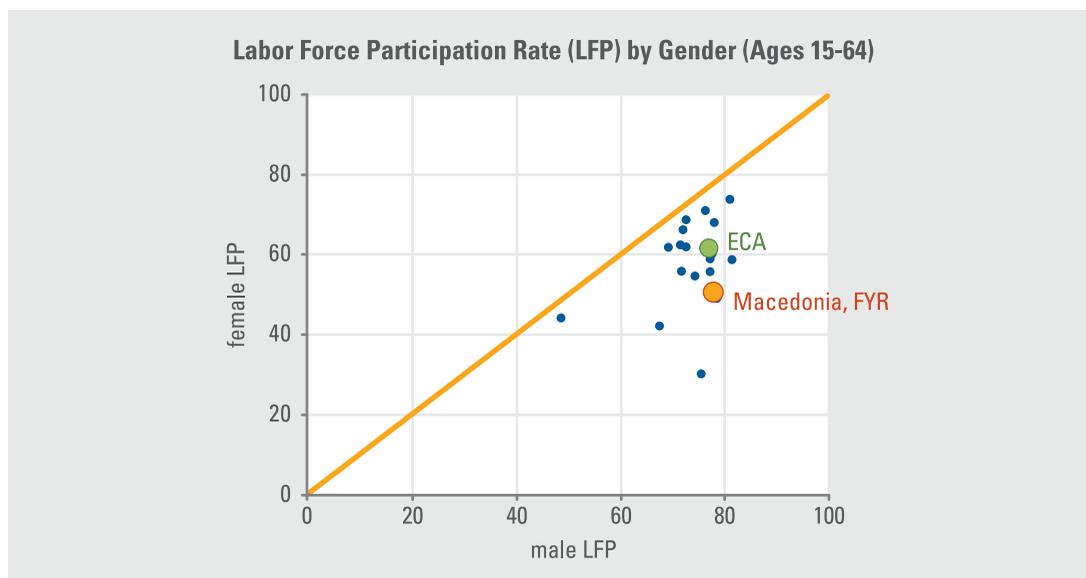
3.1 Female labor participation

While male labor force participation in FYR Macedonia is comparable to the regional average, female labor force participation is far below it. In 2010, female labor force participation (for women aged 15-65) in FYR Macedonia was 51 percent, which is lower than the regional average of 62 percent (see figure 12, top). Moreover, between 2004 and 2010, male labor force participation increased by 7 percentage points while female labor force participation increased by 4 percentage points (from 47 to 51 percent). This indicates a gender gap in participation of 27 percentage points in 2010 (see figure 12, bottom).

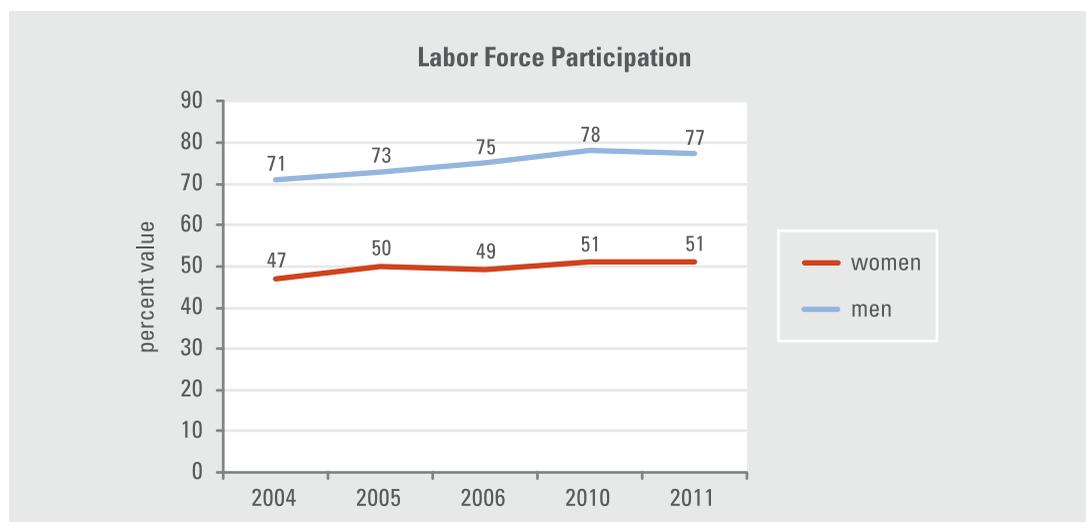
FYR Macedonia is at the bottom of the U-shaped relationship, which is found across countries, between female labor force participation and GDP per capita. This suggests that for several women in FYR Macedonia, the opportunity cost of work is higher than their potential wage in the labor market (see figure 13). It is well established that across countries, female labor force participation is U-shaped when plotted against GDP per capita: initial economic development is associated with a structural change in the economy, which moves from agriculture to manufacturing and brings higher wages for men than for women. This process is usually characterized by the absence of developments in childcare services or changes in social norms. As a result, the

25. This section is taken from the policy note that accompanies this report, which focuses on labor market outcomes: Gamberoni E. and J. Posadas (2012) "Gender gaps in labor market outcomes: participation, unemployment, and wage gaps in FYR Macedonia," mimeo, World Bank, Washington DC. An updated version of the note will be prepared as 2011 data becomes available.

FIGURE 12
Gender gaps in labor force participation are larger in Macedonia than in several other countries in the region...



... and labor force participation increased less in the past six years for women than for men.

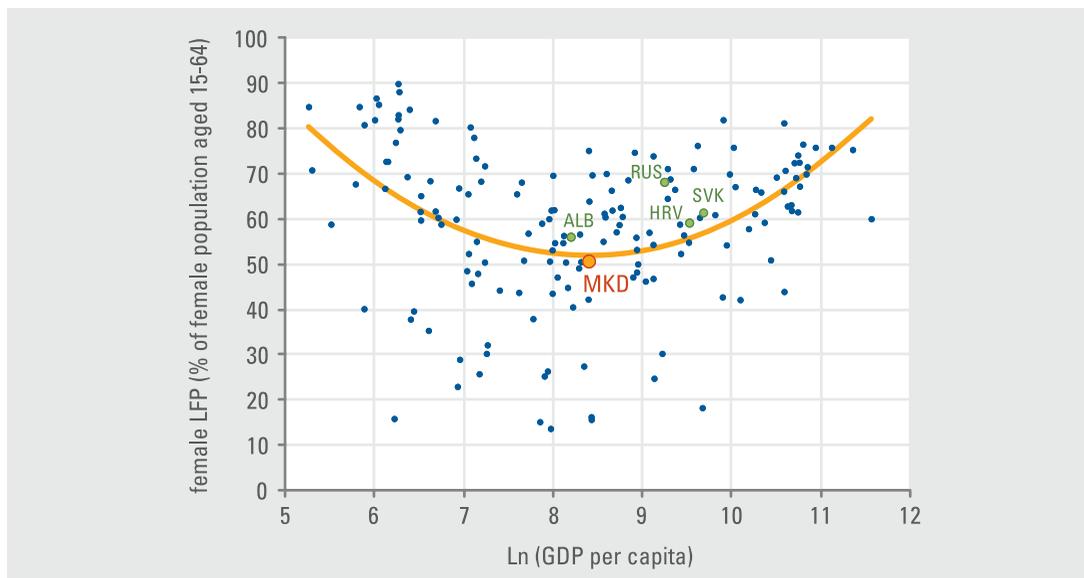


Source: WDI (2010), Macedonia LFS (2010 and 2006), and World Bank (2008).

increase in household income goes hand in hand with a reduction in female labor force participation. Women stay at home and are responsible for household chores and child rearing. Further economic development usually brings an expansion of the service sector, which attracts women and contributes to an increase in female wages. In this process, labor market incentives are accompanied by higher investments in

FIGURE 13

Macedonia is at the bottom of the U-shaped relationship between female labor force participation and economic development.



Source: Authors' calculations based on WDI (2010).

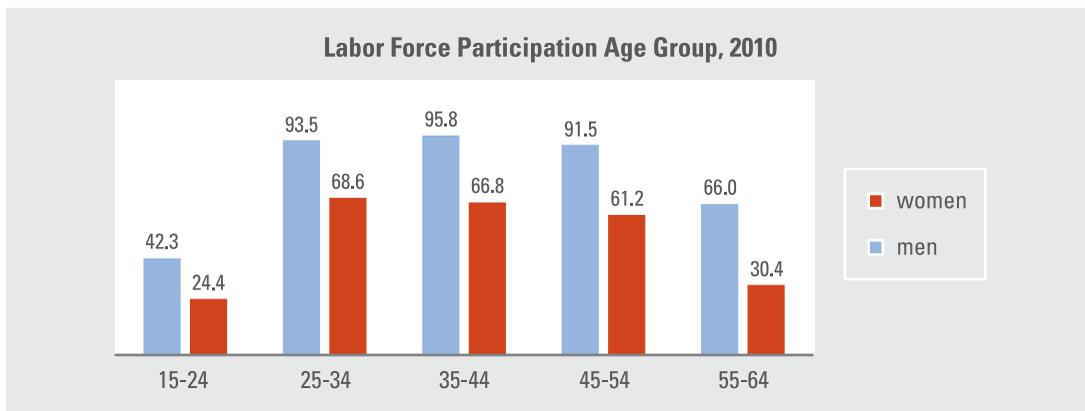
human capital by women, resulting in an increase in female labor force participation.²⁶ FYR Macedonia now stands among the countries at the bottom of the curve and performs according to the average.

Gender gaps in labor force participation are greater for older and less educated women (see figure 14). In 2010, female and male labor force participation rates equalized only for individuals who had completed secondary education and earned university degrees. The gender gap in labor force participation for individuals who had not completed secondary education was approximately 40 percentage points. The gap slightly decreases but remains high for individuals who have completed secondary vocational training (20 percentage points) and for individuals who have completed secondary education (14 percentage points). Gender gaps in labor force participation also increase with age. The gap is 17 percentage points between the ages of 15 and 24 and 36 percentage points between the ages 55 and 64.

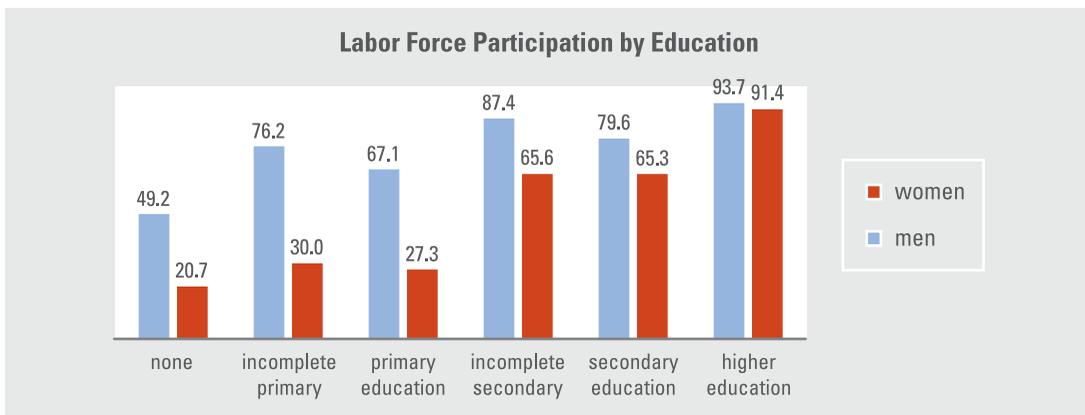
The labor force participation gender gap varies dramatically by region. This striking regional variation is driven by differences in female labor force participation alone. Figure 15 shows that the gender gap in employment is low in Strumica, Bitola, and Shtip and high in Tetovo, where there is a female labor force participation rate of less than

26. Goldin. 1995. "The U-Shaped Female Labor Force Function in Economic Development and Economic History"; Mammen and Paxson. 2000. "Women's Work and Economic Development."

FIGURE 14
The gender gap in labor force participation increases with age...



... and is larger among less educated individuals.

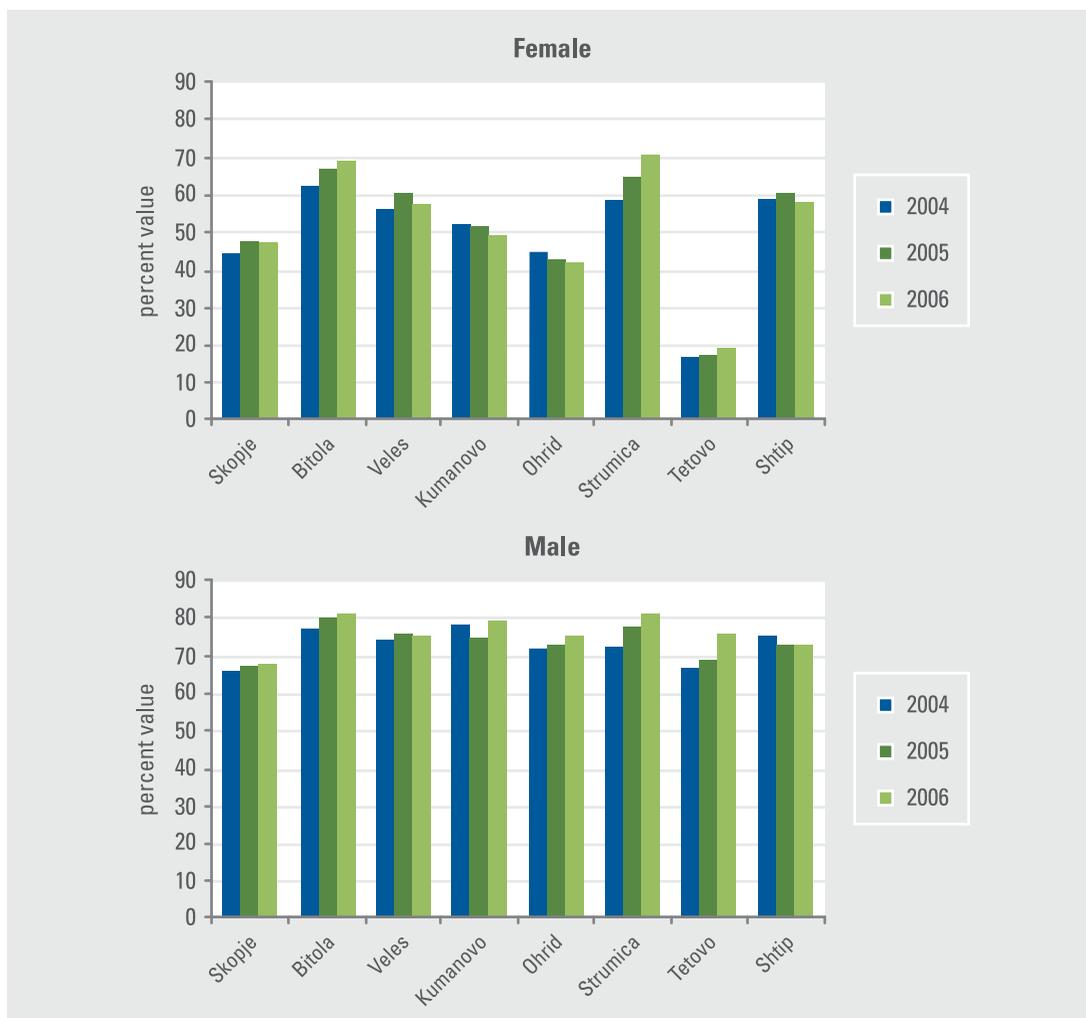


Source: Authors' calculations based on LFS (2010).

20 percent. The regional heterogeneity could be explained by several factors such as regional differences in economic structure or social norms. Although small sample sizes dictate caution, calculations based on the 2008 HBS shows that Tetovo — the region with the largest gender gap in participation — also has a larger percentage of Albanians than any other region in the country (approximately 60 percent). According to the HBS survey, in the Albanian ethnic group, 62 percent of women have achieved only a primary education (see section 2.1). This further underscores the importance of education in the decision to participate in the labor force.

Focus group discussions conducted as part of the 2009 poverty assessment revealed differences across ethnic groups in the reasons given for the decision to participate in the labor market. Generally men and women of different ethnicities cited “lack of personal connections” and “not affiliated with the political parties in power” as

FIGURE 15

Labor force participation for men and women by region for 2004-2006.

Source: World Bank (2008).

reasons for not pursuing employment. Ethnic Macedonian and Serbian women, however, also cited age and marital status. For the ethnic Albanian women, traditional norms related to female employment (such as restrictive attitudes on the part of their spouses and families) as well as personal factors were cited as reasons for not participating. Among personal factors, ethnic Albanian and Turkish women with lower education cited either not wanting to work or believing that they would be unable to find a job with their qualifications. The more educated women from these ethnic groups would like to work but are willing to do so only under certain conditions (such as in a state-sector position with full benefits). In the case of ethnic Albanian, Turkish, and Roma women, low education,

which influences participation rates, is partly the result of social expectations: “the community does not expect them to need additional education for being housewives.”²⁷

Men stay out of the labor force to study or to retire early while women stay out of the labor force to fulfill family obligations. Approximately 41 percent of women and 1.3 percent of men who do not participate in the labor force cite “personal and family obligations” as their primary reason for not looking for a job. Women also cite more frequently than men “taking care of children” or “taking care of disabled adults.” This aligns with the evidence shown in section 1 related to the traditional division of activities and thus the gender gap in time devoted to household responsibilities.

Low enrollment rates in pre-school (see section 2.3) might be due to both supply and demand factors and require further analysis. On the one hand, in the absence of public childcare services, a high demand coming from women willing to work would incentivize the supply of these services by the private sector. On the other hand, state-supplied childcare services can result in higher female labor force participation because they reduce the reservation wage of women with children. Social norms affect the demand for this type of service as well.

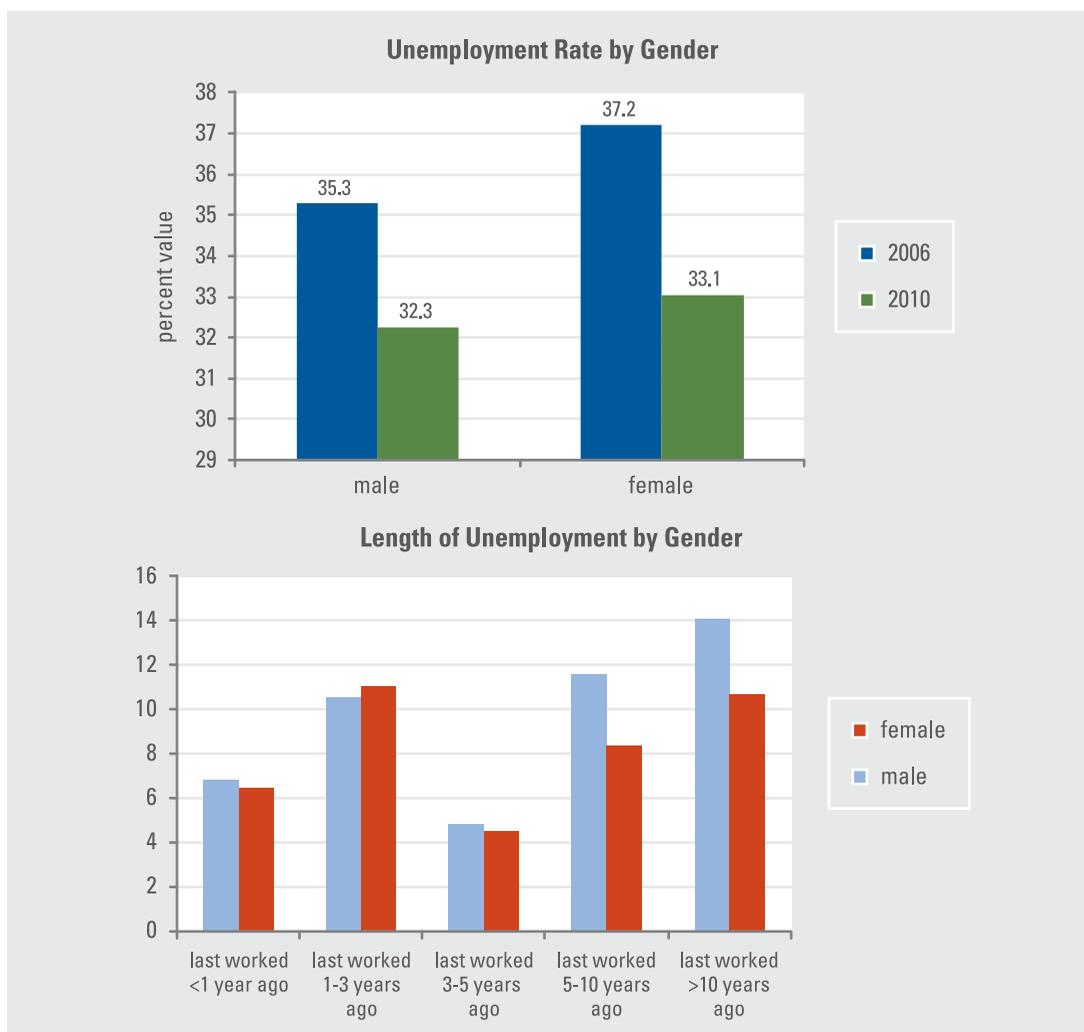
Participating women and men have similar durations of unemployment (see figure 16). In 2010, 32 percent of participating men and 33 percent of participating women were unemployed. Unemployment rates tend to be higher among the youth (53 percent of men and women alike aged 15-24) and tend to decrease with age for both men and women. The duration of unemployment is similar for men and women with the exception of the long-term unemployment rate, which is more likely to concern men than women (see figure 14, top). Similarly, gender gaps in unemployment by education level are small.

Male and female unemployment rates and the related gender gaps differ according to chosen field of study. The majority of unemployed men and women pursued a general program of study (47 percent of unemployed men and 43 percent of unemployed women). Sixteen percent of unemployed women studied social sciences, business, or law while 27 percent of unemployed men studied engineering. These percentages mirror the distribution of men and women across fields of study (see section 2.1).

27. World Bank. 2009. “FYR MACEDONIA POVERTY, JOBS AND FIRMS: AN ASSESSMENT FOR 2002-2006”, pg. 64.

FIGURE 16

Gender gaps do not appear in unemployment rates or in the length of unemployment among those that participate in the labor market.



Source: Authors' calculations based on LFS (2006 and 2010).

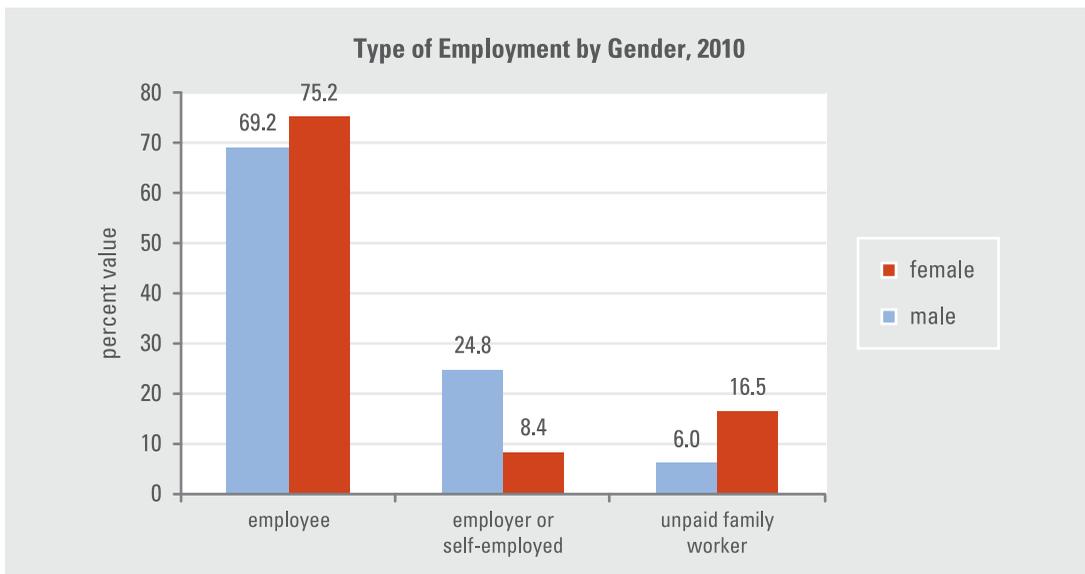
3.2 Women's employment

Women are more likely to work as unpaid family workers or employees than to be self-employed; informality²⁸ affects young men in particular (see figure 17). In 2010, approximately 79 percent of employed women were wage workers, and 16.5 percent were unpaid family workers. The relative percentages for men were 69 and 6 percent.

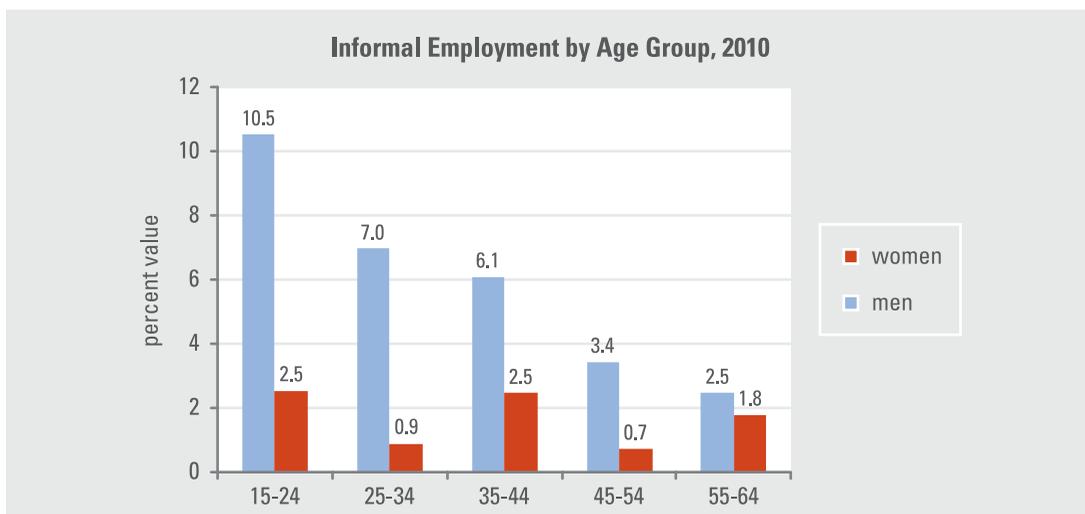
28. We identify informal employers as those that did not declare being registered in the pension fund, the pension and health insurance fund, or the fund for health and social insurance of MKD.

Self-employed men accounted for 24.8 percent of all employed men whereas only 8.4 percent of employed women were self-employed. In 2010, informality affected 5 percent of the male working-age population and 1.5 percent of the female working age population. Informality appears particularly high among young men, but this gender gap appears to close with age.

FIGURE 17
Men are more likely than women to be self-employed and less likely to be unpaid family workers...



... but young men are more likely to be informally employed than women.



Source: Authors' calculations based on LFS (2010).

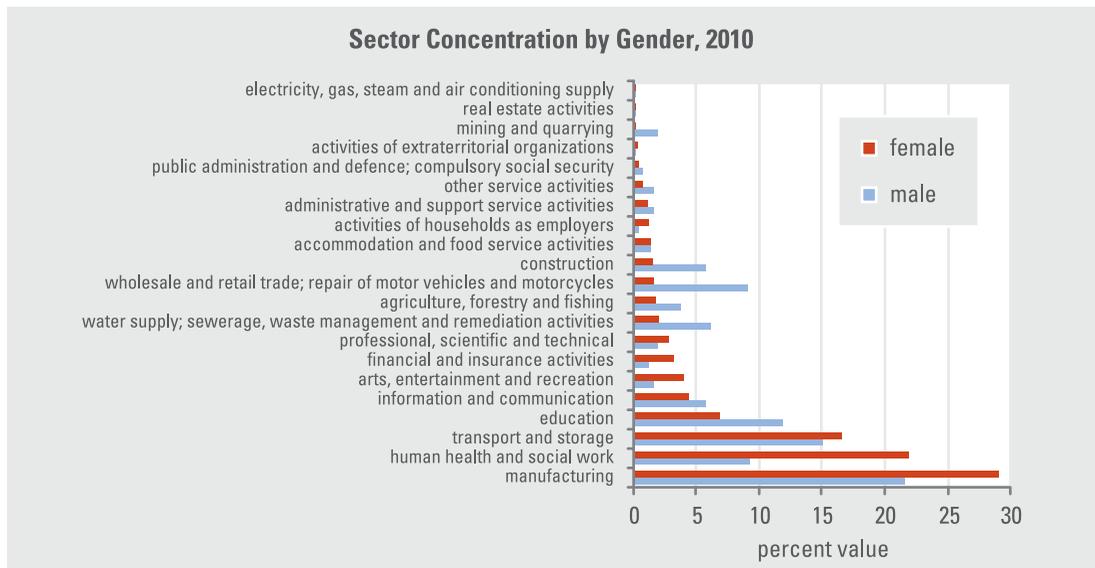
We do not observe large differences in type of contractual relations between women and men. Employed men are as likely as employed women to work full time or to have a permanent contract. In 2010, approximately 98 percent of male wage workers and 97 percent of female wage workers were employed full-time. Eighty-six percent of female wage workers and 81 percent of male wage workers had a permanent contract. These differences are small but statistically significant. Women also appear to work fewer hours than men. On average, women report working 41.5 hours per week while men report working 43.2 hours per week.

Female and male employees appear to differ slightly in terms of sector concentration, and the female intensity of production²⁹ is higher in bigger businesses and in businesses of the garment and textile sectors. In 2010, a larger share of women than men worked in the manufacturing and in the human health and social work sectors. Men were more likely to be involved in the wholesale and retail trade and in the construction sectors (see figure 18). Although the sample is limited, additional analysis reveals that on average, female intensity of production

29. Amount of female workers divided by the total number of workers.

FIGURE 18

Female employees are more likely than male employees to work in the manufacturing or in the health and social sectors.



Note: The graph presents the distribution of female and male employees excluding unpaid family workers and self-employed individuals. The annex provides a similar graph for the distribution of female and male workers, including employees, unpaid family workers, and self-employed individuals. As the graph demonstrates, a large share of female and male workers remains in the agriculture sector.

Source: Authors' calculations based on LFS (2010).

is higher in larger businesses (see figure 19, top).³⁰ In particular, plants in the garment and textile sectors have a higher female intensity than other industries (see figure 19, bottom).³¹ Exporting businesses appear to have a higher female intensity than non-exporting businesses (average female intensity is 35 percent for exporting plants and 30 percent for non-exporting plants, as compared to a median value of 30 and 25 percent respectively).³² The majority of these female workers, however, appear to be production workers. For example, on average, the female intensity of production workers for a plant in the garment sector is approximately 96 percent.³³ This might imply that trade integration can increase available opportunities for lower skilled women, who are also generally less likely to participate. It might also indicate, however, that vertical segregation by gender is present. Finally, while changes in classification between 2006 and 2010³⁴ dictate caution in interpreting the results, a larger share of women and men alike were employed in services activities in 2010 than in 2006. Reallocation of women appears to have occurred mainly from the manufacturing and the wholesale and retail sectors to the service sector. For men, reallocation appears to have occurred from the construction and the public administration sectors to the service sector.³⁵

3.3 Gender wage gap with selection correction

In 2006, the raw gender gap based on average hourly earnings was 18 percent. This gap differs widely, however, when looking across different individual characteristics. Unfortunately, wage data in the LFS 2010 are limited because the survey reports them in the form of brackets for net wages. The analysis is therefore based on 2006 data, which indicates that raw gender gaps in earning differ across individuals with different characteristics. For example, the gap is 30 percent among individuals living in rural areas and 14 percent among individuals living

30. This analysis is based on World Bank enterprise survey data (2009).

31. The IT sector also appears to have high female intensity, but these results might be driven by the limited number of observations (4).

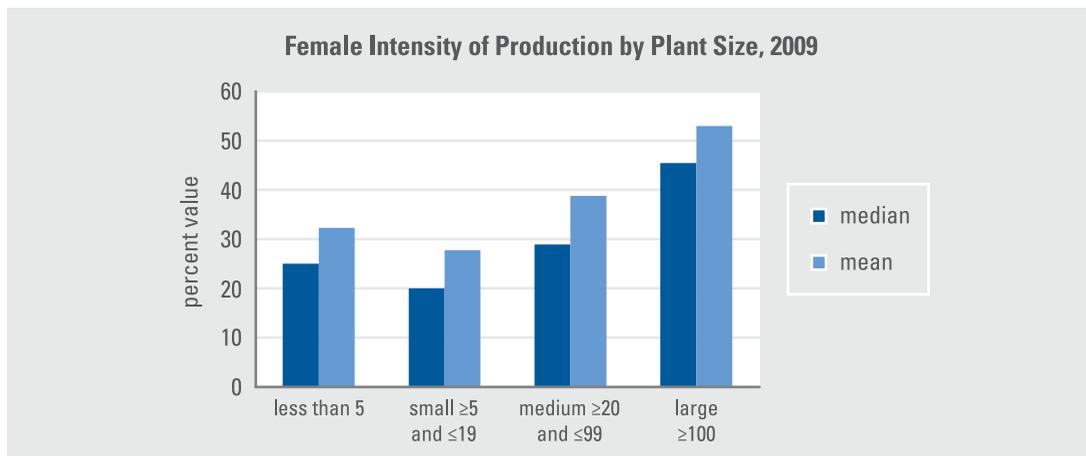
32. It is important to note that according to available data, approximately 16 percent of exporting businesses in Macedonia are in the garment sector.

33. Median values also confirm these trends.

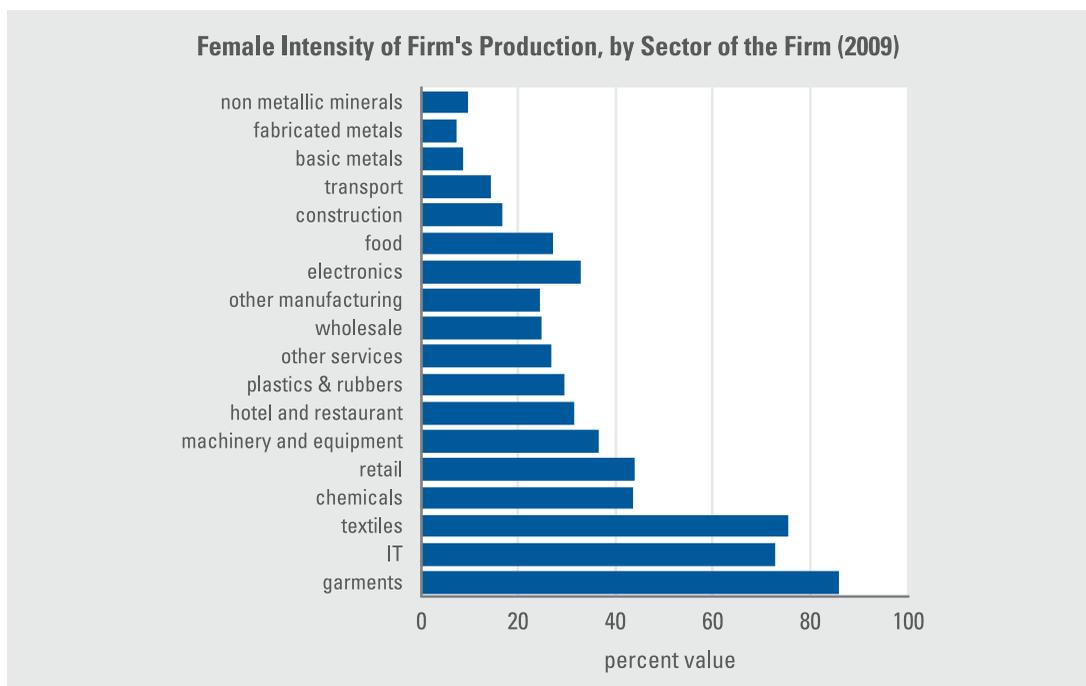
34. The 2010 NACE classification introduced new categories and grouped into new categories codes from other two-digit industries.

35. Regardless of the limitations of the data, it is nevertheless crucial that FYR Macedonia take into account the current gender distribution as it moves forward in its competitiveness agenda and its integration into the European Union. As old sectors downsize and new sectors emerge in the process of integration into the trading system, the current sector concentration might create larger unemployment within a specific gender group, raising the need for better targeted retraining programs.

FIGURE 19
Larger businesses have greater female intensity of production...



... especially businesses in the garment and textile sectors.



Source: Authors' calculations based on World Bank Enterprise Survey (2009).

in urban areas. The gap is 22 percent among wage workers, and, in the context of education, the largest gap is among individuals with only a primary school education.

The summary statistics indicate the importance of positive selection into the labor market, which in turn implies larger unexplained gender gaps in earning. Based on the summary statis-

tics, labor market participation seems to be driven by women's role in the household and the low expected wage among less educated women. As shown in section 1, women devote more time than men to domestic activities, a larger share of women than men cite family obligations as a reason for not participating in the labor market, and preschool enrollment rates are lower than the regional average. Moreover, social norms might reinforce the traditional division of domestic activities (see section 4).

Gamberoni and Posadas (2012) conduct a formal analysis on the determinants of labor force participation using the Heckman (1979) selection model. To take into account and formally analyze the determinants of labor force participation, the authors conduct a probit equation on the decision to participate in the labor market. In the second step, the authors look at the determinants of the hourly earnings and, following Heckman (1979), include among the explanatory variables the mills ratio, obtained in the first step through the probit equation, to correct for selection in the labor market. The excluded variable in the second step regression includes a proxy for marital status, number of children, and number of elderly (as a proxy for domestic responsibilities). The authors also conduct this analysis for the subsample of married individuals and include among the excluded variables the earnings of the spouse and a dummy variable that equals one if the husband is unemployed.

Women are less likely than men to participate in the labor market, even after controlling for a series of covariates. As expected, the results from probit regressions reveal that labor force participation increases with age and education. Women with more education are more likely to be employed, and the effect is larger for women than for men. Young women and women of reproductive age are less likely to work than women in the base category (between the ages of 44 and 55). Men are more likely to work if married while the opposite is true for women. Finally, the presence of children, especially if under the age of 6, reduces the likelihood of labor market participation. Restricting the model to the married sample, the higher the earnings of the spouse, the lower the probability of employment for women but not for men (Gamberoni and Posadas, 2012).

Controlling for such observable variables as self-selection, women still earn less than men. Additionally, in the sample restricted to married individuals, only those with high education (and thus higher wages) are more likely to work, biasing the gender gap in pay downward. The authors decompose the wage gap using the Oaxaca Blinder decomposition and find that the unexplained part is 93 percent. This unexplained part includes difference in returns to endowments. Related to this difference in returns the Oaxaca decomposition confirms that across the

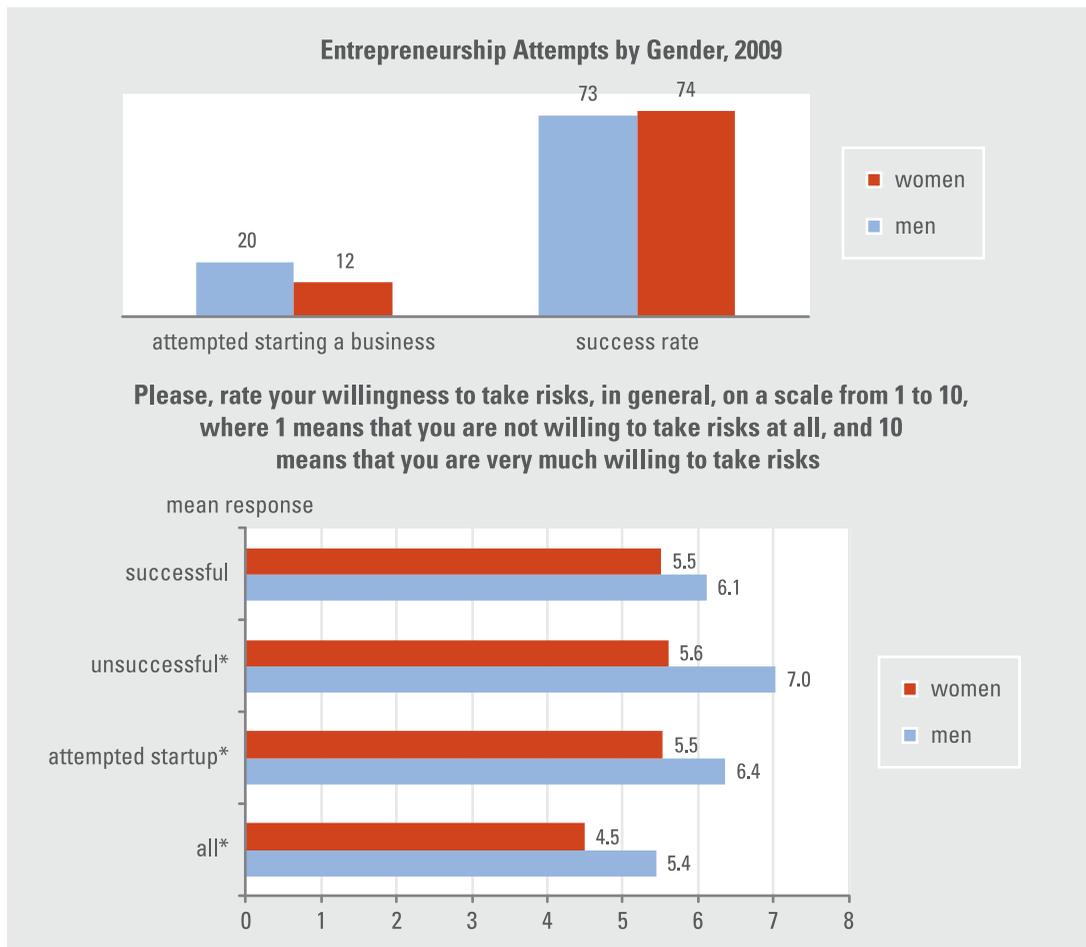
entire working age population, women have higher returns in earnings from education than employed men.

3.4 Female Entrepreneurship

As described previously, female participation in self-employment and entrepreneurship is very low in Macedonia. This is confirmed by looking at the decision to start a business. Fewer women decide to start a business than men, but success rates do not differ according to the gender of the entrepreneur. Analysis based on the 2010 LITS database reveals that 12 percent of women and 19.7 percent of men decided to start-up a firm. Seventy-three percent of men and 74 percent of women who start a business achieve success (see figure 20).

FIGURE 20

Few women decide to start a business, but their success rates and risk aversion are similar to those of men.



Source: Authors' calculations based on LITS (2010).

While data limitations prevent us from conducting an in-depth analysis, the lower likelihood of women starting a business might be linked to their higher risk aversion; however, we do not detect a statistically significant gender gap in access to credit among men and women that started a business. Self-reported measures on the willingness to take risk (see above) reveal that women appear more risk-averse than men except when comparing women and men that have managed to successfully start a business. Although reverse causality might be possible, this finding could suggest that risk aversion drives both the decision to start a business and probability of success.

Gender gaps are not observed in the share of men and women that attempted to borrow money to start a business, in the success rates of obtaining a loan, or in the source of financing.³⁶ On access to credit, the share of women that attempted to borrow money to start a business is low but similar to that of men (approximately 41 percent of men and 38 percent of women). Among them, 75 percent of women and 71 percent of men obtained the loan. Relatives represent the main source of finance for both men and women (47 percent and 48 percent respectively), followed by banks in the case of women (35 percent of women and 26 percent of men) and by friends in the case of men (26 percent of men and 10 percent of women).

Both men and women report lack of capital as the main reason for failure in setting up a business. Men, however, are more likely to report not having “enough capital” while women are more likely to report “changes in the personal situation” and “bribes and protection payments are too expensive” as the main factors for failure. Results based on the LITS (2010) database reveal that 73 percent of men and 40 percent of women report lack of capital as the key factor for failure. This is followed by “threats by competitors” (16 percent of men and 22 percent of women), “changes in the personal situation” (6 percent of men and 18 percent of women), and by “too much bureaucracy” (approximately 5 percent for both men and women). Moreover, 11 percent of women report that “protection payments are too expensive,” and 5 percent of women report that “bribes are too expensive.” These latter reasons are not mentioned by male respondents.

Few businesses are managed by women, and women managers work mainly in female-owned businesses. Analysis based on the World Bank Enterprise Survey (2009), which looks at established small, medium, and large businesses, shows that 36 percent of the businesses

36. EBRD. 2010. “Life in Transition Survey.” EBRD, London. <http://www.ebrd.com/pages/research/publications/special/transitionII.shtml>

interviewed are owned by women³⁷ and 18 percent are managed by women. Women manage 10 percent of male-owned businesses and 33 percent of female-owned businesses.

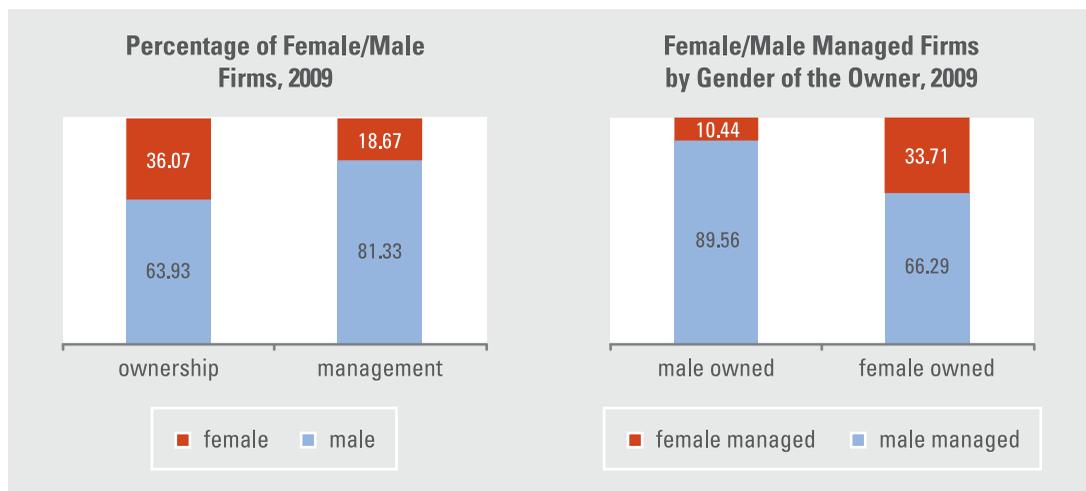
Contrary to other countries, men and women in FYR Macedonia differ little in the sector in which they are engaged, whether we identify male and female businesses based on the gender of the manager or on the gender of the owner. The majority of male- and female-managed businesses are in the retail sector while a larger percentage of male-managed businesses than female-managed businesses can be found in the sectors of transport, construction, garment, and fabricated metal materials. More female- than male-managed businesses can be found in the sectors of retail, chemicals, food, and plastic and rubber industry. Similar distribution patterns across sectors can be found when disaggregating the data by gender of the owner.

Female-managed businesses appear to be as productive as male-managed businesses whether we measure productivity by looking at the volume of sales or at value added per worker. We do not detect any significant statistical differences when looking at size measures or at value added per worker (see figure 21). A survey-weighted regression also confirms these findings.

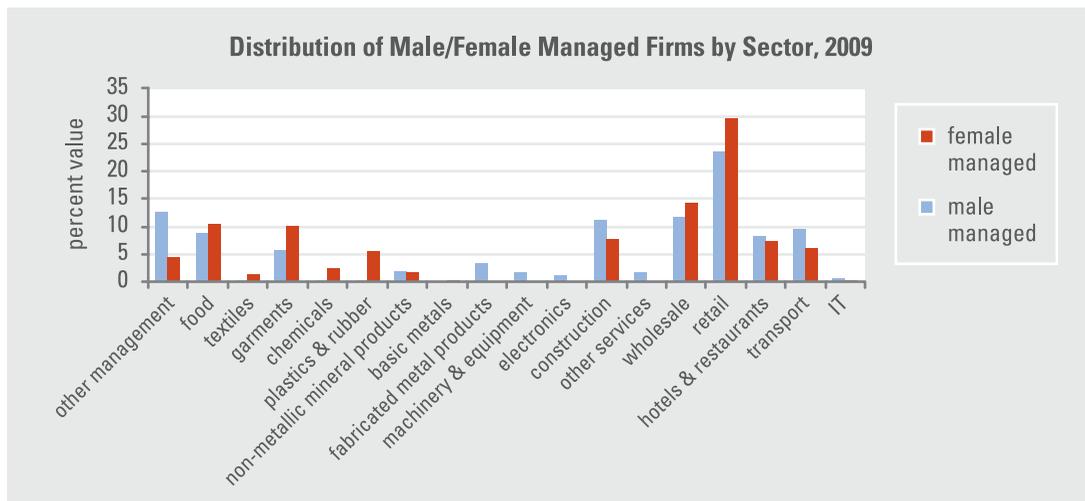
The international evidence indicates that it is more likely for men to manage businesses than women; however, findings on potential gender gaps in productivity are mixed. The literature

37. We define a female-owned business as one in which at least one owner is female. Female-managed businesses are those managed by a woman.

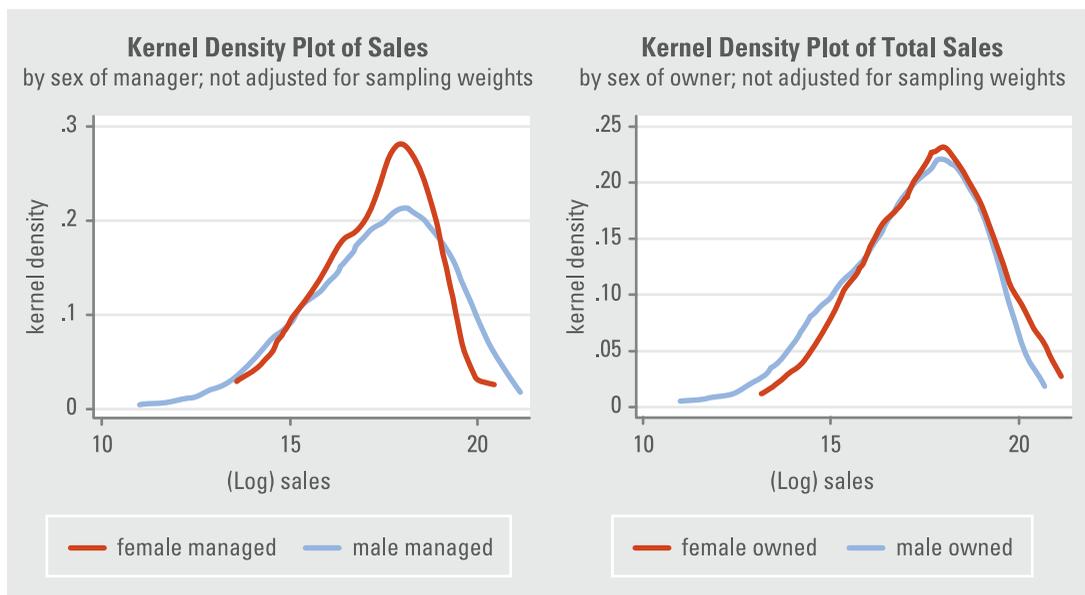
FIGURE 21
Once established, gender gaps in entrepreneurship disappear. Few businesses are managed by women and those that are, are generally owned by women.



Sector concentration for male- and female-managed businesses appears to be similar...



... as well as firm size.



Source: Authors' calculations based World Bank enterprise survey (2010) database.

generally suggests that women lag behind men on business ownership³⁸ and thus remain an untapped “source of entrepreneurial energy.”³⁹ Female entrepreneurs tend also to be more concentrated in specific sectors while men are present in all sectors of the economy. These sectors typically include retail, garments, hotels and restaurants.⁴⁰ Finally, while

38. See, for example, Minniti, 2010; Van der Zwan et al (2011)

39. Van der Zwan et al (2011)

40. See, for example, Bardasi et al., 2011.

sector concentration and informality explain a large part of the gender gap in firm productivity, results on sector-specific productivity are mixed.⁴¹ In the context of ECA, a recent study by Saumik and Sattar (2008) found a gender gap in participation of 6.5 percent in self-employment while controlling for several characteristics. The largest gender participation gaps were found in the Balkan countries. Importantly, Saumik and Sattar find that self-employed women in Balkan and CIS-middle income countries are more likely to pay bribes to get official work done than self-employed women in other regions. In the case of Russia, working with a different database, Gamberoni and Posadas (2012) found an earning gap of 26 percent. Using the Enterprise Survey data, however, they find that female-managed businesses sell less than male-managed businesses but have higher levels of value added per worker.

41. See Minniti and Naude, 2010, for a discussion based on the previous literature

SECTION IV

Agency

As shown in the WDR 2012, even if gender gaps in economic opportunities and endowments are narrow, differences in gender outcomes can emerge since men and women differ in their ability to achieve the desired outcomes. This indicates the need for further analysis of agency; however, limited data inhibits such analysis. This section looks at agency, focusing on key outcomes suggested by the literature. Specifically, the section focuses on two topics: freedom from violence and the ability to influence politics and society.⁴² This section also analyzes some of the factors that influence these outcome variables, specifically the existing gender equality framework and attitudes, including social norms. Limited data prevent us from providing a detailed description of the analyzed variables and from looking in depth at other outcome measures, such as the extent of family formation or the ability of women to decide on their movements and move outside their homes.

Statistics on domestic violence are limited, but according to a CEDAW report (2004), “The prevalence of domestic violence in Macedonia is a well-known fact, despite the fact that it is rarely mentioned in public. It is also well known that cultural norms discourage reporting of domestic violence, using the excuse that it is “about a private family matter.” ⁴³ Based on research conducted by the NGO ESE, the report indicates that 61.2% of the 850 interviewed women stated that they had been victims of domestic violence. Respondents were housewives aged 30-40 with low levels of education.⁴⁴ The CEDAW shadow report (2005) on the situation of Romani women

42. World Bank. 2012. “WDR.”

43. CEDAW. 2004. pg. 17.

44. CEDAW. 2004.

indicates that 70 percent of the 270 Romani women interviewed stated that they had been victims of domestic violence.

In 2005 approximately a quarter of women in FYR Macedonia aged 15-49 claimed to believe that a husband is justified in beating his wife/partner in various circumstances. This belief appears to be even more commonly held among women from rural areas, women with no education, and poor women. Finally, women from the Roma ethnic group were more likely than Macedonian women to justify a husband beating his wife when she goes out, neglects the children, or argues with him.⁴⁵

Domestic violence is considered a specific crime under Macedonian law, but the law does not appear to be enforced. Reasons for the neglect of this law include unawareness among police of the provisions in the penal code related to domestic violence due to lack of training. Additionally, police do not appropriately respond to the needs of female victims of domestic violence, and there is an absence of institutions to provide protection or assistance to female victims of domestic violence⁴⁶. These, as well as social pressure contribute to the vast under-reporting of domestic violence. The US State Department reports that “cultural norms, including victims’ concerns over possible shame to the family, discouraged the reporting of violence against women and the filing of criminal charges. Domestic violence is illegal, but authorities rarely enforced the law in practice.”⁴⁷ The CEDAW report (2011) states that “the sexual structure of the victims in the year 2006... indicate that there were two times more women (70.1% compared to the 29.9% of men) than men who were victims of domestic violence (a result of, among other things, the gender based situation of the woman within the family).”⁴⁸ The report also notes extraordinarily low report rates among Albanians and Romani, which could be due to cultural factors that prevent women in these ethnic groups from denouncing domestic violence.⁴⁹

Participation of women in collective actions and politics is also limited, which compromises the political agency of women.

45. Macedonia Statistics Agency and UNICEF, 2006.

46. OECD, SIGI index, accessed in June 2012 <http://genderindex.org/country/macedonia-fyr> and based on ESE, 2005

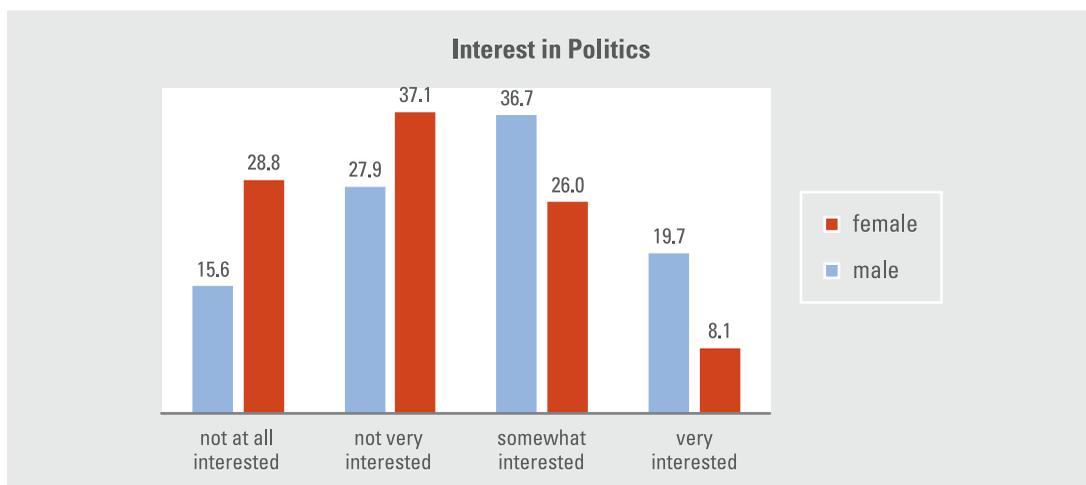
47. United States Department of State. 2011. “Country Reports on Human Rights Practices – Macedonia.” 24 May 2012. available at: <http://www.unhcr.org/refworld/docid/4fc75a846e.html>

48. CEDAW. 2011. “Consideration of reports submitted by States parties under article 18 of the Convention on the Elimination of All Forms of Discrimination against Women. Combined fourth and fifth periodic reports of States parties. The former Yugoslav Republic of Macedonia.” Page 12. <http://daccess-dds-ny.un.org/doc/UNDOC/GEN/G11/458/20/PDF/G1145820.pdf?OpenElement>

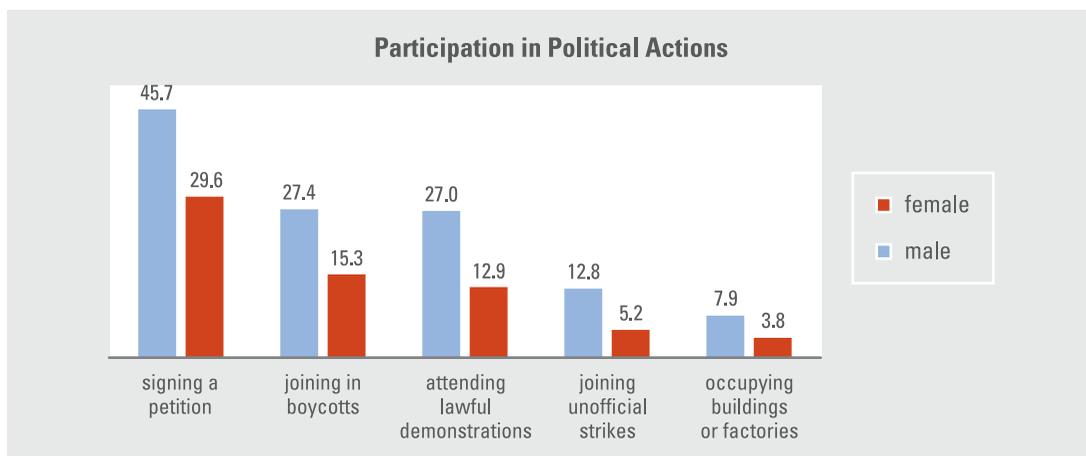
49. CEDAW. 2011.

Women appear to be less interested in politics than men and less likely to participate in collective actions (see figure 22). The left-side panel of figure 22 shows the percentage of men and women who report any interest in politics. As the graph demonstrates, approximately 29 percent of women and 15 percent of men report having no interest in politics while 8 percent of women and 20 percent of men report having a great interest in it. Difference in interest is also expressed in difference in participation. Men appear to be more likely to participate in such political actions as signing a petition or attending a lawful demonstration (see figure 22, bottom).

FIGURE 22
Men are more interested in politics...



... and more likely to participate in collective political actions



Source: Authors' calculations based on EVS, 2008.

Female political representation, however, has improved over time. Women parliamentary seats have increased from 17 percent in 2002 to approximately 28 percent in 2008.⁵⁰ As of 2012, women hold 30.9 percent of the seats in the lower or single house national parliament.⁵¹ The percentage of female elected members in the council of municipalities has also increased from 8 percent in 2000 to 26 percent in 2009, but no female mayor was elected in the last municipal elections.⁵² Between 2006 and 2010, more than half of the elected judges were women.⁵³ Female participation in trade union activities, however, appears to be limited, and there appears to be no record of trade union members by gender.⁵⁴

Agency measures are also influenced by the extent of economic opportunities, and in FYR Macedonia certain labor laws could lead employers to discriminate against women, thus contributing to their limited labor force participation and gender gaps in wage (see section 2). FYR Macedonia is one of the few countries in the region that does not allow women to work the same hours and/or in the same industries as men, thus affecting the employment potential of women. Out of the 22 other countries in the region for which data are available, 6 do not allow women to work the same night hours and 12 do not allow women to work in the same industries.⁵⁵ Article 65 of the labor relation act states that “Female employees working in industries and building construction cannot be assigned to night shifts unless a minimum seven hour rest period has been provided between 10:00 p.m. and 5:00 a.m. the following day” while in other sectors “female employees may be assigned to night shifts when they are required to continue interrupted work due to major force or when needed to prevent damages to raw materials or other substances.”⁵⁶ Pregnant women and women with children younger than one are forbidden to work additional hours

50. Authors’ calculations based on Macedonia statistical office Gender stats.

51. “Women in national parliaments.” Inter-Parliamentary Union. <http://www.ipu.org/wmn-e/classif.htm>

52. Authors’ calculations based on Macedonia statistical office Gender stats.

53. CEDAW, 2011 report.

54. Kazandziska, Milka; Risteska, Marija; Schmidt, Verena. 2012. “The gender pay gap in the former Yugoslav Republic of Macedonia.” ILO Decent Work Technical Support Team and Country Office for Central and Eastern Europe. - Skopje: ILO, 2012. http://www.ilo.org/wcmsp5/groups/public/---europe/---ro-geneva/---sro-budapest/documents/publication/wcms_180637.pdf

55. Authors’ calculations based on the IFC’s “Women, Business, and the law 2012: Removing Barriers to Economic Inclusion.”

56. Labor Relation Act, Article 65.

or undertake night work.⁵⁷ Finally, while parental leave allows the father to take paid leave in place of the mother, “the wording itself suggests that women are the primary child carers.”⁵⁸

Similarly, the mandatory minimum length of paid maternal leave is also higher than the average for the region: 270 days as compared to the regional average of 243 days (or approximately 186 days if countries with mandatory unpaid leave are left out of the equation). Moreover, FYR Macedonia is, along with Albania, Georgia, Montenegro, Serbia, and Turkey, one of the few countries in which the law does not specifically state that an employer must give the employee her original job when she returns from maternity leave.⁵⁹

Finally social norms can also affect the agency of women, and in FYR Macedonia stereotypes on the roles of women in the household still prevail. While the majority of men and women agree to share household responsibilities in terms of taking care of the house and children, approximately 72 percent of men and 70 percent of women also agree with the statement that “a job is alright but what most women really want is a home and children.” Moreover, nearly half of men (46 percent) claim to believe that “a pre-school child is likely to suffer if his or her mother works,” and more than an half of men and approximately half of women claim to believe that “being a housewife is just as fulfilling as working for pay” (see figure 23, top panel). Approximately 50 percent of men and 26 percent of women agree with the statement that men should take priority over women when jobs are scarce.

Nevertheless, women recognize more than men the need for advancing the role of women outside the household. As figure 23 shows, women are more likely to agree with the statements that “a working mother can establish just as warm and secure a relationship with her children as a mother who does not work,” that “having a job is the best way for a woman to be an independent person,” and that “both the husband and wife should contribute to household income.” Women are less likely than men to agree with the statements that “a pre-school child is likely to suffer if his or her mother works” and that “being a housewife is just fulfilling as working for a pay.” Controlling for marriage and for working status does not appear to affect these results.

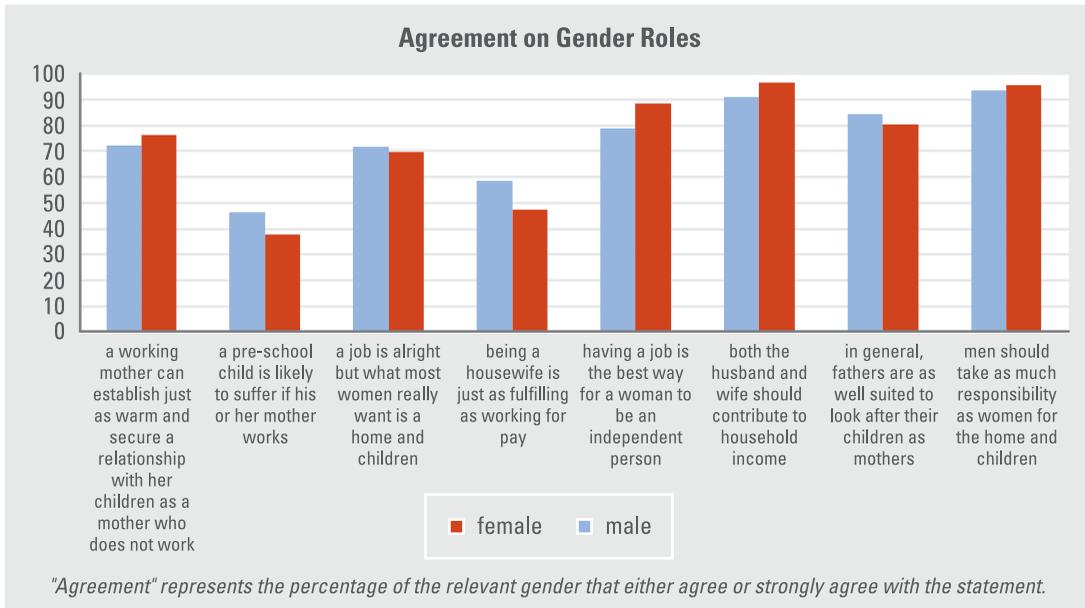
57. Labor Relation Act, Article 61.

58. Kazandziska et al., 2012.

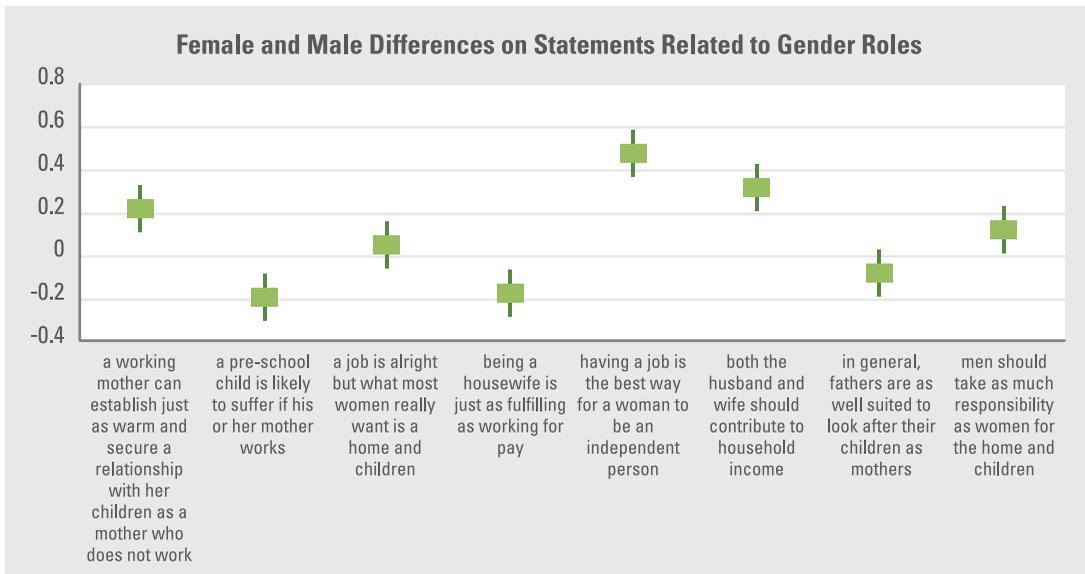
59. World Bank IFC. 2012. “Women, Business, and the Law 2012: Removing Barriers to Economic Inclusion.” http://www1.ifc.org/wps/wcm/connect/corp_ext_content/ifc_external_corporate_site/ifc+news/news/wbl2012_report_sep2011

FIGURE 23

While men and women agree that the wife should occupy a prominent role in the household...



... women are more likely than men to agree with statements that reflect their empowerment.



Source: Authors' calculations based on EVS, 2008. Estimated coefficients and 95% confidence intervals of the female dummy obtained by estimating an ordered probit for a set of statement related to gender roles.

Several laws in FYR Macedonia guarantee gender equality. For example, Macedonia's Family Law explicitly guarantees equality between men and women within marital and family relations. The law does not discriminate against women with regard to access and ownership of land

or the right to own property other than land. There are no legal restrictions on women's freedom of movement, access to finance, freedom of expression or association, or right to vote and stand for elections.⁶⁰

The extent to which these laws are upheld, however, is not clear. For example, a recent gender assessment reports that "Although the Law on Equal Opportunities is seen as a reasonably good law, it is also viewed as too general and in need of some improvement. Civil society groups also commented that the GoM has not engaged in any analysis of the law's implementation even though they are required to do so."⁶¹ Reviewing several sources, the OCED SIGI index reports that while the legal minimum age for marriage is 16 years, "early marriage does occur and appears to be most common in the Roma community." The law on inheritance explicitly stipulates that men and women have the same rights to inheritance. As also reported in the summary provided in the OECD SIGI index, however, women in Macedonia may still face discrimination with regard to these rights. For example, "women in practice have limited opportunities to acquire and manage land and other forms of property, because property is usually registered in the husband or another male relative's name, particularly in rural areas."⁶²

Looking at the gender strategy of the government, the Ministry of Labor and Social Policy, which is the focal point institution for gender issues, has started a consultation process with stakeholders regarding a new strategy for gender equality. The new strategy, which will cover the period 2013-2017 but is not yet adopted, will replace the current strategy, which covered the period 2007-2012. It identifies ten strategic objectives and one cross-sectoral area as key priorities. The priority areas include promoting the universal human rights of women; promoting gender equality in the processes of decision making, including measures for increasing political participation among women; advancing the recording and publication of gender-disaggregated statistical data in all areas of social action; introducing gender-sensitive education into educational plans and programs; supporting programs for the economic empowerment of women through concrete policies for lowering unemployment; increasing the share of female entrepreneurship and removing all forms of discrimination in the labor market and in the workplace; removing all forms of violence against women, including domestic violence; advancing health by supporting and extending existing programs for prevention and developing new ones; decreasing poverty and developing an adequate system of social care; increasing the responsibility of the media for promoting

60. OECD SIGI index. <http://genderindex.org/country/macedonia-fyr>

61. Cozzarelli, 2010.

62. OECD SIGI index. <http://genderindex.org/country/macedonia-fyr>

gender equality and combating stereotyping in the media; increasing the participation of women in the peacekeeping processes; and incorporating a gender perspective into the protection and promotion of a healthy environment. For each area, the plan describes specific activities and related indicators by which to monitor the successful implementation of these activities. Finally, the plan includes one cross-sectoral area: the strengthening of institutional capacities and mechanisms for the inclusion of gender perspectives in public policies, strategies, and action plans as well as the inclusion of methods of gender budgeting at the national and local levels.⁶³

Some groups have raised concerns about the way in which the 2007 plan identified the listed priorities and the way in which progress in each area has been monitored. Each year, the government is required to draft an operational plan that outlines in concrete terms what the government will do to meet the objectives of the plan and to monitor and report on the implementation of the plan.⁶⁴ However, several concerns exist over both the original plan and the subsequent actions:

“The consensus opinion was that the Action Plan is more concrete but that it is very problematic that there is no funding attached. Also, NGOs voiced numerous other concerns about the Action Plan including that it has barely been implemented, that the Ministries and other responsible central and local government entities are not held accountable for implementing it, that there is little monitoring and reporting on what has been done under the Plan, and that the GoM did not conduct a thorough gender assessment in order to determine the priority issues that are reflected in the Plan but rather, allowed their priorities to be determined by donors. There was a split of opinion as to whether the Action Plan was a strong document with most civil society groups reporting that they thought the plan was good but implementation was the problem, and a minority of the women’s NGOs dismissing the Plan as a donor-driven product divorced from Macedonian reality.”⁶⁵

63. Macedonia Parliament. 2007. “National Action Plan for Gender Equality 2007-2012.”

64. Cozzarelli. 2010.

65. Cozzarelli. 2010, pg. 17.

The government has recently adopted its first five-year strategy on gender responsive budgeting.⁶⁶ The UN reports that “The government has already begun to develop an operational plan, to implement the gender-responsive budget processes, and as a first step has instructed sector ministries on bringing a gender dimension into 2013 budget proposals. Capacity building and trainings for the civil servants are planned soon, along with a handbook for their use.”⁶⁷ The strategy features three complementary components:

“1) introducing a gender perspective in the programs and budgets of the budget beneficiaries at central and local level, 2) improving the legal framework for the inclusion of gender responsive budgeting, and 3) strengthening the institutional mechanisms and capacity building that are required for incorporation of the gender perspective in the creation of policies and programs and related budgets.”⁶⁸

66. Technical and financial support has been provided by the UN-WOMEN office in Skopje under the framework of the regional project “Promoting Gender Responsive Policies in South East Europe” financed by the Austrian Development Agency and UN Women.

67. UN Women. 2012. “Writing women into the budget: FYR Macedonia welcomes its first strategy on gender-responsive budgeting.” Posted on 2 August 2012. <http://www.unwomen.org/2012/08/writing-women-into-the-budget-fyr-macedonia-welcomes-its-first-strategy-on-gender-responsive-budgeting/>

68. Strategy for introducing Gender Responsive Budgeting in the Republic of Macedonia 2012-2017.

SECTION V

Conclusion

This national gender assessment has looked at gender gaps in endowments, economic opportunities, and agency in FYR Macedonia. The assessment follows the framework of the WDR 2012, which prioritizes the household. Decisions made within the household depend on the bargaining power of each household member and thus on their access to endowments, economic opportunities, and agency. Persistent gender gaps can be affected only by direct actions in these dimensions.

In terms of endowments, gender gaps in education are present only for certain ethnic minorities. All women in FYR Macedonia, however, face larger time constraints, have less access to savings, and concentrate in fewer fields of study than men. FYR Macedonia has achieved gender equality in health and in education, with the exception, in the latter category, of certain ethnic minorities. Even if learning outcomes at the 8th- and 4th-grade levels are better for girls than for boys, overall women in FYR Macedonia concentrate in fewer fields of education than men and are less likely than men to pursue further education due to family obligations. Women devote a much larger percentage of their time than men to domestic activities, and a limited number of children are enrolled in pre-school. Finally, we do not observe gaps in access to credit but rather in access to savings: a lower share of women (18 percent) than men (25 percent) report having saved any money.

In the category of economic opportunities, there are large gender gaps in labor force participation, in earnings among workers, and in the decision to start a business. Concerning the last of these, however, the analysis does not reveal differences in productivity between female- and male-managed businesses. Labor force participation is lower for women than for men and lower than the regional average. Women with low education are less likely to participate

in the labor market than other women. Controlling for several factors, such as experience and education, being a woman reduces the probability of entering into the labor market. Controlling for self-selection in the labor market and for several typical covariates, women earn less than men. For example, a woman with a completed secondary education, in the age category 25-34 years old, earns 29.8 percent less than men. Female-managed businesses appear to be as productive as male-managed businesses; but despite the fact that a larger share of women study social science and business than men, fewer women than men start their own businesses.

Looking forward, FYR Macedonia should strive to increase access to economic opportunities for women. Given that female labor force participation is particularly low among less educated women, the recent adoption of a minimum wage might have important consequences for women. Angel-Urdinola (2008) presents a series of simulations of how the gender gap in wage could change with the introduction of a minimum wage. His results suggest that the introduction of a minimum wage of between 40 and 50 Dinars per hour could contribute to a decrease in the gender gap in wage of between 15 and 23 percent by reducing the larger gender gap in wage observed among workers with low education.⁶⁹ The recent introduction of a minimum wage of €150 per month therefore represents an interesting development to follow.⁷⁰

Given the importance of education for participation, policies should seek out ways to affect the potential female wage (e.g., education and training programs) and ways to affect the reservation wage of women, analyzing in depth the role of childcare and flexible working time. Given that relative to men, a larger share of unemployed and discouraged working females have degrees in law, social science, or business, government programs designed to encourage entrepreneurship should target women more explicitly. This might also help close the gender gap in access to entrepreneurship. Additionally, existing training programs should be evaluated to ensure that their schedules take into account the time constraints that may come along with “family obligations” (see section 1). Finally, in the case of certain ethnic groups, low levels of education only partially explain low participation. Ethnic women with high levels of education appear to be willing to accept only jobs with certain characteristics, but the reasons behind this choice are not clear.

69. A minimum wage set above the market-clearing price of labor can decrease labor demand. Urdinola (2008), however, suggests that the high levels of discrimination and low mobility in the labor market could imply that employers are paying low-skilled women below their marginal product of labor.

70. “Macedonia sets minimum wage.” SETimes.com. Oct. 5, 2011. http://setimes.com/cocoon/setimes/xhtml/en_GB/features/setimes/roundup/2011/10/05/roundup-bs-03

FYR Macedonia also needs to address existing gaps in agency; in particular, domestic violence should be a priority of the gender equality agenda. While data limitations prevent an in-depth analysis, in 2005 a large share of women aged 15-49 claimed to believe that “a husband is justified in beating his wife/partner.”⁷¹ This belief appears to be most commonly held among women from rural areas, women with low education, and women from the Roma ethnic group.⁷² The limited information available suggests that training police on provisions related to domestic violence and supporting institutions that provide protection and assistance to victims increase the likelihood that women will report instances of domestic violence. International experience summarized in the WDR 2012 suggests that service providers can target women more effectively by addressing their time and mobility constraints and bringing services to them directly. These services include, for example, community paralegals and mobile legal aid clinics that enable women to avail themselves of the justice system. Additionally, the WDR 2012 suggests that increasing the number of women in the justice system and police force actively involved in addressing domestic violence increases the likelihood that women will report instances of domestic violence.⁷³

With further regards to agency, female participation in collective actions is limited, and negative gender stereotypes are still pervasive. Women appear less likely than men to participate in collective actions, yet female political representation has improved over time. Gender stereotypes regarding the role of women in the household prevail, but women and men do not share the same opinion on gender roles in the household. For example, approximately 50 percent of men agree with the statement that “men should take priority over women if jobs are scarce” while only 26 percent of women agree with this statement.

Finally, the limited availability of data, particularly for ethnic minorities, prevented deeper analysis. Given the multiethnic population of FYR Macedonia, improved data collection for minorities in such areas as labor participation, wage gaps, health related outcomes, and agency is of paramount importance for designing targeted policy solutions based on sound evidence.

71. Macedonia Statistical Agency and UNICEF, 2006.

72. Macedonia Statistical Agency and UNICEF, 2006.

73. World Bank. 2012. “WDR.” pg. 32.

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Annex: Gaps and statistically significant differences in key variables

Average reported life satisfaction	Mean
Male	7.001441
Female	6.697982
Prob > F	0.022

Note: Wald Test on equal mean.

Source: Authors' calculations based on EVS 2008.

Importance attached to domains	Work	Family	Friend	Leisure	Politics	Religion
Female	0.034	0.421***	0.112	0.098	-0.305***	0.245***

Note: coefficient of female dummy based on ordered probit. *** denotes significance at 1%

Source: Authors' calculations based on EVS 2008.

Test on the proportion of male and female students enrolled in school			
Test on the proportion of male and female in compulsory school enrollment age group enrolled in school	Macedonian	Albanian	Roma
Male (mean)	0.9758204	0.96648	0.860465
Female (mean)	0.967118	0.888199	0.785714
Pr(Z < z)	0.3857	0.0049	0.3661
Test on the proportion of male and female in non-compulsory secondary school enrollment age group enrolled in school	Macedonian	Albanian	Roma
Male (mean)	0.9383562	0.871212	0.428571
Female (mean)	0.9135514	0.744526	0.518519
Pr(Z < z)	0.163	0.0085	0.4816

Note: Test: Ho: diff = prop(Male) - prop(Female)=0 versus Ha: prop(Male) - prop(Female)≠0

Source: Authors' calculations based on HBS 2008.

Average education levels for individuals 15 years or older not enrolled in school			
	All (mean)	Albania (mean)	Roma (mean)
Male	3.730142	3.466855	2.51634
Female	3.430568	2.902036	2.218543
Prob > F	0	0	0.0064

Note: Wald Test on equal mean.

Source: Authors' calculations based on HBS 2008.

Risk aversion scale	
Over	Mean
Male	5.439966
Female	4.493487
Prob > F	0

Note: Wald Test on equal mean.

Source: Authors' calculations based on LITS.

Average hours of work		
	Usual hours	Actual hours
Male	43.228	41.33
Female	41.85	39.35
Prob > F	0	0

Note: Wald Test on equal mean.

Source: Authors' calculations based on LFS 2010.

Time unemployed	
	Average years
Male	7.169878
Female	6.534867
Prob > F	0.008

Note: Wald Test on equal mean.

Source: Authors' calculations based on LFS 2010.

Interest in politics (scale)				
	Mean	Std. Err.	[95% Conf.	Interval]
Male	2.605449	0.03419	2.538384	2.672515
Female	2.133207	0.037462	2.059724	2.206691
Prob > F	0			

Note: Wald Test on equal mean.

Source: Authors' calculations based on EVS 2008.

Participation in...	Petition	Boycott	Lawful demonstration	Strike	Occupation
Male	2.373847	2.112911	2.098797	1.767049	1.462683
Female	2.084987	1.847366	1.810778	1.477851	1.23703
Prob > F	0	0	0	0	0

Note: Wald Test on equal mean based on the original indices, which vary between 1 to 3.

Source: Authors' calculations based on EVS 2008.

Men should have priority when jobs are scarce	Percentage agree
Male	0.4794487
Female	0.2601848
Prob > F	0

Note: Wald Test on equal mean.

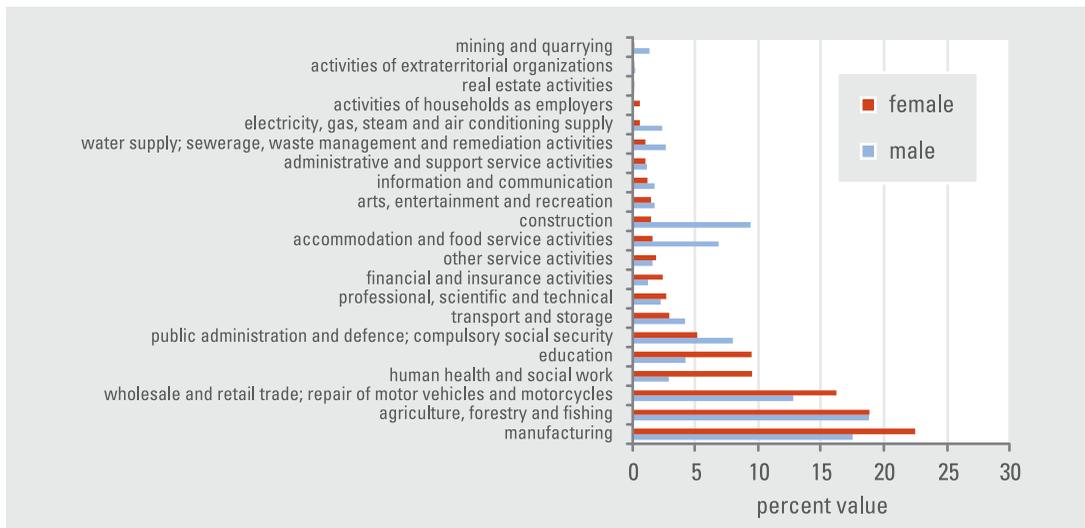
Source: Authors' calculations based on EVS 2008.

	A working mother can establish just as warm and secure a relationship with her children as a mother who does not work	A pre-school child is likely to suffer if his or her mother works	A job is alright but what most women really want is a home and children	Being a housewife is just as fulfilling as working for pay
Female dummy	0.218***	-0.192***	0.053	-0.174***
	Having a job is the best way for a woman to be an independent person	Both the husband and wife should contribute to household income	In general, fathers are as well suited to look after their children as mothers	Men should take as much responsibility as women for the home and children
Female dummy	0.483***	0.323***	-0.084	0.118*

Note: coefficient of female dummy based on ordered probit. *** denotes significance at 1%.

Source: Authors' calculations based on EVS 2008.

FIGURE 24
Distribution of workers across sectors



Source: Authors' calculations based on LFS (2010).

