

## Trends and Challenges of Female Unemployment in the Republic of Macedonia: A Regional Comparative Study

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**Abstract:** *The Republic of Macedonia has since its independence made great progress in terms of economic reform and social development; prompted often by the country's aspiration to become part of the European Union. However, in spite of these advances, weak labour market indicators in particular among females remains a great concern and a persisting challenge for the country. Based on official data from the Labour Force Survey (LFS) conducted by the State Statistical Office (SSO) for the case of the Republic of Macedonia, the aim of this study is to examine the development of female unemployment in the past decade (2004-2013) in the Republic of Macedonia from a multi-dimensional perspective. This while comparing national trends with other Balkan countries already in the EU using LFS data provided by Eurostat. Findings show that the female unemployment rate in the R. Macedonia is moving in the right direction with a decreasing trend throughout the observed period with drop of 8.8 percent point from 2004 to 2013 (observed at 29% in 2013). Compared to Balkan countries in the EU, findings show that the R. Macedonia has been performing relatively better than these countries, who have all experienced negative fluctuations in female unemployment rates in the observed period with rates at higher levels compared to 2004. Furthermore, the findings show no evidence of inequality between male and female unemployment rates in the country, however notable disparities are evident when observing unemployment among various age groups and the level of education attainment. The paper concludes with clear policy recommendations for boosting female employment to include increasing female access to education and entrepreneurial programs, increased access to childcare, etc.*

**Keywords:** *Labour market, female unemployment; unemployment, employment*

**JEL Classification:** *J01, E24*

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## **Introduction**

Issues related to the labour market are the heart of social and political debate in the Republic of Macedonia. The country has since its independence made great progress in terms of economic reforms and social development. However, in spite of these advances, weak labour market indicators in particular among females (15-64 years) remains a great concern and a persisting challenge for the country. High unemployment amongst females is however not a recent phenomenon in the country, nor is the country an exception in this regard. As argued by Mojsoska-Blazevski, Najdova, Stojkov, and Asenov (2009), the labour market in the Republic of Macedonia is considered insufficiently inclusive of females similar to other Western Balkan countries, this despite legislation being in place on labour relations, gender equality, anti-discrimination and equal employment opportunities. Job creation for the most vulnerable groups in society, and especially women, is a key component in the fight against social exclusion, and the most effective way to provide vulnerable groups such as females a sense of independence, financial security and a sense of belonging. Women represent a category in society that is traditionally excluded or underrepresented in the labour market not only due to discrimination and inequality in the labour market, but significantly also due to the role they play within the household which makes it often more difficult for them to enter the job market and pursue careers. In this context, it is the aim of this study to shed some light on the development and challenges of female unemployment in the past decade (2004-2013) in the Republic of Macedonia from a multi-dimensional perspective. This while comparing national trends with trends in other Balkan countries, more specifically with Balkan countries in the European Union.

## **Literature Review**

Gender based unemployment in general does not present a new or an unexplored area. However not much study exists on this particular topic that is specific to the R. of Macedonia. At the least no known studies exist covering trends in female unemployment for the observed period that additionally compares female unemployment trends with Balkan countries already in the EU. Available studies on female unemployment specific to the R. of Macedonia is predominately found in non-scientific studies and reports (European Training Foundation, 2013; United Nations, 2013; World Bank, 2008 and 2013) where female unemployment is usually covered lightly as part of a more general studies of labour market indicators in the R. of Macedonia; serving primarily policy making objectives. The closest

scientific research in this field can be attributed to a few (Mojsoska-Blazevski et al., 2009; Lehmann, 2010; Mojsoska-Blazevski, 2012; Mojsoska-Blazevski and Kurtishi, 2012; Avlijaš, Ivanović, Vladislavljević and Vujić, 2013; Mickovska-Raleva and Dimitrijevska, 2013) who try at various levels to depict a picture of female unemployment in the R. of Macedonia; sharing the common understanding that women in the R. of Macedonia are traditionally underrepresented in the labour market. Mickovska-Raleva and Dimitrijevska (2013) further arguing that special attention needs to be given to policies for greater inclusion of women. This in particular women from rural areas and young women. Mojsoska-Blazevski and Kurtishi (2012) argue to greater depth in this context and state that the main reason why the female unemployment rate is not much higher is the relatively high willingness of women to take low-paid, secure public sector jobs, or jobs in newly created small private firms, since by tradition, they are second-income family earners.

## **Methodology**

To properly understand female unemployment, it is essential to consider the development of the labour market from a much broader perspective and to also observe changes in the labour market in general. A close look at other labour market indicators such the rate of economically active and inactive population and employment trends is deemed warranted in this case. This in respect to both gender gaps and aggregate level (National Level) rates. A valuable source in the capturing of events in the labour market is the Labour Force Survey (LFS), which is executed annually by the State Statistical Offices of various EU countries and EU candidate countries. Hence, for the sake of harmonised labour market data, in particular for comparison purposes, data analysis of trends in female unemployment in Republic of Macedonia is based on official Labour Force Survey data published by the State Statistical Office of the Republic of Macedonia and Labour Force Survey data of selected Balkan countries published by Eurostat.

## **Data Analysis**

### *Female Labour Market Participation and Inactivity*

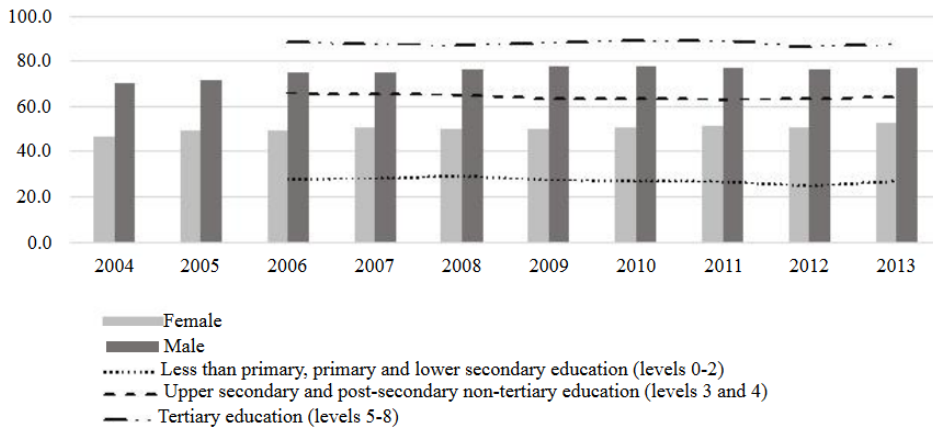
Labour force participation rate (Economic Activity Rate - EAR) of women in the Republic of Macedonia has shown a slight increase in the last decade (2004-2013). The participation of women in the labour market has increased in the observed period by 12.8% (Figure 1) which is slightly higher than the increase experienced in

the case of male labour force participation (8.9%) in the same period. Noteworthy, is that a noticeable gap exists when comparing activity rates amongst females and males. As shown in Figure 1, female activity rates are significantly lower than male activity in each year of the observed period. According to the World Bank (2008), lower female participation rates are believed to be mainly driven by very low levels of participation of young-rural-unskilled women. Furthermore, according to the same report, most women who are not in the labour force are either in school or undertaking household activities. While, according to Mojsoska-Blazevski et al. (2009), the main factors influencing low participation of women in R. of Macedonia include the tradition and cultural habits in the country, the low level of education and skills, ethnicity in combined with the education, the availability and cost of child care services and care for older family members, labour market discrimination towards females, etc. Mojsoska-Blazevski et al. (2009) further state that young, rural and unskilled females are less likely to be active in the labour market. Another important aspect to consider in this context is women's participation in the informal economy. As stated by Huyer (2014), the low labour force participation rate of women in the labour market may also indicate a much greater reliance by women on the informal economy. This particular in the case of rural women, and of women with Albanian and Roma origin (Lehman, 2010).

Female labour force participation slightly increased during the global economic crisis opposite to what could have been expected. As stated by Avlijaš et al. (2013) this could be understood as a coping mechanism of households facing income shocks by adding a family member to the labour market or replacing a family member who lost their employment.

From an educational attainment perspective, female participation in the labour market is highest among women with tertiary education which saw a slight but steady increase until 2010 (89.4%) following a slight decrease in the following years reaching 87.6% in 2013.

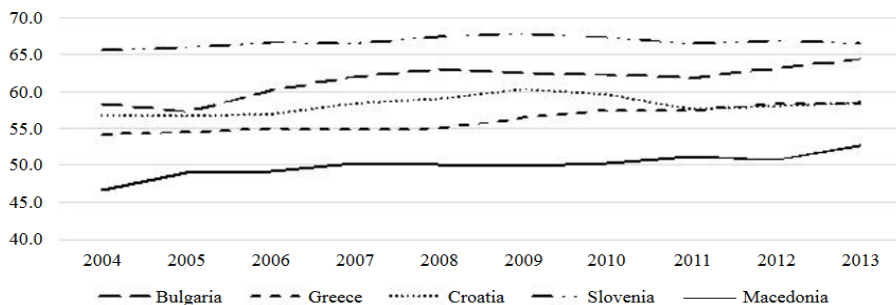
**Figure 1:** Labour Force Participation in R. of Macedonia 2004-2013 by Gender and Level of Education Attained Among Females (%)



Source: LFS, State Statistical Office of the R. of Macedonia

Compared to Balkan countries in the European Union (Figure 2), data show that R. of Macedonia has had the lowest female labour market participation rate throughout the observed period followed by Croatia and Greece with slightly higher rates. R. of Macedonia lies significantly below the average participation rate of these countries collectively, however noted with the highest increase in rates in the study period with 12.8% followed by Bulgaria with 10.4%. Women in Slovenia are much more active compared to other Balkan countries with an activity rate of 66.6% in 2013, which is 13.9% higher than the R. of Macedonia (52.7%) in the same year.

**Figure 2:** Female Labour Force Participation in Selected Balkan Countries 2004-2013 (%)



Source: LFS, State Statistical Office of R. of Macedonia and Eurostat

The inactivity rate of females depicted in Figure 3 as a percentage of the total population in R. of Macedonia show that female inactivity is twice as high as male inactivity in the country. Looking at the period 2006-2013, data show that inactivity amongst both females and males is on the way down, but with a very slow and marginal downwards trend and an overall fall of app. 7% in both cases from 2006 to 2013.

**Figure 3:** Inactive Population as a Percentage of the Total Population in R. of Macedonia by Gender (%)



*Source: Author's own work based on LFS data, State Statistical Office of the R. of Macedonia*

According to data, female inactivity in R. of Macedonia is mostly resulting from household responsibilities and secondly as a result of undergoing education and training (Table 1). While, female inactivity in benchmark countries (Table 1) can be explained primarily due to education and training and secondly to retirement; indicating a much older female population in these countries compared to R. of Macedonia. As reported by the World Bank (2008), who has studied female inactivity at sub-group level in R. of Macedonia, the large share of females who are inactive due to household activities can mainly be attributed to a large number of full-time housewives among women who are less educated and live in rural areas.

**Table 1:** Inactive Female Population - Main Reasons not Seeking Employment in Selected Balkan Countries in 2013 (%)

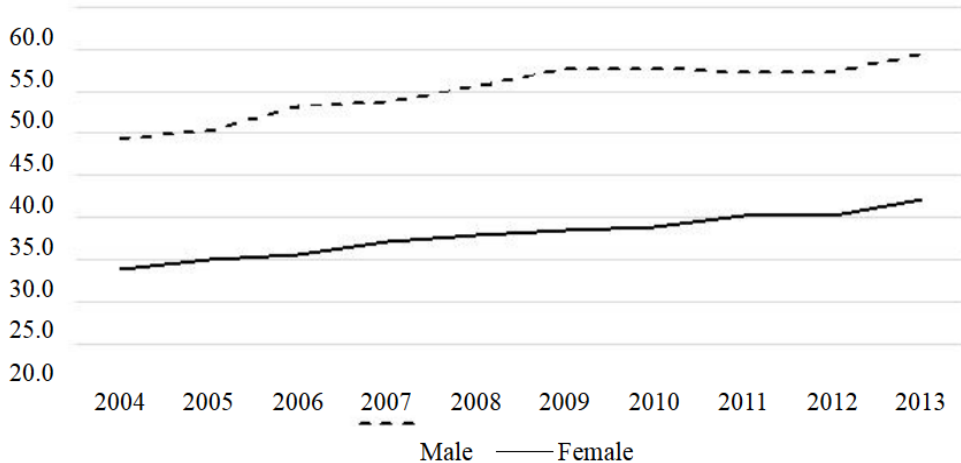
	Awaiting recall to work (on lay-off)	Own illness or disability	Other family/personal responsibilities	Looking after children or incapacitated adults	Pursuing education/training	Retired	Believes no work is available	Other reasons
Bulgaria	0.9	11.9	10.2	13.3	28.4	19.4	11.6	4.2
Greece	:	4.3	18.0	7.8	27.7	16.0	2.2	24.0
Croatia	0.5	6.8	17.8	7.3	31.7	26.1	7.7	2.1
Slovenia	0.3	8.9	9.1	3.4	32.6	38.4	3.7	3.5
Macedonia	:	3.1	38.7	11.2	26.8	11.9	5.2	3.1

*Source: Author's own work based on LFS data from the State Statistical Office of R. of Macedonia and Eurostat*

#### *Female Employment*

Looking at female employment in the R. of Macedonia in the study period, data show that the female employment rate is slowly but constantly on the rise with an 8.4 p.p. increase from 2004 to 2013. Positive and noteworthy in this context is that no spill-over effects seem to have been observed on both female and male employment following the global economic crisis in 2008/09. On the adverse side, noteworthy is that data show female employment rates to be significantly below male employment rates with a gap of 1.5 time higher male employment rate compared to the female employment rate in 2013.

**Figure 4:** Female vs. Male Employment Rates (15-64 years) in R. of Macedonia 2004-2013 (%)



*Source: Author's own work based on LFS data from the State Statistical Office of the R. of Macedonia*

In a semi regional perspective, data show (Table 2) that the R. of Macedonia is not the only country to struggle with low female employment rates. A similar problem is observed in Greece with a slightly higher female employment rate; 39.9% compared to 37.3% in the case of R. of Macedonia in 2013. Looking at the trend over the study period, all countries included in the study have observed increases in female employment except for Greece and Slovenia who registered a decline of 5.6 p.p. and 2.1 p.p., respectively, from 2004 to 2013. The R. of Macedonia is the only country that has observed a relatively consistent increase in rates throughout the study period; reaching an 8.4 p.p. increase from 2004-2013.

**Table 2:** Female Employment Rates (15-64 years) in Selected Balkan Countries 2004-2013 (%)

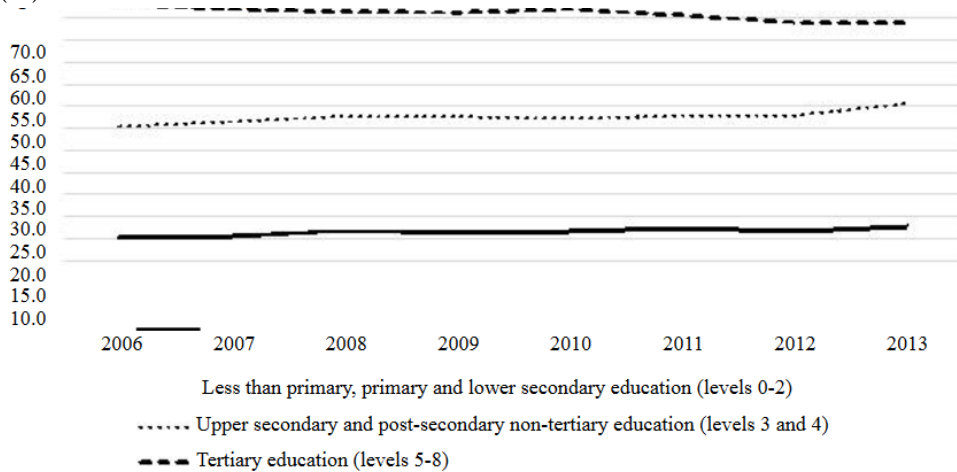
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Macedonia</b>	28.9	30.1	30.7	32.3	32.9	33.5	34.0	35.3	35.3	37.3
<b>Bulgaria</b>	51.6	51.7	54.6	57.6	59.5	58.3	56.4	55.6	56.3	56.8
<b>Greece</b>	45.5	46.0	47.3	47.7	48.6	48.9	48.0	45.0	41.7	39.9
<b>Croatia</b>	47.8	48.6	49.4	51.6	52.7	53.7	52.1	49.5	48.5	48.5
<b>Slovenia</b>	61.3	61.3	61.8	62.6	64.2	63.8	62.6	60.9	60.5	59.2

*Source: Author's own work based on LFS data from the State Statistical Office of R. of Macedonia and Eurostat*



Based on available data (since 2006 only), from an educational attainment perspective (Figure 5), female employment in R. of Macedonia shows a decreasing trend for educated women with a 4.2 p.p. decrease from 2006 to 2013. An opposite trend for women with lower levels of education is however observed. Observed data show that female employment amongst women with primary and lower secondary education (levels 0-2) has increased by 18.4% in the study period and 12.8 % in the case of women with upper secondary and post-secondary non-tertiary education (levels 3 and 4).

**Figure 5:** Female Employment Rate in R. of Macedonia by Education 2006-2013 (%)



Source: LFS, State Statistical Office of the R. of Macedonia

Compared to benchmark countries (Table 3), the R. of Macedonia lies significantly below each of the countries and across all educational levels. While looking specifically at female employment with tertiary education attainment a similar trend is seen with declining rates across all countries, but with Greece experiencing the most notable decline by 14.1 p.p. Opposite to other countries, R. of Macedonia is the only country that has observed an increase from 2006-2013 in female employment amongst lower education levels.

**Table 3:** Female Employment Rate by Education (Highest Level Attained) in Selected Balkan Countries (%)

	2006			2013			Change from 2006 in Percent Point		
	Level 0-2	Level 3-4	Level 5-8	Level 0-2	Level 3-4	Level 5-8	Level 0-2	Level 3-4	Level 5-8
<b>Bulgaria</b>	23.6	62.6	79.7	23.7	59.2	79.1	0.1	-3.4	-0.6
<b>Greece</b>	33.2	47.9	76.7	27.7	36.4	62.6	-5.5	-11.5	-14.1
<b>Croatia</b>	27.9	54.4	79.6	23.7	50.9	75.1	-4.2	-3.5	-4.5
<b>Slovenia</b>	37.5	63.5	86.6	27.2	58.8	80.8	-10.3	-4.7	-5.8
<b>Macedonia</b>	15.2	40.6	68.3	18.0	45.8	64.1	2.8	5.2	-4.2

*Source: Authors' own work based on LFS data from the State Statistical Office of R. of Macedonia and Eurostat*

One of the ways to boost employment is through fostering entrepreneurship. In this context, R. of Macedonia shows progress. As can be seen from the number of self-employed females in the country (Table 4), the number is on the rise going from app. 19.500 cases in 2008 to app. 27.900 cases in 2013. Approximately, one third of self-employed females are at the same time also employers, and although this category has increased, the highest increase in the observed study period (2008-2103) has been observed among self-employed females without employees (app. 6500 persons). The study period has in this case been reduced to include only observed figures from 2008-2013 due to missing data for period 2004 to 2007.

**Table 4:** Female Self-Employment in R. of Macedonia from 2008 - 2013 (in thousands)

Self-employment Type/Year	2008	2009	2010	2011	2012	2013
<b>Self-employed Total</b>	19.5	17.8	20.2	23.9	24.0	27.9
<b>Self-employed persons with employees (employers)</b>	7.1	7.3	8.5	9.1	8.2	9.0
<b>Self-employed persons without employees (own-account workers)</b>	12.4	10.5	11.7	14.8	15.8	18.9

*Source: LFS, State Statistical Office of the R. of Macedonia*

Compared to benchmark countries (Table 5), the R. of Macedonia is the only country with increasing trends throughout the period 2008-2013, while all other countries have had an interruption in their positive trends following 2010; registering decreasing number in both 2011, 2012, and 2013.

**Table 5:** Female Self-Employment in Selected Balkan Countries from 2008 - 2013  
(in thousands)

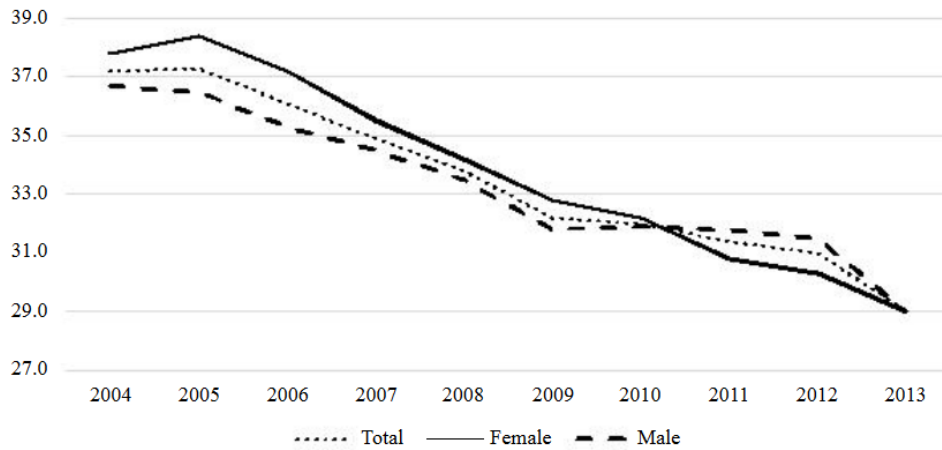
Country/Year	2008	2009	2010	2011	2012	2013
<b>Bulgaria</b>	124.3	121.2	124.9	110.3	103.2	109.2
<b>Greece</b>	370.9	371.7	379.4	368.1	351.8	341.9
<b>Croatia</b>	104.0	104.4	115.6	106.4	90.5	83.4
<b>Slovenia</b>	24.0	24.8	32.0	31.8	30.3	28.9
<b>Macedonia</b>	19.5	17.8	20.2	23.9	24.0	27.9

*Source: LFS, State Statistical Office of R. of Macedonia and Eurostat*

### *Female Unemployment*

The female unemployment in the R. of Macedonia stands at a high level, but moving in the right direction (Figure 6). According to data for the observed period, the female unemployment rate shows a decreasing trend and has dropped by 8.8 p.p. in the study period to reach 29% in 2013. This rate coincides with the level of male unemployment in the same year. The Female unemployment has been slightly higher than male unemployment rate until 2010, but on occasions also slightly lower than male unemployment as observed in 2011 and 2012. The discrepancy in gender based unemployment trends in the period 2009-2012 should be seen in light of increased employment in the public sector, and notably in education, which have been favouring women more than men (European Training Foundation, 2013). While labour force participation and employment rates of women are much lower than those of men, unemployment rates are almost equally distributed between the genders. Hence no gender gap is evident. Mojsoska-Blazevski and Kurtishi (2012) argue that this may reflect the relatively high willingness of women to take low-paid, secure public sector jobs, or jobs in newly created small private firms, since by tradition, they are second-income family earners.

**Figure 6:** Unemployment rate in Macedonia by gender 2004-2013 (%)



*Source: Authors' own work based on LFS data from State Statistical Office of the R. of Macedonia*

Observed data for 2013 show (Table 6) that R. of Macedonia has the second highest female unemployment rate (29%) compared to the benchmark, surpassed in this context only by Greece (31.6%) who registered a higher female unemployment rate in the same year. Slovenia (11.1%) and Bulgaria (11.9%) represent the two countries in this context with lowest female unemployment rates in 2013.

The lowest female unemployment rate in the observed period has been registered in Slovenia in 2008 at the rate of 4.9% and the highest rate in the R. of Macedonia back in 2004, which registered a female unemployment rate approximate six times higher than Slovenia (lowest in 2004) and approximately twice the rate of Greece registering the second highest female unemployment rate in the same year. Looking at the trend in the observed period, all countries have experienced fluctuations in female unemployment rates, and notable fluctuations in the period 2009-2013, due to particular to the spill-over effects of the global economic crisis. The R. of Macedonia is the only country registering an uninterrupted decrease in rates throughout the period.

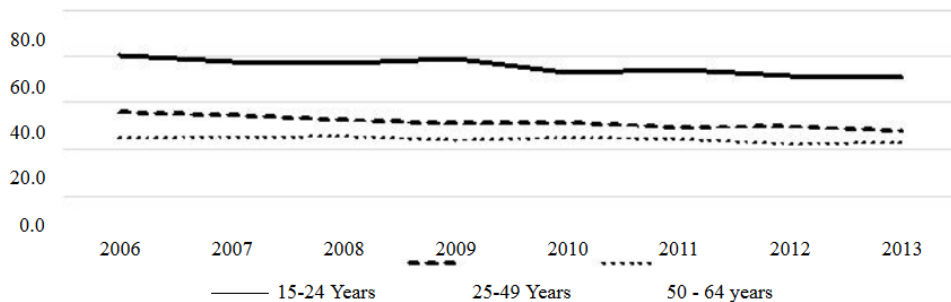
**Table 6:** Female Unemployment Rates in Selected Balkan Countries 2004-2013 (%)

Country/Year	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Macedonia	37.8	38.4	37.2	35.5	34.2	32.8	32.2	30.8	30.3	29.0
Bulgaria	11.7	9.9	9.3	7.3	5.8	6.7	9.5	10.1	10.9	11.9
Greece	16.1	15.6	13.9	13.0	11.6	13.4	16.5	21.7	28.4	31.6
Croatia	15.8	14.3	13.2	11.6	10.6	11.0	12.6	14.0	16.3	17.0
Slovenia	6.5	7.2	7.4	6.0	4.9	5.9	7.2	8.3	9.5	11.1

Source: Authors' own work based on LFS data from State Statistical Office of R. of Macedonia and Eurostat

Looking at female unemployment from an age perspective (Figure 7), data clearly suggests that female youth are much more vulnerable to unemployment than other age groups. Although female youth unemployment is showing a decreasing trend (dropped by 9.9 p.p. from 2006 to 2013), it is almost twice as high as females age 25-49 and more than twice higher than females in the 50-64 age group. This can partly be explained by the fact that young people are more vulnerable to economic downturns and the first to be cut from employment. Young people tend to be 'last in' and 'first out' - last to be hired, and the first to be dismissed. This, together with the challenges they face in making the transition from education and training to the labour market, makes younger generations generally subject to higher rates of unemployment than older generations (United Nations, 2013).

**Figure 7:** Female Unemployment Rate in Macedonia by Age Group (%)



Source: Authors' own work based on LFS data from the State Statistical Office of R. of Macedonia

The vulnerability of female youth towards unemployment is according to data (Table 7) a phenomenon applicable for all benchmark countries. Due to missing

data for 2004 and 2005, the observed period has been reduced to cover only the period 2006-2013.

Similar patterns to the R. of Macedonia are observed also in the case of Bulgaria, Greece, Croatia and Slovenia when observing female unemployment rates by age group. The highest female youth unemployment rate in 2006 was observed in R. of Macedonia (60.9%) followed by Greece (34.2%). Although the R. of Macedonia registered a decrease in female youth unemployment in the following years (app. 9.9 p.p.), it still remains among the countries with the highest female youth unemployment rate (51%) compared to the benchmark. Greece observed a great increase in the female youth unemployment rate (app. 30 p.p.) reaching 63.8% in 2013, surpassing thus the R. of Macedonia and registering the highest female youth unemployment among Balkan countries in the EU.

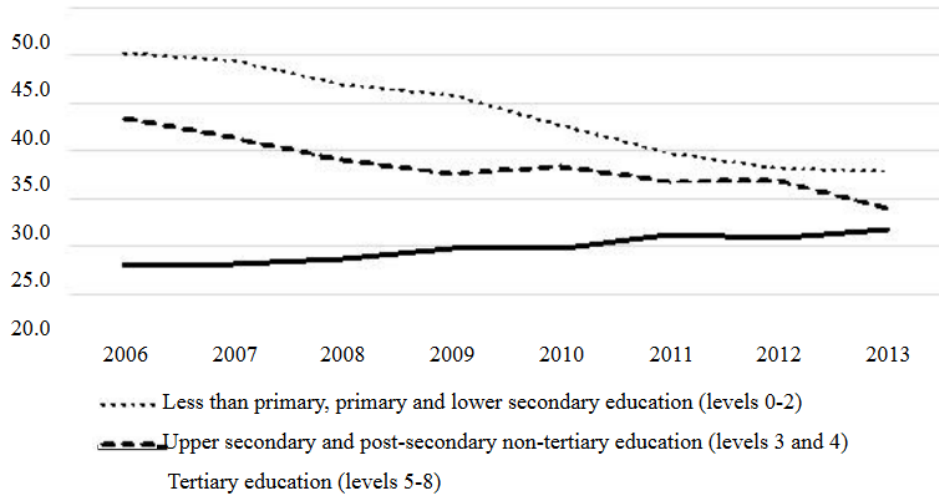
**Table 7: Female Unemployment Rate by Age in Selected Balkan Countries (%)**

	2006			2013			Change from 2006 in Percent Point		
	15-24 Yrs.	25-49 Yrs.	50 - 64 Yrs.	15-24 Yrs.	25-49 Yrs.	50 - 64 Yrs.	15-24 Yrs.	25-49 Yrs.	50 - 64 Yrs.
<b>Bulgaria</b>	20.3	8.3	8.3	25.7	11.1	10.9	5.4	2.8	2.6
<b>Greece</b>	34.2	13.2	5.9	63.8	32.0	19.7	29.6	18.8	13.8
<b>Croatia</b>	31.1	12.0	8.6	50.2	16.2	9.6	19.1	4.2	1.0
<b>Slovenia</b>	16.8	6.8	4.3	23.7	10.8	8.2	6.9	4.0	3.9
<b>Macedonia</b>	60.9	35.9	25.1	51.0	27.9	23.1	-9.9	-8.0	-2.0

*Source: Authors' own work based on LFS data from the State Statistical Office of R. of Macedonia and Eurostat*

Female unemployment in R. of Macedonia, observed from an education attainment perspective (Figure 8), show a decreasing trend over the years for less educated women (Level 0-2), dropping altogether 27.4% from 2006 to 2013. A similar pattern was evident also for level 3-4, which dropped 24.5% in the same period; decreasing from 38.4% in 2006 to 29% in 2013. Whereas, in the case of females with tertiary education (Levels 5-8), an opposite trend is observed throughout the study period with an overall increase of 16.5% (from 23% in 2006 to 26.8% in 2013).

**Figure 8:** Female Unemployment Rate in R. of Macedonia by Highest Level of Education Attained (%)



Source: Authors' own work based on LFS data from State Statistical Office of the R. of Macedonia

Compared to benchmark countries (Table 8), a somewhat different pattern is observed when looking at female unemployment by educational attainment. All countries, except for R. of Macedonia have registered an increase in unemployment rates among women with lower levels of education. Greece and Slovenia have registered the highest increase in the case of education attainment level 0-2 calculated at 18 p.p. and 12.3 p.p. respectively from 2006 to 2013. Greece also stands out when observing levels 3-4 and levels 5-8, registering respectively an increase of 20.9 p.p. and 14.2 p.p. from 2006 to 2013. While, all other benchmark countries have registered more moderate increases across all levels in comparison.

**Table 8:** Female Unemployment Rate by Education (Highest Level Attained) in Selected Balkan Countries (%)

	2006			2013			Change from 2006 in Percent Point		
	Level 0-2	Level 3-4	Level 5-8	Level 0-2	Level 3-4	Level 5-8	Level 0-2	Level 3-4	Level 5-8
<b>Bulgaria</b>	23.2	8.4	4.1	29.5	11.8	6.4	6.3	3.4	2.3

<b>Greece</b>	13.8	16.3	10.3	31.8	37.2	24.5	18.0	20.9	14.2
<b>Croatia</b>	14.0	15.2	7.0	21.2	18.5	11.9	7.2	3.3	4.9
<b>Slovenia</b>	7.9	8.9	3.9	20.2	12.3	7.1	12.3	3.4	3.2
<b>Macedonia</b>	45.3	38.4	23.0	32.9	29.0	26.8	-12.4	-9.4	3.8

*Source: Authors' own work based on LFS data from the State Statistical Office of R. of Macedonia and Eurostat*

According to data presented in Table 9, the number of female unemployment is highest among urban women and more than two times higher than registered rural female unemployed. This is due to particular low activity rates and high inactivity rates among rural females (World Bank, 2008). However, a positive trend is observed. The number of urban female unemployment decreased by app. 9.800 persons from 2008 to 2013, roughly 12%. While, the number of unemployed females in rural areas decreased by 3.7% in the same period (app. 1400 persons). The largest decrease in registered unemployed females in urban areas is noted among females with primary and lower secondary education (in absolute terms), which dropped from 19545 to 11900 (decrease of 7645). To which extend this decrease is related to these women finding employment is subject to further research. Noteworthy in this context is however that opposite to females with lower levels of educations, females with university level education have both in the case of rural and urban women experienced an increase in numbers with registered unemployed rural women with university education going from 2743 in 2008 to 7873. This is an increase of more than 250%. Registered unemployed urban women with university education has increased likewise notably from 10599 in 2006 to 18030 in 2013.

**Table 9:** Number of Unemployed Females in R. of Macedonia by Educational Attainment, Rural vs. Urban, 2008 & 2013

Level of Education	2008		2013	
	Rural	Urban	Rural	Urban
<b>Total</b>	38 686	83 501	37 260	73 665
<b>Without education</b>	287	2 300	:	1 358
<b>Incomplete primary and lower secondary education</b>	2 917	3 920	963	3 063
<b>Primary and lower secondary education</b>	13 221	19 545	8 849	11 900
<b>3 years of secondary education</b>	5 005	8 622	4 471	6 523
<b>4 years of secondary education</b>	14 309	35 887	14 605	31 365



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<b>Higher education</b>	205	2 628	:	1 426
<b>University level education<sup>1</sup></b>	2 743	10 599	7 873	18 030
<sup>1</sup> University level education includes: university level education, Master's degree and Doctorate (Ph.D.)				

*Source: Authors' own work based on LFS data from State Statistical Office of the R. of Macedonia*

Female unemployment is mostly long-term in nature, as is the case of men (Table 10). Hence, no gender difference is observed in this respect. Due to missing data, the observed period has been reduced to the period 2009-2013. Long-term female unemployment rates have slightly decreased from 2009-2013 by 2.7 p.p. While, the share of long-term female unemployment in total female unemployment is on the rise and increased from 80.8% in 2009 to 82.2% in 2013.

**Table 10: Long-Term Unemployment by Gender in R. of Macedonia<sup>1</sup>**

	% of long-term unemployment <sup>2)</sup>					Long-term unemployment rate <sup>3)</sup>				
	2009	2010	2011	2012	2013	2009	2010	2011	2012	2013
<b>Women</b>	80.8	82.7	81.0	80.7	82.2	26.5	26.7	24.9	24.5	23.8
<b>Men</b>	82.5	83.7	83.6	83.0	82.7	26.2	26.7	26.6	26.1	24.0
<b>Total</b>	81.9	83.3	82.6	82.1	82.5	26.3	26.7	25.9	25.5	23.9

<sup>1)</sup> Long-term unemployment - unemployed persons for one year or more.

<sup>2)</sup> % of long-term unemployment - share of unemployed persons for one year or more in the total number of unemployed persons.

<sup>3)</sup> Long-term unemployment rate - share of unemployed persons for one year or more in the total labour force.

*Source: LFS, State Statistical Office of the R. of Macedonia*

### **Causes and Challenges of Female Unemployment in R. of Macedonia**

Gender based unemployment is vastly studied and discussed in literature, and does as such not present a new or unexplored area, and high unemployment levels is rarely attributed to a single factor regardless of the study perspective such as based on gender, age, and so on. Hence, the causes of unemployment are relatively known and widely accepted, and often characterised as being, frictional, structural, voluntary, etc. Having said that, and without going into much detail on this, it is from available

material clear that limited understanding and research is available to really understand the nature and causes of female unemployment in the specific context of the R. of Macedonia. This area is perceived still as unexplored to the detail that it can be addressed properly and efficiently. Much further research is needed to understand the causes and challenges of female unemployment in the R. of Macedonia, especially from a more holistic perspective including also regional and ethnic disparities given the cultural, religious, and ethnic diversity upon which the R. of Macedonia is founded. However, in general, the high of unemployment in R. of Macedonia, including that of women, can essentially be explained in the absence of significant labour supply constraints and the limited labour demand, stemming especially from the private sector (Micevska, 2008).

Although the high level of unemployment among females in the R. of Macedonia can be vastly explained by the general causes of unemployment, the demanding role of women in the household and the difficulty in entering and remaining in the labour market is one aspect that is often underestimated. The World Bank (2013) reported that the opportunity cost of work for most women is higher than their potential wage in the labour market. While this does not explain the reason for the high unemployment in R. of Macedonia, it touches some key aspects hindering women to enter the labour market and actively pursue jobs such as access to child care, pay gaps, etc.

Another aspect is the industries/sectors and the field of study often characterising women. Women are i.e. very much underrepresented in the construction industry and in study fields representing this industry, and female employment is vastly oriented towards manufacturing (i.e. garment and textile) and in the human health and social work sectors (World Bank, 2013). While this is a structural issue emphasising skill mismatch, the point herein lies more in the context of the lack, or the type and quality, of career support, orientation, Active Labour Market Measure, etc., rather than on the supply and demand aspects. Hence, the high female unemployment in the country can partly, but rather significantly, be explained also by the failure of the institutional framework governing the labour market to provide the necessary support to unemployed and incentives to stimulate female labour market participation and ultimately employment. While higher education institutions are quite rigid and rather slow or reluctant to adapt to changing industry needs given the high unemployment in general. From a general standpoint, it is clear that in addition to focusing on boosting the economy to create more jobs in areas where women are strong, a deeper recognition that female unemployment is

multidimensional concept with both quantitative and qualitative challenges is imperative to address this issue properly.

### **Conclusions and Recommendations**

Female labour market indicators show that the Republic of Macedonia is performing poorly in most aspects in comparison to more advanced countries in the Balkan region. More and more women have entered the labour market in the past decade in the Republic of Macedonia, and especially educated women. Still, the female labour force participation is significantly below Balkan countries integrated in the European Union such as Bulgaria, Greece, Slovenia and Croatia; and the female inactivity rates are despite a slow downwards trend still twice as high than that of males in the country.

Female employment rates have been on the rise in the study period, but at a much slower pace compared to male employment rates and lies still below most Balkan countries. The increase in female employment is mainly stipulated by increases in employment among lower educated women, while a downward employment trend is observed for women with tertiary education. Female self-employment is on the rise, but still at a very low level to other more developed Balkan countries.

Female unemployment in the R. of Macedonia is slowly, but consistently moving in the right direction. The female unemployment rate has dropped by 8.8 p.p. from 2004 to 2013, but remains still at a very high level (at 29% in 2013). The country has the second highest rate compared to benchmark countries, surpassed only by Greece with a higher rate. However, when compared to male unemployment rates in the country, observed data show that no gender gaps seem to exist due to marginal differences in female and male unemployment rates in the study period (2004-2013). The decreasing trend in female unemployment is mainly witnessed among urban females.

Female unemployment is long-term in nature, as observed also with the opposite gender, and a large number of women (app.50%) are unable to enter the labour market due mainly to household responsibilities. Hardest hit by unemployment are especially female youth and lower educated women. Data show a decreasing trend for both categories in the study period, but still both categories display extremely high unemployment rates, especially among female youth. Higher educated women seem to be less vulnerable to unemployment than other categories, but this category

displays an increasing trend in unemployment which is worrisome as this might be a cause to further discouragement among females to enter labour market in the future or/and pursue higher education. Similar trends are witnessed across the countries compared in the context of higher educated women with Greece and Croatia experiencing higher increases in unemployment rates than R. of Macedonia in this category. However, with opposite trends when observing at lower educated women, where the country is performing much better in the period 2006-2013 comparison to the more developed Balkan countries who have all registered growing unemployment rates in this category. In the case of the R. of Macedonia, a downwards trend is observed in the study period with a decrease of 12.4 p.p. from 2006 to 2013.

A high level of complexity is involved in reducing female unemployment and it should be recognized that there is no easy or quick way to do this. Recognition that female unemployment is multidimensional concept with both quantitative and qualitative challenges is imperative to address this issue properly. Further recognition is also needed in terms of the causes and effects of female unemployment in the country. Female unemployment manifests, not only a loss to society in terms of forgone achievement, lost tax income, added expenditure and slower economic growth. Above and beyond all, it causes individual suffering, a loss of personal dignity and material hardship on the part of the jobless and their families which makes it difficult to develop into a socially cohesive society and achieve the kind of sustainability needed to ensure future European integration and general well-being. The Government of the R. of Macedonia should increase efforts to ensure that the institutional framework governing the female labour market addresses and formulates policies and measures in the future in a way that they effectively and inclusively address female employment across all regions and ethnic groups through intervention in key areas impacting female unemployment. Macroeconomic development is the key in this context to ensure job creation, but equally important are also tailored, inclusive, and reasonably funded Active Labour Market Measures (ALMM). To include also promotion and support of female entrepreneurship, reasonable access to child care facilities, improved access to high quality education and training to reduce skills mismatch and the competitiveness of women in the labour market. Key in this context is also the need for improvement of the capacities of the National Employment Agency to be able to better support unemployed females.

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