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

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The rates of young people not in employment, education, or training (NEET) in Albania are marked by gender differences in the stock and characteristics of those belonging to this group. A significant difference emerges in the rates of inactivity, and especially inactivity due to family responsibilities between young men and young women NEET, which warrants further investigation. This paper uses data from the 2019 Albanian Labor Force Survey (LFS) to estimate through a probit model the probability of being NEET and inactive NEET by sex on a set of individual, household, and regional characteristics. Our findings show that education plays a significant and important role in reducing the probability of being NEET across sexes, while family dynamic affect them differently. Being married and having young children under the age of six in the household appears to penalize women, and reward men. Being an early school leaver is a significant and strong determinant of being NEET across sexes. Family responsibilities play a greater role in the probability of being NEET and inactive NEET for women, although it is also significant for men. Being a discouraged worker has a higher magnitude on the probability of being NEET for men compared to women, although it is also significant for women. The findings point to the importance of investing in education, while alleviating the household and care responsibilities for women through provision of care services to reduce the early distance from the labor market of young women in Albania.

Keywords: Albania, NEET, Gender Differences, Inactivity.
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I. Introduction

Even though Albania has made significant progress in terms of employment policy and active labor market measures, bringing them closer to European Union (EU) models, young people persistently remain unintegrated into the labor market. Labor Force Survey Data (LFS) data provided by INSTAT provide a snapshot of the labor market indicators for the working-age population and youth for the period 2017-2020. The labor force participation rate among youth (15-29 years old) is the lowest among all the other age-groups. However, the labor force participation rate for youth between the ages of 15–29 years has improved considerably, from 45.6percent in 2017 to 52.1 percent in 2020, with the highest rate in 2019, at 52.5 percent. Young women have the lowest labor force participation rate within women and also compared to the other age-groups. Young women's labor force participation rate in 2020 is 44.7 percent compared to 59.3 percent for young men. In 2017–2020, young women's labor force participation rates increased, from 37.2 percent in 2017 to 44.7 percent in 2020, while that of young men increased from 51.7 to 59.3 percent in these respective years (Table 1).

Table 1. Labor force participation rate (%), by sex and age, 2017–2020

Age group	2017	2018	2019	2020
Total				
15–29	**45.6**	**50.1**	**52.5**	**52.1**
30–64	77.0	78.1	78.6	77.8
15–64	66.8	68.3	69.6	69.1
15+	58.3	59.4	60.4	59.5
Men				
15–29	**52.8**	**58.2**	**59.2**	**59.3**
30–64	87.8	87.5	87.6	86.6
15–64	75.8	76.9	77.6	77.1
15+	66.8	67.6	68.0	66.9
Women				
15–29	**37.2**	**41.5**	**45.6**	**44.7**

30–64	66.7	69.2	69.9	69.4
15–64	57.7	59.7	61.6	61.2
15+	49.8	51.4	53.0	52.3

Note: Source of information: Labor Force Surveys 2017–2020

The differences in labor force participation rates are also apparent in the employment rates. Employment rates show the same patterns as labor force participation rates, following an upward trend during 2017–2019, with a slight decrease in 2020, except for youth employment rates which show a flat trend. The highest level of employment rates was achieved in 2019 for all age groups (Table 2). Young women have by far the lowest levels of employment compared to young men. The recent employment rate is 35.3 percent for young women in 2020, compared to 46.9 for young men. Although employment rates have increased for both young women and young men during the period 2017–2020, they still lag behind the rest of the population.

Table 2. Employment rates (%), by sex and age, 2017–2020

Age group	2017	2018	2019	2020
Total				
15–29	**33.8**	**38.5**	**41.2**	**41.2**
30–64	68.7	70.9	71.8	70.7
15–64	57.4	59.5	61.2	60.6
15+	50.3	52.1	53.4	52.5
Men				
15–29	**38.5**	**44.7**	**46.6**	**46.9**
30–64	77.9	79.3	79.9	78.9
15–64	64.3	66.7	68.2	67.8
15+	57.1	59.0	60.1	59.2
Women				
15–29	**28.3**	**32.0**	**35.7**	**35.3**
30–64	60.0	62.9	64.0	62.8

15–64	50.3	52.4	54.4	53.6
15+	43.5	45.3	46.9	46.1

Note: Source of information: Labor Force Surveys 2017–2020

As with the other labour market indicators, youth unemployment rates are the highest in the population. Nevertheless, these rates show a decreasing trend from 25.9 percent in 2017 to 20.9 percent in 2020 (Table 3). Unemployment rates, as they stand with the current labour market definition, hide gender differences due to the large level of inactivity rates among women and unpaid family labour. Consequently, women's unemployment rates appear lower than for men.

Table 3. Unemployment rates (%), by sex and age, 2017–2020

Age group (years)	2017	2018	2019	2020
Total				
15–29	**25.9**	**23.1**	**21.5**	**20.9**
30–64	10.8	9.2	8.7	9.2
15–64	14.1	12.8	12.0	12.2
15+	13.7	12.3	11.5	11.7
Men				
15–29	**27.0**	**23.1**	**21.3**	**20.8**
30–64	11.3	9.4	8.8	8.8
15–64	15.1	13.2	12.2	12.0
15+	14.6	12.7	11.6	11.5
Women				
15–29	**24.0**	**23.1**	**21.7**	**21.1**
30–64	10.1	9.0	8.5	9.6
15–64	12.8	12.3	11.8	12.4
15+	12.6	11.9	11.4	11.9

Note: Source of information: Labour Force Surveys 2017–2020.

Efforts to tackle youth inactivity and unemployment has gained prominence through youth employment policy framework and availability of quality youth and adult employment and education opportunities. The increased share of NEET in the past decade in may EU countries gave rise to the needed attention regarding this phenomenon. Within the EU in 2019, Spain has the highest rates of NEET at 25.0 percent, but Italy has the highest rate of NEET for young women who make up 63.0 percent of the NEET. Albania exceeds the rate of Spain with 26.7 percent in 2019, and a makeup of the NEET with 53.7 percent young women and 45.3 percent young men. Experience from the implementation of the Youth Guarantee in EU Member States since 2013 has highlighted the need to go beyond conventional active labor market programs (ALMPS) to tackle youth unemployment through engaging in large-scale reforms of education, vocational education and training (VET), and employment support services, fostering inclusion and social cohesion, and strengthening the market job and qualifications system.

Inspired by the experience of EU Member States, the concept of the Youth Guarantee was introduced into the Albanian legislation, paving the path for the design and implementation of the Youth Guarantee Implementation Plan. The concept was firstly introduced in the Law no. 15/2019, "On Employment Promotion"[1]. Furthermore, in 2020, the European Commission announced an Economic and Investment Plan for the Western Balkans, in which the Youth Guarantee featured prominently as a focal and flagship initiative. In this framework, Albania's Economic Reform Programme (ERP)2 2021-2023 foresees the design and implementation of youth guarantee program countrywide. In July 2021, on the second EU-Western Balkans Ministerial Meeting on Employment and Social Affairs, the Ministers of Labor of the Western Balkans, including Albania, endorsed a joint declaration aiming at joint commitment to pave the establishment, implementation and enhancement of Youth Guarantee scheme.

On the framework of the EU for Social Inclusion program and IPA 2019, this action supports and encourages the National Employment and Skills Strategy (NESS) 2019-2022 initiatives toward employability of young people not in employment, education or training (NEET) through new service delivery models, new employment programs for this target group, expanding coverage of welfare-to-work programs, and strengthening vocational and educational training programs in

[1] Article no.11, point gj). http://www.parlament.al/Files/ProjektLigje/20190318131036ligj nr. 15, dt. 13.3.2019.pdf
[2] https://www.financa.gov.al/wp-content/uploads/2021/02/Economic-Reform-Programme-2021-2023.pdf

municipalities.

Given the persistent high rates of NEET in Albania and the larger share of young women NEET, this study aims to estimate the gender differences of young NEET in Albania and decompose the difference. The remainder of the study is structured as follows: Section 2 provides the literature review and conceptual framework, section 3 introduces the data used for the analysis and descriptive statistics, section 4 provides the econometric model, section 5 provides the results, and section 6 concludes with policy recommendations.

II. Brief Literature Review

The term NEET first emerged in the 1980s in the UK (Coles et. al, 2002; Furlong, 2007), and it included the age group 16- to 18-year-olds who were not in education or training and did not have access to unemployment benefits. The term later expanded to include persons between the ages of 15 and 24 years disengaged from both work and education (Eurostat, 2012). It was later formally incorporated into the EU policy framework in 2010 (Eurofund, 2012; Redmond and McFadden, 2023) adapting the Eurostat and ILO definition of NEET rate as the percentage of population of a given age-group (15 to 24 years and 15-29 years) that are not employed and not involved in further education or training. The NEET rate is widely used as an indicator to assess the higher risk of labor market and social exclusion, and it is a broad measure of youth marginalization and disengagement (Assirelli, 2013; Malo et al., 2021; Lawlor, 2021).

On a macroeconomic perspective, there are economic costs associated with high rates of NEET (Eurofund, 2012) due to foregone earnings, economic output, productivity, stagnating human capital, and the impact on public finances due to payment of unemployment benefits, child benefits, housing benefits, etc. On the opposite side, there is also great potential of young people, especially in an aging population. This is especially significant for Albania, which continues to have high rates of out migration (Gedeshi and King, 2020). Being NEET also poses disadvantages for the individuals leading to long-term unemployment (OECD, 2014), social exclusion, poverty, material deprivation, housing insecurity (Figgou et al., 2021; Soltés et al., 2020), poor mental health, low-status occupations (Feng et al., 2015), and social isolation (Figgou et al., 2021; Balan, 2015).

The literature on NEET shows that institutional determinants are especially influential in times of crisis (Caroleo and Pastore, 2007; Marelli and Signorelli, 2015; McDonald, 2011; Simmons and Smyth, 2016). The adverse labor market conditions disproportionately hurt youth (Pastore, 2018; Choudhry et al., 2012) contributing to a rapid increase in NEET following the 2008 recession especially in Bulgaria, Greece, Italy, Ireland, and Spain (Drakaki et al., 2014; Eurofound, 2012). Within the crisis context, studies show that COVID-19 increased NEET rates due to sectors such as retail and hospitality being hit the hardest, while these sectors accommodate a large number of youths especially in Southeast Europe (Marelli and Signorelli, 2022).

Other institutional determinants like taxes on labor, unemployment benefits, collective bargaining, minimum wages, and labor market policies are mainly designed to protect older workers, and they do not provide the same benefits to youth in terms of crisis, who are disproportionately affected by high unemployment rates, precariousness and shortage of jobs (Belot and Van Ours, 2001). The education system, the labor market and the welfare state also impact the transition from school to work (Cefalo et al., 2020), and the structural barriers and exclusion from education and training (Bell and Blanchflower, 2011), and lack of knowledge on where and how to search from work (ILO, 2015) leads to skill mismatch, mobility issues, all of which increase the probability of youth NEET. The welfare state provides especially important in providing assistance for the sick and disabled and increases the changes for employment of those who are sick or are disabled, and women who are in need of child-care (Coppola and Di Laurea, 2016). Therefore, availability and access to welfare may reduce the likelihood of being NEET, and vice-versa.

In the need to recognize NEET as a heterogeneous group, differences between NEET must go beyond the two broad categories of active and inactive (Farrington and Welsh, 2007). Personal and family related socio-economic factors are recognized among the determinants of NEET. Socioeconomic disadvantage including poor housing and poor economic situations, low educational attainment, low skills and low educational attainment of parents increase the probability of being NEET (Ryan, 2001; Bynner and Parsons 2002; Robson 2008; Thompson 2009; Strelitz, 2003; Coles et. al. 2002; Dolton, et. al. 1999; Meadows, 2001; Tamesberger and Bacher, 2014 ; Belfield et al., 2012; Froy and Pyne, 2011) and elevates the risk of social exclusion (Serracant, 2014). Parents high education level decrease the probability of being NEET for women more than men (Holmes, Murphy, and Mayhew, 2019).

Furthermore, individual characteristics such as low perceived health or disability (Cassen and Kingdon, 2007; Rasalingam et al., 2021) and mental health problems (Cornaglia et al., 2015) also increase the probability of being NEET for youth. Mascherini and Ledermaier (2012) find that the probability of being NEET is three times higher for young people with low education. It is 40 percent higher for youth with some kind of disability, 70 percent higher for youth with immigration background, and 1.5 times greater for youth living in rural areas. Young women with household responsibilities and having babies at early age have a higher probability of being NEET. Furthermore, a number of studies find that early school leavers have higher probabilities of being NEET (Brunello and De Paola, 2014; Furlong, 2006; Vallejo and Dooly, 2013; Carcillo et al., 2015).

Other studies find that mismatch of skills and particularly shortages in STEM increases the probability of NEET even for the highly educated (Caroleo et. al. 2018). A higher level of education does not guarantee employment, and those with higher education have similar risk of being NEET as those with lower education in Greece and Cyprus (Nunez and Livanos, 2010; Lim and Lee, 2019). Fields of education in science decrease the probability of being NEET for women, while lower education levels increase the probability of being NEET more for women than men (Holmes, Murphy, and Mayhew, 2019).

Social mores placing women at home, family formation process stressing the role of care responsibilities for women, and pervasive bread-winner model increase the probability of being NEE for women (Holmes, Murphy, and Mayhew, 2019). Quintano et. al. (2018) finds that living with partner increases the probability of being NEET for women, but decreases the probability of being NEET for men. Dicks et al. (2021) finds that being a mother increases the probability of being NEET. Other studies find that lone parenthood and teenage pregnancy (Cusworth, et. al., 2009; Dicks et al., 2021)

The lack of trust in institutions, scarce social participation, lack of participation and interest in politics also increase the probability of being NEET (Alfieri et. al., 2015). Another body of the literature focusing on personality traits and cognition finds that personality traits such as ability to persevere with long-term goals and belief that they can affect and control events (Almlund et al. 2011; Mendolia and Walker, 2015), and high cognition abilities decrease the probability of being NEET (Gladwell, et. al. 2016).

Studies find the presence of a penalty component for women. Even if young women have higher human capital characteristics, they are more penalized for performance reached (Holmes, Murphy, and Mayhew, 2019). Although over time the risk of being NEET as a result of having children has fallen due to more young people able to work or follow education alongside caring for children, there is evidence of a penalty for women with childcare needs (Holmes, Murphy, and Mayhew, 2019). The child-care penalty and time away from the labor market particularly pronounced for women (Feng et al., 2015). The higher rate of NEETs for women in mid-to-late 20s is found to be almost entirely due to having a child (Holmes, Murphy, and Mayhew, 2019). Being a parent increases NEET risk for women of all ages, but most relevant for those over 21 years.

This study contributes to the literature in a number of ways. It adds to the sparce empirical evidence on the determinants of NEET, and the gender differences of NEET, while also providing empirical evidence for Albania, in a developing country context for which empirical evidence on this topic has so far been inexistent. In the NEET literature, the evidence has mainly focused on the context of economic crisis, and it has been based on comparative studies conducted by international organizations. In terms of country specific evidence, the focus has mainly been on developed countries, such EU countries, the United States, Japan, etc. It also provides intersectionality analysis distinguishing by age-groups, labor market status, family responsibilities, and education level. Lastly, on a policy-making perspective, this study provides relevant lessons to be learnt for Albania, which has started the process of accession to the EU and is engaging in the Youth Guarantee.

III. Data and Descriptive Statistics

This paper uses the 2019 Labor Force Survey for the econometric analysis and the Labor Force Surveys of 2017, 2018, 2019, and 2020[3] for the descriptive statistics. The Labor Force Survey is collected by the Albanian Institute of Statistics (INSTAT) and it follows the Eurostat guidelines being in compliance with other Labor Force Surveys collected in the European Union. The Labor Force Survey is a large nationally representative household sample survey conducted

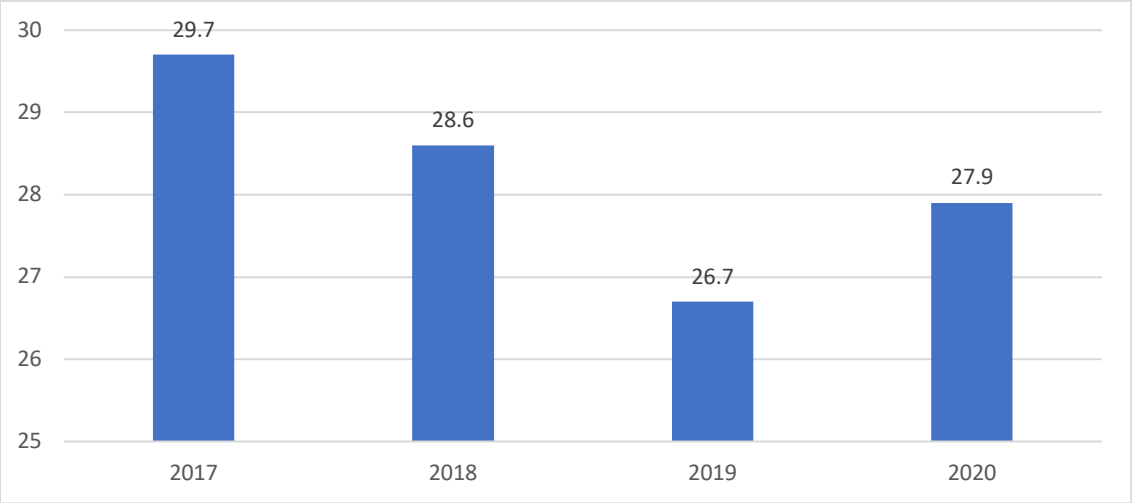
[3] The 2020 micro data for the Labor Force Survey is not available for econometric analysis. Therefore, the data is used for descriptive statistics.

quarterly and it covers persons aged 15 years and over who live in private households. Besides the large array of labor market indicators, the Labor Force Survey also includes various personal and household characteristics, and it is also representative at the prefecture level.

The 2019 Labor Force Survey has a total sample of 85,041 individuals. The final sample included in the analysis is that of youth between the ages of 15-29 years, for a total of 16,382 individuals. There are 8,570 young men and 7,812 young women. There is a total of 4,128 young NEET divided into 2,136 young women NEET and 1,992 young men NEET.

Calculations from the LFS 2017-2020 show that the rate of youth (15-29 years) not in employment, education or training (NEET) in Albania has displayed a decreasing trend from 29.7 per cent in 2017 to 28.6 per cent in 2018 to 26.7 per cent in 2019. In 2020, the rate of young NEETs increases to 27.9 per cent (Figure 1).

Figure 1. Young NEETs rate, 2017-2020 (%)

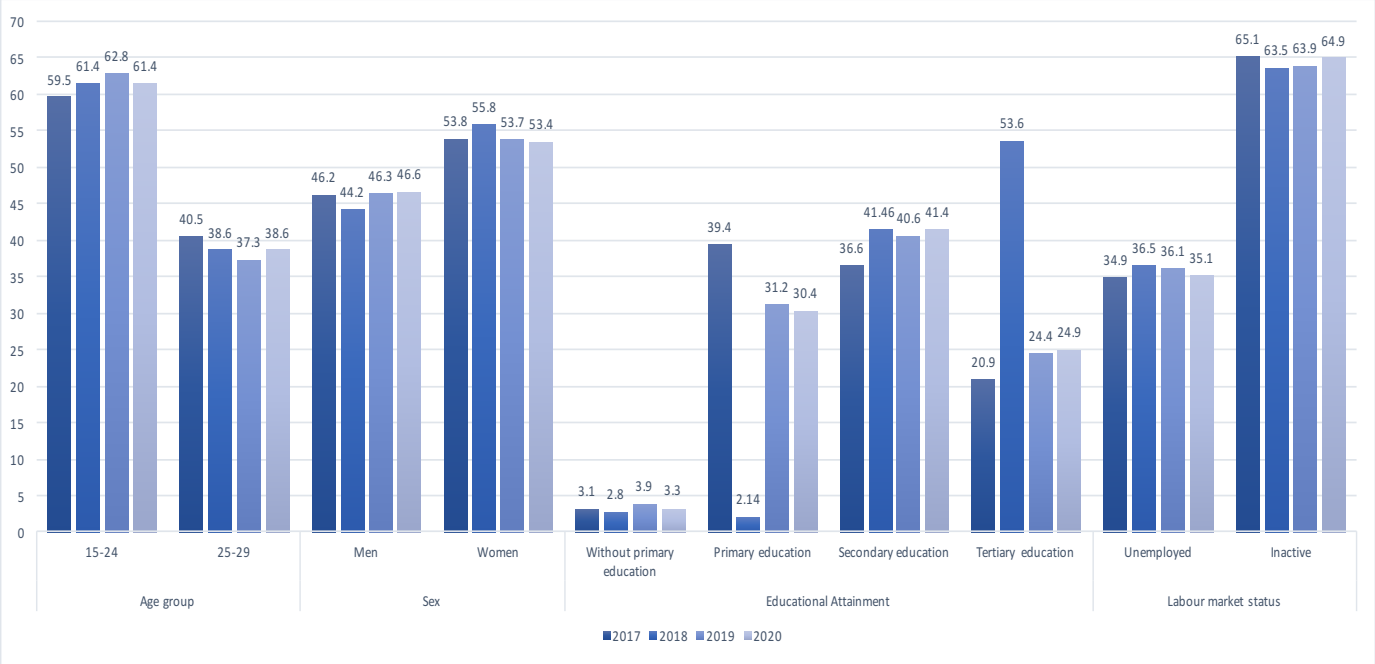


Source: Author calculation based on the Labour Force Survey (2017-2020).

The key characteristics of young NEETs between 2017-2019 show an increasing trend in the percentage of younger NEETs (15-24 years of age) reaching 62.8 per cent in 2019 from 61.4 per cent in 2018 and 59.5 per cent in 2017 (Figure 2). In 2020, there was noted a slight decrease to 61.4 per cent. A decreasing tread was shown between 2017-2019 in the percentage of 25-29 years old NEETS, and a slight increase to 38.6 per cent in year 2020. Throughout the period 2017-2020, women make up over fifty percent of young NEETs (53.4 per cent in 2020, 53.7 per cent in 2019,

55.8 percent in 2018, and 53.8 per cent in 2017). In terms of educational attainment, there is a strong increasing trend in the rate of young NEETs with tertiary education, which has drastically increased between 2017-2018. Over half of young NEETS in 2018 (53.6 per cent) have tertiary education compared to about one-fifth in 2017 (20.9 per cent in 2017). In 2019 and 2020, about one-fourth have tertiary education (24.4 per cent and 24.9 per cent, respectively). Although educational attainment of young NEETs appears to have increased in the above-mentioned period, the inactivity rates among the young NEETs in Albania, continue to remain high, consistently making up the overwhelming majority of the labour market status (65.1 per cent in 2020, 63.9 percent in 2019, 63.5 per cent in 2018, 65.1 per cent in 2017). This warrants an examination of the links or lack thereof between the labour market and the education system, in order to understand whether the labour market is receptive of the education fields offered and that make up the majority of the graduates.

Figure 2. Key characteristics of young NEETs, 2017-2020 (% within category)

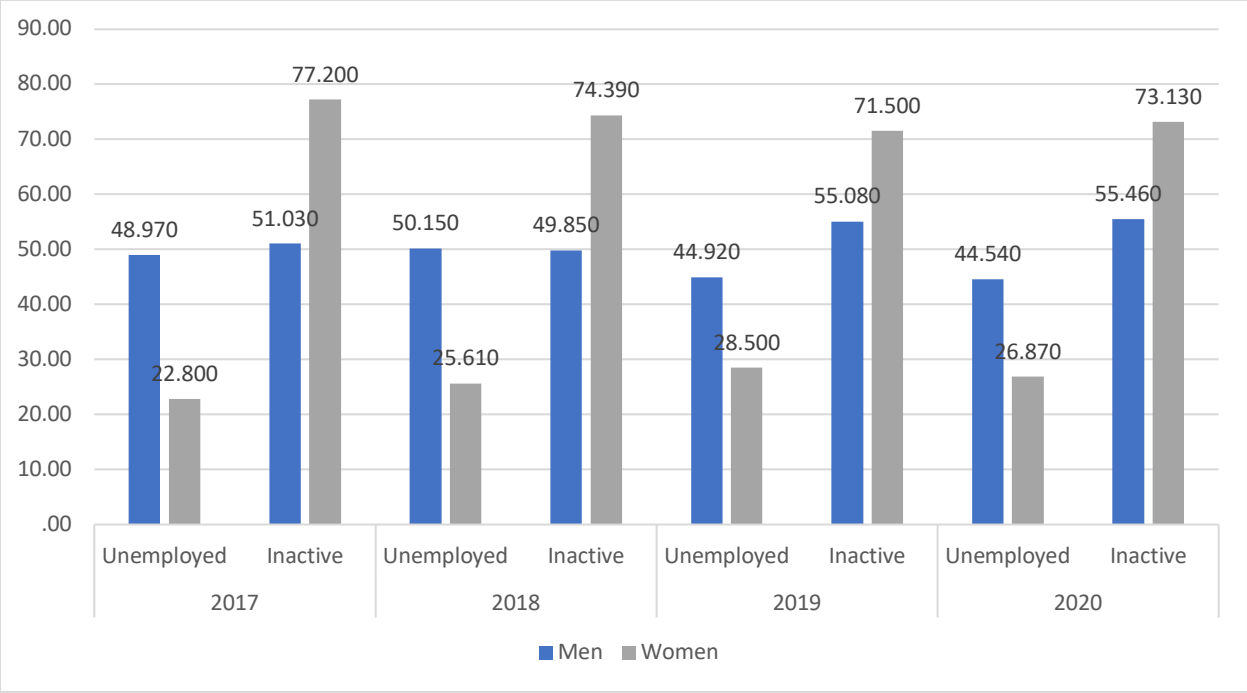


Source: Author calculation based on the Labour Force Survey (2017-2020).

A closer look at the labour market status of young NEETs shows great differences of men and women (Figure 3). As with other labour market statistics in Albania, where women consistently have lower labour force participation rates, lower employment rates, and higher

inactivity rates mainly due to household responsibilities, young women NEET have lower unemployment rates compared to their men counterparts, but much higher inactivity rates. Throughout the period 2017-2020, women NEET have inactivity rates that exceed 70 percent (73.1 per cent in 2020, 71.5 per cent in 2019, 74.4 per cent in 2018, 77.2 per cent in 2017) compared to men NEET rates that reach their maximum at 55.5 percent in 2020 (55.1 per cent in 2019, 49.9 per cent in 2018, 51.0 per cent in 2017). Although women NEET have a much lower unemployment rate (26.9 per cent in 2020, 28.5 per cent in 2019, 25.6 per cent in 2018, and 22.8 per cent in 2017) compared to men NEET (44.5 per cent in 2020, 44.9 per cent in 2019, 50.2 per cent in 2018, 49.0 per cent), this is mainly symptomatic of the high inactivity rates of women, which offset the unemployment rate. A high participation of women as contributing unpaid family workers, such as that of women and young women working in the family farms in the rural areas, also increases the employment rate, deflating the unemployment rate.

Figure 3. Young NEET population by sex and labour market status (%)



Source: Author calculation based on the Labour Force Survey (2017-2020).

The greatest gender differences within sub-groups show that inactivity due to family responsibilities is almost entirely women (98.5 per cent women, 1.5 per cent men) (Table 4). This reinforces the prevalence of traditional gender roles for women, who continue to be viewed as the main responsible of household chores including unpaid labour, and care providers. The long-term unemployed are mainly men (63.2 per cent men, 36.8 per cent women), while the short-term unemployed show a smaller gap of 52.9 per cent men and 47.1 per cent women. Discouraged workers also have a smaller gap between men and women, 52.5 per cent and 47.5 per cent respectively.

Table 4. Share of NEETs by key characteristics, 2019 (% within sub-group)

	15-24	25-29	Men	Women	Without primary education	Primary education	Secondary education	Tertiary education
Short-term unemployed	66.1	33.9	54.0	46.0	0.4	13.3	44.9	41.4
Long-term unemployed	45.0	55.0	60.2	39.8	0.5	18.6	49.3	31.7
Re-entrants	74.3	25.8	49.9	50.1	0.0	8.3	32.1	59.5
Illness and disability	63.6	36.4	55.6	44.4	45.5	33.5	18.0	3.1
Family responsibilities	41.6	58.4	1.5	98.5	2.6	47.1	34.8	15.5
Discouraged workers	66.9	33.1	59.6	40.4	0.9	44.7	43.9	10.5
Other inactive	87.2	12.8	49.0	51.0	0.6	34.7	38.9	25.8

Source: Author calculation based on the Labour Force Survey (2019).

IV. Econometric Model

We estimate a probit model evaluating the influence of personal and family characteristics on the probability that a young person is NEET by gender, while also controlling for regional differences.

Following Quintano, etc. al. 2018, the probit model is estimated as follows:

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

$$y_i = 1 \text{ if } y^*_i \geq 0 \quad (2)$$

$$y_i = 0 \text{ otherwise} \quad (3)$$

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.

We run separate probit regressions for young NEET women and young NEET men, and separate probit regressions for young inactive NEET women and young inactive NEET men.

The dependent variable (NEET) takes a value of 1 for all youth ages 15-29 years not in employment, education, and training, 0 otherwise. Young women NEET takes a va1ue of 1 for all young women ages 15-29 years not in employment, education, and training, 0 otherwise. Young men NEET takes a value of 1 for all young men ages 15-29 years not in employment, education, and training, 0 otherwise.

The independent variables regarding personal characteristics include: age dummy equal to one for 15-24 years, 0 otherwise, marital status equal to 1 if married, 0 otherwise, four education dummies for the highest level of completed education (no education=1, 0 otherwise; completed primary education=1, 0 otherwise; completed secondary education=1, 0 otherwise; completed tertiary education, 0 otherwise), early school leaver=1 if highest completed level of education is lower secondary education[4]. Household characteristics include: number of females in employment in the household, number of children under the age of 6 years, dummy=1 for presence of children under the age of 6 years in the household, 0 otherwise. Regional dummies=1 for each of the 13 prefectures, 0 otherwise.

To quantify how the gap in the probability of being NEET depends by the personal and household characteristics and how it depends on other factors which reflect on the values of the coefficients that differ into the two groups we apply the Oaxaca-Blinder decomposition.

Following Oaxaca-Blinder (1973), the pay differential between two groups, men and women, may be decomposed in:

(i) the proportion of the differential attributed to the shift of the coefficients $b^w_0 - b^m_0$, which is typically regarded as pure discrimination of the rent of being of a specific sex

[4] up to grade 5

(ii) the explained part attributed to the differences in the coefficients b^{w}_{i} and b^{m}_{i}, and the differences in the average characteristics or endowments $\overline{X}^{W}$ and $\overline{X}^{M}$

(iii) the unexplained or interaction between the coefficients and the average characteristics

Extending the Oaxaca-Blinder decomposition of the pay differential between two groups and applying it to the differences in NEET rates between young men and women the estimation equation is as follows:

$$\overline{Y}^{A} - \overline{Y}^{B} = \beta^{A}(\bar{X}^{A} - \bar{X}^{B}) + (\beta^{A} - \beta^{B})\bar{X}^{B} \qquad (4)$$

where the first term represents the difference in the mean characteristics of young people belonging to the two different groups valued at the return rate of the young men group ("endowment effect"), the second term shows the share of gap due to the different evaluation received by the same characteristics into the two models ("coefficients effect"), valued considering the differences in the regression coefficients estimated in the two models.

V. Results

The obtained results are consistent with the findings in the literature and show that there are gender differences in the determinants of young NEET in Albania (Tables 5 and 6). Results show that education may be further leveraged to reduce the probability of being NEET. There is a greater impact of education for young NEET women in reducing the probability of being NEET compared to young NEET men. Furthermore, being an early school leaver increases the probability of being NEET more for young women compared to young men, although it is a strong determinant for both sexes.

The burden of household responsibilities and child-caring appears to be weighing heavily on women giving merit to the supposition of traditional gender norms being present in the household. Being married increases the probability of being NEET for young women, but it decreases it for young men. Furthermore, having children only impacts the probability of being NEET for young women. There is a strong and positive impact of the number of females being employed in reducing the probability of being NEET for both sexes, but it is much greater for young women. The impact of the burden of household responsibilities and child-care appears to be somewhat

greater for inactive young women NEET, but overall, there are no major differences in the determinants of young women and men NEET and young women and men inactive NEET.

More traditional prefectures have greater impact in increasing the probability of being NEET for young women, but prefectures with more exposure to migration decrease the probability of being NEET, this is the case even for more traditional prefectures with traditional social norms.

Table 5. Determinants of NEET by sex

	Probability of being NEET young men	Probability of being NEET young women
age	0.039	0.053
	(2.35)**	(2.87)***
age square	-0.001	-0.001
	(2.38)**	(2.03)**
married	-0.048	0.051
	(2.24)**	(2.58)***
number of females working in the household	-0.06	-0.267
	(7.56)***	(34.03)***
number of years of education of the head of the household	0.00	-0.006
	(0.24)	(2.80)***
household has children under the age of 6 years	0.01	-0.031
	(0.18)	(1.08)
number of children under the age of 6 years in the household	-0.027	0.043
	(0.65)	(2.08)**
primary education	-0.368	-0.401
	(10.65)***	(9.01)***
secondary education	-0.241	-0.292
	(6.04)***	(7.68)***
tertiary education	-0.206	-0.295
	(8.98)***	(8.02)***
early school leaver	0.318	0.355
	(12.05)***	(10.91)***
Berat	-0.062	0.022
	(3.22)***	-0.77
Diber	0.183	0.254
	(6.60)***	(7.80)***

Durrer	-0.042	-0.068
	(2.66)***	(4.05)***
Elbasan	-0.01	0.028
	(0.54)	(1.27)
Fier	-0.065	0.061
	(4.18)***	(2.79)***
Gjirokaster	0.069	0.314
	(2.14)**	(7.18)***
Korce	-0.047	0.141
	(2.75)***	(5.15)***
Kukes	-0.126	-0.079
	(7.37)***	(3.36)***
Lezhe	0.14	0.136
	(5.57)***	(4.50)***
Shkoder	-0.059	-0.02
	(3.69)***	-1.01
Vlore	-0.036	-0.003
	(1.81)*	(0.12)
Number of observations	8,157	7,389

Note: Marginal effects are shows. Standard errors in parentheses.
*** denotes 1 percent level of significance, ** denotes 5 percent level of significance, * denotes 1 percent level of significance

Table 6. Determinants of inactive NEET by sex

	Probability of being inactive NEET young men	Probability of being inactive NEET young woman
age	-0.031	0.038
	(2.50)**	(2.54)**
age square	0.001	-0.001
	(2.06)**	(2.42)**
married	-0.02	0.083
	(1.18)	(4.74)***
number of females working in the household	-0.018	-0.16
	(2.96)***	(25.90)***
number of years of education of the head of the household	-0.001	-0.003
	(0.89)	(1.43)
household has children under the age of 6 years	-0.06	-0.003
	(2.41)**	(0.12)

number of children under the age of 6 years in the household	0.036	0.044
	(1.26)	(2.79)***
primary education	-0.281	-0.343
	(11.25)***	(9.75)***
secondary education	-0.208	-0.26
	(7.86)***	(10.13)***
tertiary education	-0.14	-0.29
	(13.18)***	(12.09)***
early school leaver	0.23	0.241
	(8.80)***	(7.93)***
Berat	-0.017	-0.003
	(1.06)	(0.12)
Diber	0.202	0.206
	(7.67)***	(6.87)***
Durrer	-0.036	-0.077
	(3.18)***	(6.50)***
Elbasan	0.054	0.038
	(3.25)***	(2.01)**
Fier	-0.026	0.052
	(2.15)**	(2.81)***
Gjirokaster	0.125	0.266
	(4.02)***	(6.16)***
Korce	0.008	0.108
	(0.56)	(4.50)***
Kukes	-0.057	-0.091
	(4.24)***	(6.07)***
Lezhe	0.082	0.023
	(3.98)***	(1.03)
Shkoder	-0.065	-0.026
	(6.42)***	(1.71)*
Vlore	-0.041	-0.052
	(2.98)***	(3.01)***
Number of observations	8,157	7,389

Note: Marginal effects are shows. Standard errors in parentheses.
*** denotes 1 percent level of significance, ** denotes 5 percent level of significance, * denotes 1 percent level of significance

The Oaxaca Blinder decompositions results show that endowments decrease the NEET rate gap between young women and young men (Table 7). This may be in part to the higher levels of educational attainment of women compared to men. The decomposition results for the coefficients show that the returns to the endowments increase the gap in the NEET rates between young men and women. The interaction has no statistical significance.

The detailed Oaxaca Blinder decomposition shows that in terms of endowments, number of employed females in the household, and higher levels of education are the two main factors reducing the gender gap in NEET rates (Table 8). Marriage and children increase the gender gaps in the NEET rates as per the decomposition of coefficients. There is no evidence of discrimination between young men and women that would result in the NEET gap.

Table 7. Oaxaca Blinder decomposition

Oaxaca Blinder Decomposition	
Women	0.289
	(44.73)***
Men	0.246
	(42.27)***
difference	0.043
	(4.95)***
endowments	-0.034
	(5.11)***
coefficients	0.086
	(8.59)***
interaction	-0.008
	(0.90)

Note: Standard errors in parentheses.
*** denotes 1 percent level of significance, ** denotes 5 percent level of significance, * denotes 1 percent level of significance

Table 8. Detailed Oaxaca Blinder Decomposition

	Endowments	Coefficients	Interaction
age	-0.004	-0.195	0.001
	(1.00)	(0.32)	(0.31)
age square	0.004	0.289	-0.002
	(1.05)	(0.93)	(0.73)
married	-0.007	0.008	0.020
	(1.16)	(2.63)***	(2.64)***
number of females working in the household	-0.013	-0.138	-0.043
	(5.84)***	(15.85)***	(11.61)***
number of years of education of the head of the household	-0.000	-0.089	-0.003
	(0.31)	(3.04)***	(2.64)***
Household has children under the age of 6 years	0.000	-0.004	-0.006
	(0.05)	(0.59)	(0.59)
number of children under the age of 6 years in the household	-0.008	0.012	0.021
	(1.07)	(2.14)**	(2.14)**
primary education	0.008	0.023	-0.001
	(1.93)*	(0.85)	(0.78)

secondary education	0.042	0.003	-0.001
	(5.33)***	(0.10)	(0.10)
tertiary education	-0.051	0.01	0.008
	(5.73)***	(0.77)	(0.77)
early school leaver	-0.002	0.002	0.000
	(1.87)*	(0.64)	(0.60)
Berat	0.000	0.006	0.000
	(0.65)	(3.96)***	-0.67
Diber	-0.003	-0.001	0.000
	(2.97)***	(0.30)	(0.30)
Durrer	0.000	0.000	0.000
	(0.40)	(0.10)	(0.10)
Elbasan	0.000	0.006	0.000
	(0.04)	(1.97)**	-0.05
Fier	0.000	0.013	-0.001
	(0.93)	(4.16)***	-0.95
Gjirokaster	0.000	0.004	0.000
	(0.11)	(3.17)***	(0.34)
Korce	0.001	0.015	-0.003
	(2.36)**	(5.76)***	(2.97)***
Kukes	0.000	0.003	0.000
	(0.86)	(3.19)***	(0.84)
Lezhe	-0.001	0.001	0.0000
	(1.34)	(0.32)	(0.31)
Shkoder	-0.001	0.003	0.0000
	(1.88)*	(1.48)	(1.31)
Vlore	0.000	0.004	0.0
	(0.93)	(1.75)*	(0.86)
constant		0.058	
		(0.19)	
Number of observations	16,382	16,382	16,382

Note: Standard errors in parentheses.
*** denotes 1 percent level of significance, ** denotes 5 percent level of significance, * denotes 1 percent level of significance

VI. Conclusions and Policy Recommendations

This paper uses data from the 2019 Albanian Labor Force Survey (LFS) to estimate through a probit model the probability of being NEET and inactive NEET by sex on a set of individual, household, and regional characteristics. Our findings show that education plays a significant and important role in reducing the probability of being NEET across sexes, while family dynamic affect them differently. Being married and having young children under the age of six in the household appears to penalize women, and reward men. Being an early school leaver is a significant and strong determinant of being NEET across sexes. Family responsibilities play a greater role in the probability of being NEET and inactive NEET for women, although it is also significant for men. Being a discouraged worker has a higher magnitude on the probability of being NEET for men compared to women, although it is also significant for women. The findings point to the importance of investing in education, while alleviating the household and care responsibilities for women through provision of care services to reduce the early distance from the labor market of young women in Albania.

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