Gender Differences in the Determinants of Young NEET: Evidence from Albania

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Outline

- Research Question
- Contribution to Literature and Brief Literature Review
- Methodology
- Data
- Results
- Conclusions and Policy Implication

Research Question

Are there gender differences in the determinants of Young NEET in Albania?

What accounts for those differences?

- How are the differences decomposed?
  - Endowments—characteristics
  - Rewards—coefficients
  - Unexplained

Contribution to the literature

- Sparse empirical evidence
- Evidence mainly focuses on developed countries
- Intersectionality analysis
- Albania has started the process of accession to the EU

Determinants of NEET

Personal and family related socio-economic factors

- Social mores placing women at home (Quintano et. al., 2018)
- Pervasive bread-winner model (living with partner increases probability of being NEET for women)
- Being a mother increases the probability of being NEET (Dicks et al., 2021)
- Family formation process (Holmes, Murphy, and Mayhew, 2019)
- Mismatch of skills particularly shortages in STEM increases probability of NEET even for the highly educated (Caroleo et. al. 2018)
- Higher level of education does not guarantee employment (Nunez and Livanos, 2010; Lim and Lee, 2019)

Gender differences in the determinants of NEET

- Living with partner increase probability of being NEET for women, but reduces the probability of being NEET for men (Quintano, etc. al. 2018)
- Fields of education in science decrease the probability of being NEET for women
- Lower education levels increase the probability of being NEET more for women (Holmes, Murphy, and Mayhew, 2019)
- Parents high education level decrease the probability of being NEET for women more than men
- Presence of penalty component

Methodology—Gender Differences

- Probit model

  $y^*_i = x_i\beta + \varepsilon_n$ (1)

  $y_i = 1$ if $y^*_i \geq 0$ (2)

  $y_i = 0$ otherwise (3)

  - where yi is the indicator of individual i's response determined by the underlying latent variable y*i; xi is a 1 x q vector of explanatory variables; β is a q x 1 vector of parameters; εn is a random error term, and i=1,…, I

- Separate probit regressions for young NEET women and young NEET men

- Separate probit regressions for young inactive NEET women and young inactive NEET men

- Oaxaca-Blinder Decomposition and Non-Linear Decomposition

$$\overline{Y}^A - \overline{Y}^B = \beta^A\left(\overline{X}^A - \overline{X}^B\right) + \left(\beta^A - \beta^B\right)\overline{X}^B$$

Data

2019 Labor Force Survey (LFS)

Nationally representative

Representative at the prefecture level

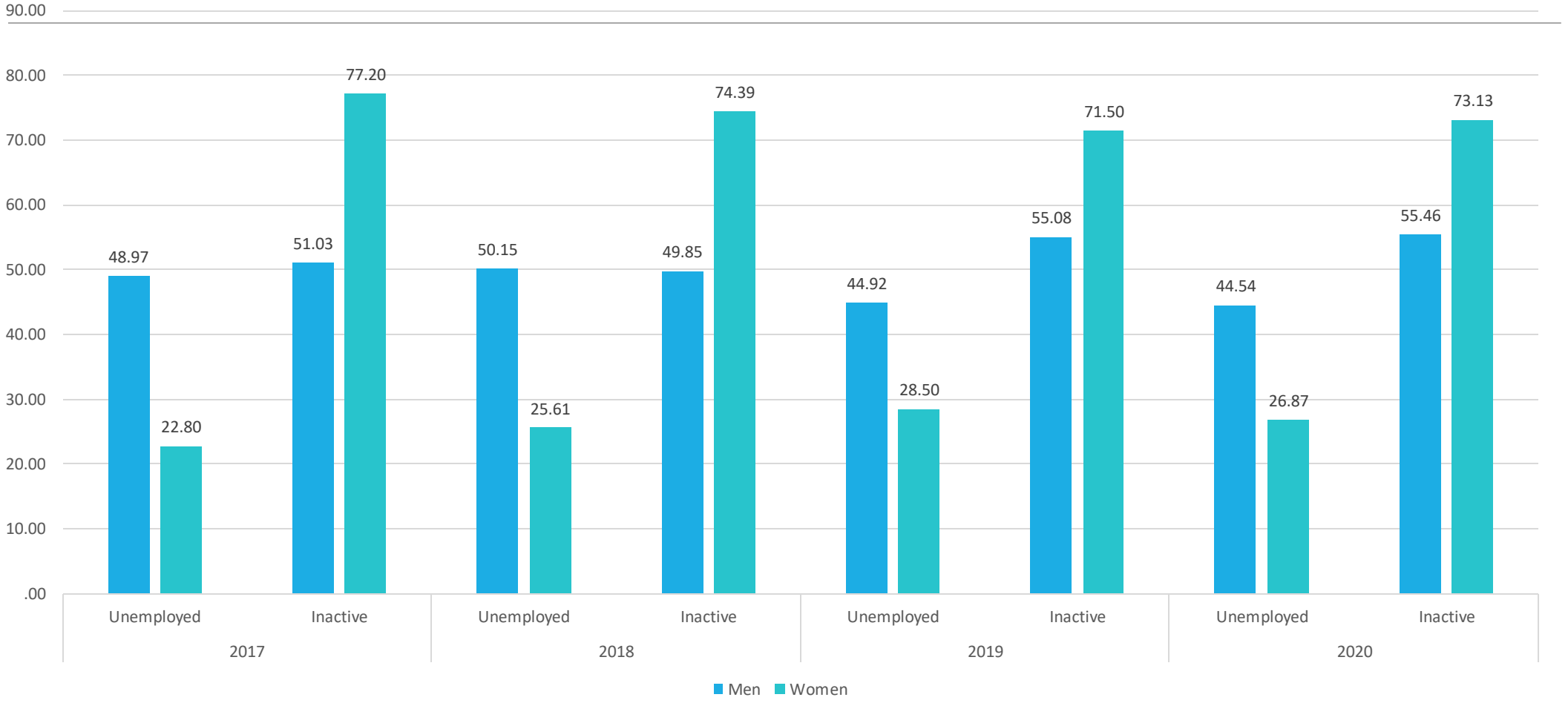
- 13 prefectures

Total Sample: 85,041 individuals

Final sample NEET: 16,382 (8,570 young men and 7,812 young women)

- 4,128 NEET
- 2,136 young women NEET
- 1,992 young men NEET

Descriptive Statistics—Young NEET population by sex and labor market status (%)



Choice of variables

Dependent Variable

- NEET=1 – all youth ages 15-29 years not in employment, education, and training
- NEET women=1– young women ages 15-29 years not in employment, education, and training
- NEET men=1 – young men ages 15-29 years not in employment, education, and training

Independent Variables

- Personal characteristics
  - Age
  - Marital status
  - Education status
  - Early school leaver

- Household characteristics
  - Number of working women in the household
  - Years of education of household head
  - Number of adults 65 years and above
  - Number of children under the age of 6 years in the household
  - Household responsibilities

- Regional characteristics
  - Unemployment rate at the prefecture
  - Prefecture dummies

Results

- There are gender differences in the determinants of young NEET in Albania
- Greater impact of education for young NEET women in reducing the probability of being NEET
- Early school leavers increases the probability of being NEET more for young women, although it is a strong determinant for both sexes
- Family and household responsibilities increase the burden for young women
- Being married increases the probability of being NEET for young women, but decreases it for young men
- Having children only impacts the probability of being NEET for young women
- Impact of the number of females being employed in reducing the probability of being NEET is much greater for young women
- More educated head of the household decrease the probability of being NEET for young women
- More traditional prefectures have greater impact in increasing the probability of being NEET for young women
  - Prefectures with more exposure to migration decrease the probability of being NEET

	Probability of being NEET young men	Probability of being NEET young women
age	0.028	0.037
	(1.79)*	(2.09)**
age square	-0.001	0.000
	(1.78)*	(1.20)
married	-0.045	0.051
	(2.18)**	(2.78)***
number of females working in the household	-0.06	-0.258
	(7.86)***	(34.25)***
number of years of education of the head of the household	-0.003	-0.009
	-1.48	(4.77)***
number of children under the age of 6 years in the household	-0.023	0.028
	(1.41)	(2.41)**
number of members 65 years and over in the household	-0.004	-0.026
	(0.48)	(2.80)***
primary education	-0.294	-0.329
	(10.10)***	(8.87)***
vocational education	-0.126	-0.109
	(5.33)***	(2.37)**
secondary education	-0.145	-0.227
	(4.58)***	(6.94)***
tertiary education	-0.143	-0.221
	(5.93)***	(7.07)***
early school leavers	0.337	0.364
	(13.02)***	(11.43)***
unemployment rate at the prefecture level	0.012	0.011
	(6.50)***	(5.15)***
Number of Observations	8,570	7,812

	Probability of being inactive NEET young men	Probability of being inactive NEET young women
age	-0.034	0.023
	(2.85)***	(1.59)
age square	0.001	0.000
	(2.42)**	(1.41)
married	-0.026	0.08
	(1.66)*	(4.93)***
number of females working in the household	-0.017	-0.156
	(2.93)***	(26.17)***
number of years of education of the head of the household	-0.002	-0.005
	(1.85)*	(3.18)***
number of children under the age of 6 years in the household	-0.014	0.044
	(1.17)	(4.93)***
number of members 65 years and over in the household	-0.014	-0.015
	(2.11)**	(1.95)*
primary education	-0.243	-0.272
	(11.84)***	(9.55)***
vocational education	-0.11	-0.139
	(18.00)***	(19.90)***
secondary education	-0.151	-0.199
	(7.83)***	(9.08)***
tertiary education	-0.12	-0.228
	(11.95)***	(12.12)***
early school leavers	0.244	0.263
	(9.44)***	(8.74)***
unemployment rate at the prefecture level	0.005	0.002
	(4.14)***	(1.35)
Number of Observations	8,570	7,812

Oaxaca Blinder Decomposition	
Women	0.289
	(44.70)***
Men	0.246
	(42.25)***
difference	0.043
	(4.95)***
endowments	-0.036
	(5.33)***
coefficients	0.092
	(9.02)***
interaction	-0.013
	(1.38)

Nonlinear decomposition

Results	Coefficient	Percentage
Omega = 1		
Char	0.0450719	-98.91%
Coef	-0.0837114	183.70%
Int	-0.00693	15.21%
Omega = 0		
Char	0.0381419	-83.70%
Coef	-0.0906414	198.91%
Int	0.00693	-15.21%
Raw	-0.0455695	100%

Conclusions and Policy Recommendations

- There are still positive effects to be leveraged from increased education for both young women and young men

- This is especially significant for early school leavers

Family responsibilities continue to burden almost exclusively young women
  - Large impact of being married on women
  - Large impact of having dependent children on women

- Female employment especially significant for young women

- Need of care facilities and services to reduce the burden on women

Thank you!