## **BEHIND THE CURTAIN**

Cultural Norms, Gender Stereotypes and Work Attitudes Shaping Women's Labour-Market Inactivity in North Macedonia









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# Behind the Curtain: Cultural Norms, Gender Stereotypes and Work Attitudes Shaping Women's Labour-Market Inactivity in North Macedonia

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#### 1. INTRODUCTION

Women in North Macedonia face prevalently low labour force participation rate of 42.8%. While the global average for female participation in the labour market is 48.7%, and the European Union's (EU) average is 52.3%, North Macedonia falls significantly below these benchmarks. The situation is even worse when observing the trend, as the female labour force participation rate has seen a considerable decline since its peak of 46.6% before the pandemic. This low participation rate highlights various socio-economic challenges and barriers that hinder women's active involvement in the workforce, making North Macedonia a critical case study for understanding the dynamics and obstacles affecting female labour market engagement.

The disparity between female and male labour force participation rates in North Macedonia is stark. Men's participation rate stands at a much higher 62%, almost equal to EU's average of 63.9%. However, both women's and men's rates have experienced declines since the pandemic, which has not been the case in the EU. The male labour force participation rate has similarly dropped from its pre-pandemic level of 67.8%. The pandemic has exacerbated existing barriers to workforce entry and retention, such as increased caregiving responsibilities and reduced job opportunities, further widening the gender gap in labour force participation.

A low female labour force participation rate is detrimental to society for multiple reasons. Firstly, it reflects untapped economic potential, as women represent half of the human capital that remains underutilized. This underutilization can lead to reduced overall economic growth and productivity. Furthermore, low female participation rates often indicate underlying market failures and policy distortions, such as inadequate childcare support, inflexible work arrangements, and cultural barriers, which, if addressed, could enhance societal welfare. Additionally, female participation is closely linked to broader issues of gender equity, poverty alleviation, and child well-being. Increased female labour force participation can lead to improved economic stability for families, particularly in cases of marital separation, and promote gender equity by ensuring women have equal opportunities to contribute economically and attain financial independence. Hence, fostering higher female labour force participation is crucial for achieving a more equitable, prosperous, and resilient society.

The policy framework in North Macedonia aimed at addressing female labour market inactivity includes several key elements despite there is no single dedicated policy document dealing with the issue. The following laws form the backbone of the policy framework aimed at increasing female labour force participation and addressing the barriers women face in the labour market: Labor Law (first adopted 2005), Law on Equal Opportunities for Women and Men (2006), Law on Prevention and Protection against Discrimination

(2019), Law on Social Protection (2019), Law on Employment and Insurance in Case of Unemployment (1997), and Law on Child Protection (2013). While, kev strategic documents include the National Strategy for Gender Equality 2022-2027, National Strategy for Equality and Non-Discrimination 2022-2026, National Employment Strategy 2021-2027, National Program for the Development of Social Protection 2022-2032, and Strategy for Women Entrepreneurship 2019-2023. These laws and strategies collectively aim to promote gender equality, prevent discrimination, provide social support, and enhance employment opportunities for women.

Despite well-rounded, the policy framework faces significant challenges in achieving its goals, as evidenced through the growing female labour market inactivity. For example, maternity leave policies are not sufficiently supportive, and comprehensive parental leave policies are lacking. Childcare services are limited, particularly for children under three, forcing many women to stay home to care for their children. Flexible work arrangements are not widely available, making it difficult for women to balance work and family responsibilities. While there are employment support and training programs, their effectiveness is hampered by insufficient funding and implementation. Anti-discrimination laws exist, but cultural norms and biases continue to hinder women's employment. Social and cultural expectations place a higher value on traditional gender roles, discouraging women from seeking employment.

The literature is abundant in documenting that female labour market inactivity is shaped by a range of personal characteristics, societal and economic factors (see the recent meta-review of D'hert et al. 2024). Literature highlights that age, education, and marital status are crucial determinants (Jaumotte, 2003). For instance, higher educational attainment generally correlates with increased labour market participation, as it enhances skills and job prospects (Ionescu and Cuza, 2012). However, age can influence activity levels, with younger and older women facing different challenges in the labour market (Rees, 2022). Marital status and family responsibilities, particularly childcare, significantly impact women's participation, often leading to inactivity due to the greater burden of domestic duties (Van Hedel et al. 2015; Cipollone et al. 2014). According to Becker's human capital theory (1964), investment in education and skills is pivotal, but personal decisions related to marriage and family can affect how these investments translate into labour market activity. Namely, household and childcare responsibilities often fall disproportionately on women and can restrict their ability to participate in the workforce (Becker, 1965). Additionally, cultural norms and gender roles play a significant role, as traditional expectations about women's primary responsibility for home and family can discourage labour market involvement (Fernández, 2013; Salari, 2020; Eberharter, 2001).

The objective of this study is to comprehensively understand women's labour market inactivity in North Macedonia by examining cultural norms, gender stereotypes, and individual work attitudes, along personal characteristics of individuals. More specifically, we first let the data speak in unravelling the facets of labour market inactivity of individuals; and then we use this self-structured information to understand how demographic characteristics, social capital and spousal labour-market characteristics, gender stereotypes, work attitudes, and cultural norms related to childcare and household chores interact and influence women's participation in the labour market.

The novelty that this study brings to the scientific and policy debates is manifold. First, we rely on the European Values Survey to deep-dive into the issue which is perplexed with stereotypes, prejudices and cultural norms, aspects which could not be put forward with the utilization of the standard Labour Force Survey. Second, we explore the matter in a multilayered manner, first through pursuing factor analysis and principal component analysis to let data speak about themselves, before we conduct a more standard analysis of what explains inactivity. Finally, we carve succinct suggestions for the policymakers, rather than the general ones which frequently plague the public discourse.

On the analytical front, UN Women analysed women's inactivity in the Macedonian labour market several years ago (UN Women, 2017). The study was based on tailor-made survey data and revealed that the key barriers to women's inclusion in the labor market include traditional gender roles, inadequate skills, and lack of flexible work options, especially for women with low education levels and those from conservative communities. However, there has been a lack of sustained effort in monitoring the trends over time. Along with the above novelties, this highlights the uniqueness of the current study, as it not only builds on past research but also emphasizes the importance of continuous monitoring and analysis.

The study is structured as follows. Section 2 grounds the issue in the scientific literature by offering a brief overview. Section 3 presents stylized facts about inactivity on the labour market of North Macedonia. Section 4 discusses the underlying data and methodology. Section 5 comprehensively presents the results and offers a vivid discussion. Section 6 concludes and devises policy recommendations.

#### 2. OVERVIEW OF THE LITERATURE

#### 2.1 Human Capital Theory: Education increases the opportunity cost of inactivity

A framework often employed for analysing female labour force participation is Becker's (1964) Human Capital Theory. It argues that individuals invest in their education and skills to enhance their productivity and earning potential. According to Becker, the decision to enter the labour market is influenced by the anticipated returns on such investments. For women, the choice to work is determined by whether the benefits of employment—measured in terms of wages and career advancement—outweigh the perceived value of alternative uses of their time, such as household production and leisure activities. In other words, wages can influence labour supply through both the income effect and the substitution effect, and, ultimately, the female labour force participation. The income effect suggests that as wages increase, individuals might choose to allocate more time to leisure, as their income needs are met. Conversely, the substitution effect implies that as wages rise, the opportunity cost of not working increases, which can lead to a higher labour supply as individuals find employment more attractive relative to leisure.

However, while Becker's human capital theory provides a useful foundation, it has been critiqued by modern economists for its limited scope. Feminist economists such as Nancy Folbre and Paula England argue that Becker's approach overlooks essential factors. Folbre (2001, 2006) emphasizes the undervaluation of unpaid reproductive labour, which is primarily performed by women and is not adequately captured in traditional economic models. England and Browne (1992) critiques Becker's theory for neglecting the impacts of occupational segregation, discrimination, and cultural norms on labour market outcomes. These perspectives highlight that labour market inactivity is influenced by more than just income and substitution effects. Factors such as education, gender roles, household responsibilities, and marital status significantly shape the wage elasticity and ultimately female labour participation (Florence, 2003).

The extent of the benefits generated by educational attainment towards higher female labour force participation has been well documented (Ince, 2010; Contreras and Plaza, 2010; Tsani et al. 2013; Tripney and Hombrados, 2013; Bhaduri-Kanjilal and Pastore, 2018). However, a critical issue that persists in many economies is the school-to-work transition often hindered by skill mismatches that conventional educational frameworks fail to address. Particularly for women, this mismatch between their skills and job requirements frequently leads to demotivation and disengagement, rendering the school-to-work transition difficult (Cedefop, 2013). As such, this aspect warrants extending beyond traditional education systems to include vocational education and training (VET, formal or informal) that specifically address labour market needs. Several studies (Dickson and Harmon, 2011; Cedefop, 2013; Tripney and Hombrados, 2013; Bairagiya, 2021) demonstrate that vocational education and training improve employment prospects, shorten job search periods, extend job durations, and facilitate job matching for women. These effects are particularly significant in countries with well-developed apprenticeship systems, such as Germany, Austria, Denmark, and Luxembourg.

Another important aspect crucial for worker's position on the labour market and related to education and training is the active labour market programs (ALMPs). The literature highlights two main points: first, these interventions often come in the form of public works programs, occupational retraining, and internships; second, they aim to reduce unemployment and increase wages (Todd, 2012). A number of studies shows that public training programs in Latin America improved activation rates for women. In Mexico, women aged 25 and above see improved job search duration by three to twelve months (Revenga et al. 1994). The Jefes program in Argentina significantly reduced female unemployment and inactivity (Galasso and Ravallion, 2004). In Peru, the ProJoven initiative improved employment outcomes for young women compared to their male counterparts (Ñopo et al. 2007). Similar effects are observed in countries in Eastern Europe, where public training programs in Poland and Romania have augmented employment prospects for women (Rogríguez-Planas and Jacob, 2010; Kluve et al. 1999).

# 2.2 Life Cycle Perspective: Age and marriage in the context of labour-market inactivity of women

In conventional labour market theories, labour force participation is frequently analysed through the lens of life cycle considerations i.e., fertility age including age of children and marriage. These characteristics represent a large part of the decision-making to enter the workforce (Eckstein and Wolpin, 1989). Economic theory suggests that age and labour force participation have a non-linear, hump-shaped trajectory over the life cycle. This implies that female labour force participation increases in youth, but it tends to decline in the 30s as women opt to have children. However, as women tend to return to the labour market in their 40s, particularly due to less childbearing activities, labour force participation begins to increase once again (Balleer et al. 2009; Mojsoska-Blazevski et al. 2016). For example, mothers that have older daughters, in particular aged 13 or more, are more likely to participate in the labour force, since older daughters are likely to undertake some of the household chores and reduce the burden (Agüero et al. 2012). Conversely, mothers with younger children, bear a larger share of household responsibilities and face disadvantages in terms of entering the workforce relative to mothers with older children or childless women (Kömüryakan, 2021).

Marital status also impacts female labour force participation. Married women often exhibit lower labour force participation rates compared to their unmarried counterparts, primarily due to the increased time devoted to unpaid household work and childcare (Budig and England, 2001). In fact, UN Women (2022) reveals that women living with a partner, have lower labour force participation rates (64.3%), compared to women living alone (82.4%). Country-specific analysis shows that married women are less likely to participate in the labour force relative to their unmarried peers in Korea (Lee et al. 2008), Chile (Contreras and Plaza, 2010), China (Xiao and Asadullah, 2020), Pakistan (Rana and Azid, 2010), Greece (Petrakis, 2021), and Turkey (Kömüryakan, 2021).

#### 2.3 Time Allocation Theory: Unpaid domestic work hinders labour-market participation

According to the Time Allocation Todel (Becker, 1965), women not only arbitrate between leisure and labour but also between labour supplied in the market and home production of goods and services, such as domestic work and childcare. Becker's model is formalized through the utility maximization framework, where an individual maximizes utility U, derived from market goods X, home-produced goods Z, and leisure L. This can be represented as U = U(X, Z, L) where X represents the goods and services purchased from the market, Z represents the goods and services produced at home, including childcare, L represents leisure time. Moreover, under Becker's model, a household faces either time and/or budget constraints. The total time available T is allocated among labour H, leisure L, and time spent on home production Th where, T = H + L + Th. The budget constraint can be expressed as: pX = wH + V, where w is the wage rate; V represents the non-labour income and p is the price of market goods.

Therefore, the time allocation model suggests that women will supply additional labour to the market as long as the earnings from this labour (wH) compensate for the loss of home production and leisure. However, for women with caregiving responsibilities, the opportunity cost of working outside the home is often higher due to the childcare and household production (Krantz-Kent, 2009). As Becker's model demonstrates, the marginal utility derived from the additional market income must outweigh the utility lost from decreased time spent on home production and leisure for increased labour market participation to occur. This is crucial in understanding why women, particularly those with children, may exhibit weaker attachment to the labour market - children provide more opportunity cost for home production (Florence, 2003). Moreover, the childcare burden, in its full scope - aside from disincentivizing women's labour market engagement, can also impose a financial burden onto the household.

The unequal distribution of unpaid household work, predominantly borne by women who shoulder over three-quarters of domestic responsibilities, represents a critical barrier to female labour force participation (ILO, 2018). The disproportionate distribution of responsibilities constrains women's time available for paid market work (Ferrant et al. 2014) and compels them to juggle the dual demands of market employment and domestic duties. This burden increases with each additional child, resulting in a significant decline in their labour force participation (Krantz-Kent, 2009). The more unequal the distribution of caregiving responsibilities between women and men, the wider the gender gaps in labour force participation. (Ferrant et al. 2014). Men primarily dedicate their time to paid work, while women, are often left to juggle employment with a 'second shift' of domestic tasks, spending around 30 hours per week on unpaid work, compared to men's 10 hours (UN Women, 2023).

Age disaggregation of domestic unpaid work reveals that women in their prime working years tend to spend less time on paid employment and more on unpaid domestic tasks, especially if they have a partner. On the other hand, men usually dedicate more hours to market work, with marriage or cohabitation having little effect on their time use patterns (Anxo et al. 2007; Connelly and Kimmel, 2011; Rubiano-Matulevich and Vallez, 2019). However, older women are not excluded and allocate similar time on unpaid work as those in their prime working years, yet mostly doing home care of elderly (Krantz-Kent, 2009; ILO, 2018).

Regional analysis reveals significant disparities in unpaid household work across regions. In the EU-28, 94% of employed women participate in unpaid activities such as childcare or housework, compared to 70% of men (European Institute for Gender Equality, 2020). Women and girls in Eastern and South-Eastern Asia, Europe, and Northern America spend 3.6 to 3.8 hours daily on unpaid work, while in Central and Southern Asia, Northern Africa, and Western Asia, this rises to 5 hours. The largest gender gaps are found in these latter regions, where women spend 3.7 to 4.0 times more hours on unpaid care work than men. In Latin America and the Caribbean, women spend 4.2 hours daily on unpaid work compared to men's 1.8 hours, and in sub-Saharan Africa, women spend 4.0 hours compared to men's 1.4 hours (UN Women, 2023). Women in the Western Balkans spend on average 2.3 to 11 times more time on unpaid work than men, with high inactivity rates among working-age women, especially young women engaged in education and middle-aged women due to the low retirement age of 60 (UNDP, 2022; IMF, 2017; Regional Cooperation Council, 2020).

#### 2.4 Further on women's time spent on caregiving

Contributing to the lower female labour force participation rate is the predominant role women assume as primary caregivers. This responsibility often warrants a withdrawal from the labour market largely due to the extensive demands of childcare and other household chores. The development of childcare policy frameworks has evolved gradually, shaped by the rise in female labour force participation, with provisions now including specific work arrangements, return-to-work policies, and leave policies that support mothers in the labour market during childcare periods. These policies are facilitated through cash-subsidized childcare (conditional on factors like child age, family size, and earning capacity) and in-kind services such as subsidized childcare, aiming to reduce household financial burdens and alleviate the pressure of daycare during work hours (Olivetti and Petrongolo, 2017; OECD, 2024).

However, in many European countries, childcare is primarily available for children aged 3-5, posing challenges for mothers needing care immediately post-childbirth, and leading to lower labour market re-entry rates and female labour force participation (Del Bocca et al. 2009). Childcare policies, including daycare slots and in-kind benefits, generally boost female labour force participation in countries like France (Givord and Marbot, 2015), Italy (Carta and Rizzica, 2018), Turkey (Tatoğlu, 2022), Quebec (Baker et al. 2008), the United States (Cascio, 2009; Fitzpatrick, 2012), Germany (Bauernschuster and Schlotter, 2015), and Norway (Andersen and Havnes, 2018). Early interventions for children aged 3 or younger enhance labour force participation by preventing the depreciation of mothers' human capital due to inactivity, but may compromise optimal child development due to the need for greater nurturing (Baker et al. 2008; Evans et al. 2024).

Carta and Rizzica (2018) found that early kindergarten eligibility significantly boosts labour market participation among mothers of 2-yearolds, particularly those with lower education levels sensitive to childcare costs. Similarly, Baker et al. (2008) observed a 50% increase in maternal labour supply in Quebec due to early childcare policies for children aged 0-4. Family size affects labour force participation in two ways: initial fertility reductions boost female engagement (Engelhardt et al. 2004), with varying impacts across Latin America (Cruces and Galiani, 2007; Tortarolo, 2015), Norway (Cools et al. 2017), and 96 developing economies (Bloom et al. 2009). Childcare subsidies have shown minimal effects for mothers with one child but a 1.6 percentage point increase in labour force participation for mothers of three or more children, mainly in part-time jobs (Givord and Marbot, 2015). Del Boca et al. (2008) noted that such impacts are significant only if part-time jobs are high quality. Single non-cohabiting mothers with young children have higher labour force participation (65.8%) compared to cohabiting mothers (48.7%) (UN Women, 2020), though the former often shift to part-time work due to logistical constraints (Andersen and Havnes, 2018). Cohabiting mothers see a 29-percentage point increase in employment when their child is in full-time childcare. Studies in the U.S. and Canada (Dhuey et al. 2019; Cascio, 2009; Fitzpatrick, 2012; Herbst and Tekin, 2011) show that kindergartens and full-day programs benefit single mothers by reducing care time and enhancing labour market participation.

Unlike childcare, which can be planned and has a set schedule, elderly care is less predictable in terms of timing and duration. This unpredictability often arises later in women's careers, making it even harder for them to stay employed. The shortage of elderly care centres, combined with the "incentive trap" created by cash transfers and pensions, makes this problem worse (Simonazzi, 2009). Unpaid caregiving has serious consequences for women's financial security. It impacts women's ability to work, resulting in lower income and career setbacks (Carmichael and Charles, 2003). This leads to fewer working hours and more financial stress (Lilly et al. 2010). Caregivers are also more likely to fall into poverty due to increased out-of-pocket caregiving expenses (Johnson and Wiener, 2006).

#### 2.5 The need to balance work and family

With respect to balancing work and family obligations there are two main aspects: workplace flexibility and flexible working arrangements. Workplace flexibility refers to a broader cultural approach within an organization that supports flexibility in: scheduling, location, workload, and work hours (Kossek and Thompson, 2016; Laundon and Williams, 2018). Flexible working arrangements (FWA), on the other hand, are defined as policies or agreements between employees and employers that provide similar types of flexibility. The prevalence of both has been especially prominent in the discourse post-pandemic, largely due to the structural changes brought about by the pandemic (i.e., lockdowns and shifts in work dynamics). Both approaches are recognized as vital for augmenting the balance between work and personal obligations for women. Broadly, they are linked with improved work-life integration, reduced stress, and enhanced job satisfaction (Munjal and Anooja, 2022).

Gender-specific analysis aligns with traditional social norms that position men as the primary breadwinner and women in the caregiver role (Aryee et al. 2005; Powell and Mainiero, 1992). In fact, men are typically incentivized to leverage FWAs for performance-enhancing purposes, such as increasing their work intensity or extending their working hours. In contrast, women, are expected to use flexible working time to accommodate their family responsibilities (Hilbrecht et al. 2008; Lott and Chung, 2016). A more detailed analysis by Maga and Lipowska (2021) finds no statistically significant gender difference in access to flexible work arrangements. Interestingly, women are less likely to face demands from their employers to work flexible hours relative to their male counterparts. Furthermore, working in a female-dominated occupation decreases the probability of having access to flexible work arrangements, imposing a constraint on women seeking such flexibility.

A further disaggregation reveals that prime-age women in the United States have benefited from the remote capabilities of their jobs, leading to increased labour force attachment and a lower probability of exiting the labour force (Tito, 2024). Similar findings are prevalent for some emerging economies like Malaysia. For example, Subramanian et al. (2015) finds that flexible work arrangements at large have a labour market retentive effect on women. Ho et al. (2024) find that flexible work arrangements induce a 'job take-up' effect onto women with both the ability to work from home and multitask childcare contributing equally to this effect. Moreover, flexible jobs can serve as "gateway jobs," helping women, especially those with no prior work experience, transition into less flexible employment. Additionally, work experience in flexible jobs tends to shift traditional gender attitudes, further supporting women's labour market participation.

The significance of flexible working in facilitating work-life balance is particularly crucial for parents, especially for mothers who spend three additional hours on household chores compared to men, with women disproportionately benefiting from flexible schedules due to their dual roles in professional and domestic spheres (Schneider, 2011; Estanio et al. 2023). Moreover, preferences for part-time or some form of flexible work may also be shaped by age of children and income of spouse (Falzone, 2000).

### 2.6 Ultimately, traditional gender roles and cultural norms may thwart labour-market entry

An aspect pertinent to female labour force participation that has not received much attention in economic perspectives, but has been discussed in other literatures, is social attitudes and norms towards women (Fernandez, 2013). The latter are defined as ideas about how men and women should behave. These include interpersonal behaviours (i.e., when and how many children to have), social practices (i.e., dress, speech, child rearing), political actions (e.g., holding and exercising public office, voting), and economic decisions (i.e., participating in the labour force and working on the job) (Gauri et al. 2019). When internalized, these behaviours may exert a great impact on the female labour force participation (Alesina et al. 2013; Fernandez, 2013; Bertrand et al. 2015; Gauri et al. 2019).

The existing literature has two strands with respect to traditional gender roles / social norms and female labour force participation. One discusses the relationship between levels of economic development and female labour force participation (Sinha, 1965; Durand, 1975; Jayachandran, 2021). The second strand explores how discriminatory attitudes, including stereotypes and social norms, shape women's participation in the labour force (Fernandez, 2013; Bertrand et al. 2015; Bertrand and Mullainathan, 2004; Bertrand and Duflo, 2017).

Literature on economic development states that in the early stages of economic growth, female labour force participation is high due to substantial involvement in subsistence agriculture (Verick, 2018). However, in regions with historically low female participation in agriculture, such as parts of Africa (i.e., Rwanda, Madagascar, Eritrea) and the Middle East, female participation in other sectors remains low even today (Alesina et al. 2013). Persisting cultural norms and stigmas halt female labour force participation even as economies industrialize. Yet, once a society reaches its advanced stages of development, participation increases again, driven by supportive policies, flexible job opportunities, growth of service sector jobs, lower fertility rates, and improved educational opportunities for women (Javachandran, 2021).

Discriminatory practices against women are a major factor contributing to the persistent gender disparities in labour force participation (Ferrant et al. 2014). Berniell and Sánchez-Páramo (2011) estimate that nearly two-thirds of these disparities, which remain after accounting for education and wealth, can be attributed to discrimination. This highlights the pervasive impact of bias beyond socioeconomic variables. Discrimination operates through various mechanisms, including institutional and societal norms that dictate acceptable roles for women. This is evident in the labour market, where women face biases in hiring (Neumark et al. 1996; Coffman et al. 2021; Bertrand and Mullainathan, 2004). For example, in industries deemed as male-dominant (i.e., requiring physical strength), women are less likely to be called back for employment (Carlsson, 2011; Bertrand and Duflo, 2017) Moreover, intersectional discrimination based on factors such as age, race, and ethnicity exacerbates these challenges, further limiting access to employment for marginalized women (Reuben et al. 2014). Employers' perceptions regarding stereotypical female attributes and the likelihood of career interruptions for women may vary depending on the age of the female job applicants. For instance, young women seeking employment in highly skilled, male-dominated sectors often encounter discrimination due to anticipated childbearing obligations, whereas prime-age women experience this bias to a lesser extent (Petit, 2007).

Global correspondence studies provide overwhelming evidence of discrimination against racial and ethnic minorities, further complicating the labour market prospects of women. Studies from Peru, China, Australia, and Europe demonstrate the prevalence of bias against non-White applicants, with significant disparities observed in hiring practices (Galarza and Yamada, 2014; Maurer-Fazio, 2012; Booth et al. 2011; Baert et al. 2013; McGinnity et al. 2009). In the United States, Bertrand and Mullainathan (2004) found that Black and Hispanic individuals are less likely to receive interview callbacks compared to their White counterparts. Similarly, Muslim women in Europe, particularly those wearing headscarves, face significant discrimination, reflecting broader societal prejudices (Weichselbaumer, 2020; Helbling, 2014).

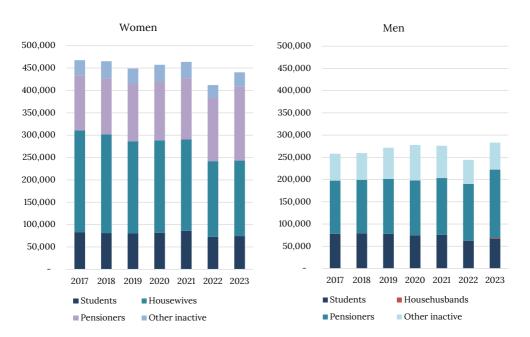
Nations with more egalitarian views tend to exhibit narrower employment gaps, while those with entrenched traditional norms and discriminatory practices show wider disparities (Campaña et al. 2015; Ferrant et al. 2014). For example, in South Sudan men did not support women engaging in work outside the home or in traditionally male-dominated occupations. They expressed concerns that women, upon earning an income, might seek a new spouse, engage in extramarital affairs, or pursue divorce (UNDP, 2021). Moreover, religious and cultural norms (i.e., patriarchy) prevalent in the Middle East and North Africa, and even in some parts of Europe, significantly contribute to low female labour force participation. This is due to cultural expectations and legal frameworks that confine women to unpaid domestic roles, rendering them absent from the formal labour force (Solati, 2015). The attitudes and stigmas towards women are present in the Western Balkans. Despite some easing during the socialist period, entrenched patriarchal values continue to shape gender roles in the Western Balkans (Duhaček, 2015; Berna, 2014) and are mostly due to educational inequalities and persistent discrimination against women (Nikoloski and Adnett, 2015).



#### 3. STYLIZED FACTS

Inactive women in North Macedonia are predominantly housewives, i.e. take care of the households, children and elderly (Figure 1, left). More than half of inactive women reported they belong to this category. At the prevailing minimum wage, such female inactivity amounts to 8% of GDP in value. Setting aside students and retirees, we are left with a small category which usually captures people with temporary or permanent incapability of work due to illness or disability, as well as any other inactive people. On the other hand, no man appears as a househusband (except a non-visible number in 2023), which is also perplexed with the gender stereotyping that men cannot belong to such category. However, the category 'other inactive population' is slightly more numerous for men.

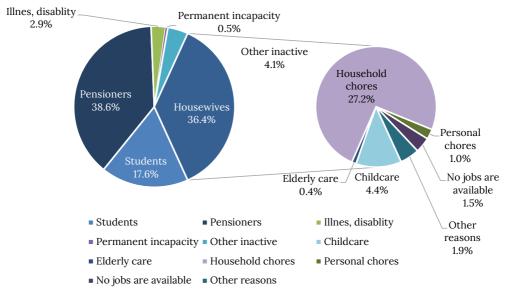
Figure 1 - Composition of labour-market inactivity in North Macedonia (2017-2023)



Source: State Statistical Office - Labor Force Survey.

The further disaggregation of the 'housewives' role among inactive women suggests that a sheer majority - about three quarters - are indeed housewives in the true sense of the word, i.e. take care of the household chores (Figure 2). The second most important role is the 'caregiving' one: 12.2% of housewives reported they took care of children, while 1.2% for adults in need. Another 2.7% reported other personal reasons, while 4.1% complained jobs were not available.

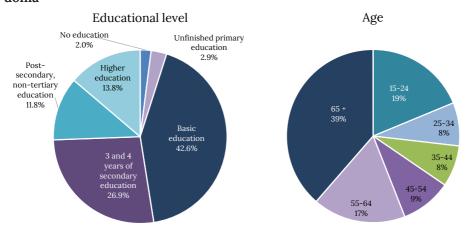
Figure 2 - Composition of the role of 'housewives' in North Macedonia



Source: State Statistical Office - Labor Force Survey (2023).

Most of the inactive women belong to the lower-educational cohorts, i.e. mostly in the basic education and secondary-education group (Figure 3). This may signify that such inactive women see insufficient valuation of their skills on the labour market, being one of the reasons to de-activate. While, in terms of age, while most of inactive women are 65+ hence representing retirees, followed by 15-24 hence representing students, the age cohort that deserves attention is the 55-64, as it nests17% of all inactive women. However, smaller but non-negligible shares are distributed in the other age cohorts, signifying that women's inactivity - the one beyond students and retirees - is pan-age phenomenon.

Figure 3 - Educational and age composition of inactive women in North Macedonia



Source: State Statistical Office - Labor Force Survey (2023).

Still, the dominance of 'housewives' among inactive women suggests that they tend to prioritize care for the home and family/children over careers. This reveals that those not in the labour market may be more entrenched in traditional views, valuing women primarily as caregivers. Indeed, North Macedonia faces a fairly low enrolment rate in pre-primary education, despite growing over time (Figure 4). The current rate suggests that about one third of children of pre-primary-school age have been attending kindergarten, as opposed to only 17% in 2010.1 Enrolment rate by age shows a peak at age 5 and clearly declines for the younger children, which suggests that non-enrolment in kindergartens is actually more prevalent for the children in the 0-3 age cohort. Gender-based stereotypes often lead women in North Macedonia to spend significantly more time on childcare and household chores than men.

35.0% 30.0% 25.0% 20.0% 15.0% 10.0% 2010 2011 2012 2013 2014 2015 2016 2017 2018 2019 2020 2021 2022

Figure 4 - Enrolment rate in kindergartens and centres for early child development

Source: State Statistical Office - Child Protection Datasets and Censuses 2002 and 2021.

This preference for at-home care is exacerbated by limited access to childcare facilities. Despite the seemingly extensive coverage, the actual number of kindergartens—only 117 across the entire country—proves insufficient for the population of children aged 0-6. This deficit is further compounded by an uneven distribution which poses a challenge for children born in rural areas as opposed to those living in urban; however, for children living in urban areas, there exists a long waiting list due to

<sup>1</sup> This statistic needs to be treated as a proxy, though, because of two reasons. First, the number of children in kindergartens is an administrative data, while the number of individuals in the respective age cohort is taken from the Census projections. Second, Census 2002 is used up to 2021, and Census 2021 onwards, which may impose a structural break, despite this needs not the be mixed with the impact of the pandemic in 2020. Third, the population projections are taken for the age group 0-5, while some children of the age of 6 may still attend kindergarten. Six is the threshold for transferring to primary school, yet these children may still appear in kindergarten due to the schooling cycle.

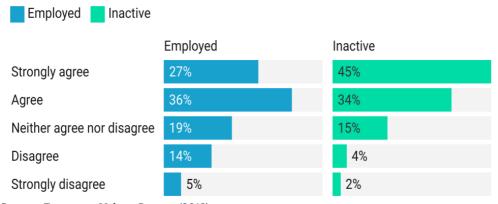
the limited availability. When it comes to child-to-staff ratio no standard exists, however the data indicate that on average, there's one available staff per 6 children, which is reasonable and should not come at a cost of quality care. There are however pre-set limits on children allowed in each preschool institution ranging from 8 to 25 children at most, depending on the age range (Law on Child Protection). In public kindergartens, parents are charged about EUR 25 per month for meals, around 7% of the minimum wage. Since March 2018, services are free for children of single parents.

The capacity for elderly care in North Macedonia is low, significantly lower than the capacity for childcare, with only 43 centres accommodating 6% of the elderly population (Ministry of Social Policy and Labour, 2023). Most centres are private, leading to affordability issues, and are concentrated in Skopie. This uneven distribution and limited capacity place extra pressure on working-age women, who often take on the responsibility of caring for elderly family members. Elderly care in North Macedonia is profoundly influenced by traditional gender norms and societal expectations, which often place the burden of care on family members, particularly women. Hence, elderly care is usually carried out at home. Societal norms and relationships come out of the close-knit and highly valued family structure in the country (Figure 5), this results in 'engrained' expectations that children should take care of their ill parent. Particularly, inactive women are more inclined to feel a duty towards providing long-term care for their parents than employed women. Recent data by (Age Platform, 2022) find that extended family members provide essential support to roughly onethird of older individuals with significant functional impairments, and to one-fifth of those over 65 in North Macedonia.

Figure 5 - Views on caring for ill parent

## Caring for ill parent

Response to: "Adult children have the duty to provide long-term care for their parents"



Source: European Values Survey (2019).

For women, the expectation of caregiving has profound implications for their time allocation. Traditional gender roles and societal norms often dictate that women, regardless of their employment status, are primarily responsible for caregiving duties. This expectation significantly hinders female labour force participation, as women often need to reduce their working hours or leave their jobs entirely to fulfil caregiving responsibilities. Figure 6 illustrates significant differences in time allocation between men and women, particularly highlighting that women spend considerably more time - about triple - on home activities - hence incorporating household chores, childcare and elderly-care, compared to men. This also limits the time women have to spend on free activities. At the prevailing minimum wage rate, the amount women spend on household-related activities translates into a created value as high as 25.3% of GDP. Men, on the other hand, spend a larger amount of time on employment, almost double compared to women. The disparities underscore the traditional gender roles that influence women's increased burden of household responsibilities and caregiving activities.

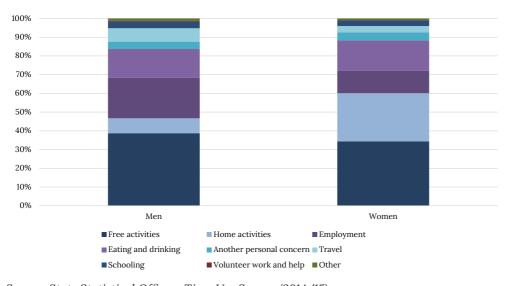


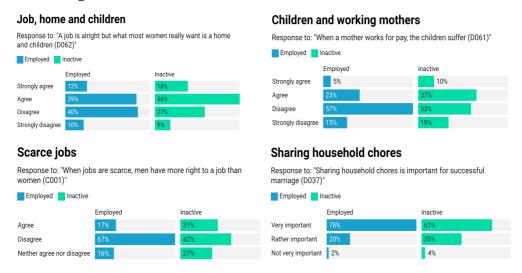
Figure 6 - Time allocation by men and women in North Macedonia

Source: State Statistical Office - Time Use Survey (2014/15).

Figure 7 offers a glimpse into how cultural norms, prejudices, and stereotypes shape the attitudes of employed and inactive women in North Macedonia toward gender roles in work, family, and household responsibilities. The data suggests that traditional views persist, especially among inactive women, with 64% agreeing that a woman's primary role is at home with children, reflecting deep-seated cultural expectations that prioritize motherhood over professional life. In contrast, employed women are more likely to reject this stereotype, with half of them disagreeing with the notion, indicating that engagement in the workforce may challenge traditional gender norms.

However, the stereotype that children suffer when their mothers work still holds sway, particularly among inactive women, 47% of whom either strongly agree or agree with this statement. This belief could stem from cultural prejudices that idealize the mother's role as the primary caregiver, a sentiment less prevalent among employed women who largely disagree. Furthermore, when it comes to job scarcity, a significant 31% of inactive women believe that men should have priority, reflecting a stereotype that views men as the primary breadwinners. Interestingly, the importance placed on sharing household chores by both groups, though slightly higher among employed women, suggests a gradual shift in norms where even traditional roles are increasingly recognized as outdated, acknowledging the necessity of more equitable domestic partnerships.

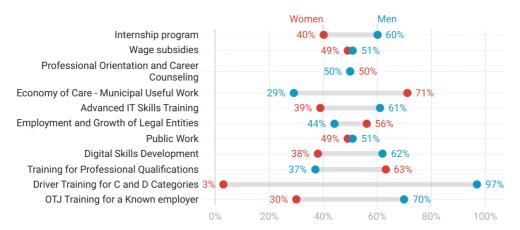
Figure 7 - Attitudes, traditions, and norms towards work, household and childcare among women in North Macedonia



Source: European Values Survey (2019).

Flexible working arrangements in North Macedonia are still emerging, shaped by traditional work cultures and societal expectations. For example, still only about 4.3% of women (and 4.1% of men) worked part-time in 2019 (National Employment Strategy 2021-2027). While not yet widespread, there's growing recognition of FWA's benefits, particularly for women balancing work and family roles. Activation efforts, however, are helping to increase flexibility, as women constitute a significant - even larger than men in many cases - portion of the beneficiaries in active labour market policies (Figure 8). As the country modernizes, these efforts could lead to broader adoption of flexible work practices, hence supporting labourmarket activation of women.

Figure 8 - Gender disaggregation of active labour market policies' beneficiaries



The programs "Training and employment of individuals and provision of care services in the community for persons with disabilities and persons with chronic illness in the community" and "Training for In-Demand Occupations and Employment of disabled individuals" are excluded due to the lack of gender disaggregation.

Source: Employment Service Agency.

#### 4. DATA AND METHODOLOGY

For this analysis, we use the European Values Survey (EVS) 2019, for North Macedonia. EVS is a comprehensive dataset that assesses the social, cultural, political, and moral values of Europeans. It provides a rich source of information on various aspects such as family, work, religion, politics, and society. This dataset offers a unique opportunity to examine labour market inactivity through the lens of cultural norms, gender stereotypes, work attitudes, and discrimination. The dataset for North Macedonia consists of 1,117 individuals over the 18+ ages.

Unlike more traditional labour force surveys (LFS), which primarily provide quantitative data on employment status, hours worked, and wages, the EVS encompasses a broader range of themes that delve into the societal and cultural dimensions influencing labour market behaviour, particularly of women. By leveraging the rich qualitative data in the EVS, we can explore how deeply ingrained cultural norms and gender stereotypes shape individuals' decisions to participate in the labour market. Additionally, the survey's insights into work attitudes and perceptions of discrimination provide a more holistic view of the barriers to employment that are not readily apparent in LFS data. This comprehensive approach allows us to uncover the complex interplay between societal values and labour market dynamics in North Macedonia, offering a deeper understanding of the root causes of labour market inactivity and informing more effective policy interventions.

The methodological approach to answering our research question consists of two parts. Our first part - quantitative analysis seeks to unravel the relative significance of different factors contributing to labour market inactivity of individuals. It is worth noting that we rely on the entire dataset, which combines individuals who work and those who does not, implying that we do not exclusively derive the factors from the non-working individuals. This is based on the notion that while attitudes may be - and probably are - clearly related to the decision to work or not (an aspect we explore later), they are present with each individual, no matter man or woman, employed or not. We disentangle the factors for the two sexes separately.

We identify these factors as follows:

- Attitudes towards work: This includes individual's perceptions and feelings about employment and professional engagement.
- Attitudes towards discrimination: This encompasses beliefs and experiences related to workplace discrimination, mainly but not exclusively based on gender.

- **Gender stereotypes:** These are preconceived notions and societal beliefs about the roles and capabilities of women in society and the economy.
- Culture, traditions, and norms related to household chores: This factor addresses societal expectations and traditional roles that assign household responsibilities primarily to women.
- Culture, traditions, and norms related to care for elderly individuals: This factor addresses societal expectations and traditional roles that assign care for older/ill parents and elderly people primarily to women.
- Culture, traditions, and norms related to childcare: This involves societal norms and cultural practices that designate childcare as a predominantly female responsibility.

To assess these factors, we employ a variety of variables from our survey, as detailed in Table 1. For clarity and consistency, we recode these variables so that they all adhere to a standardized scale. On this scale, the lowest values indicate strong agreement, presence, or high significance, while the highest values indicate disagreement, absence, or low significance. Although such recoding is not a prerequisite for Factor Analysis, it facilitates the requirements of the Principal Components Analysis and a more straightforward interpretation of the results.

Table 1 - Inactivity factors and their corresponding questions

Concept	Question in the questionnaire
Attitudes towards work (lower means more positive)	<ul> <li>People who don't work turn lazy (C038)</li> <li>Work is a duty towards society (C039)</li> <li>Work should always come first, even if it means less spare time (C041)</li> <li>Please say, for each of the following, how important it is in your life. WORK (A005)</li> </ul>
Attitudes towards discrimination (lower means discriminatory)	<ul> <li>When jobs are scarce, men have more right to a job than women (C001)</li> <li>Homosexual couples are as good parents as other couples (D081), inversed</li> <li>Trust in people of another religion (G007_35_B), inversed</li> <li>A university education is more important for a boy than for a girl (D060)</li> </ul>
Gender stereotypes (lower means stereotyped)	<ul> <li>A job is alright but what most women really want is a home and children (D062)</li> <li>On the whole, men make better political leaders than women do (D059)</li> <li>On the whole, men make better business executives than women do (D078)</li> </ul>
Culture, traditions and norms related to household chores (lower means more conservative)	<ul> <li>Housing is important for a successful marriage or partnership (D032)</li> <li>inversed</li> </ul>
Culture, traditions and norms related to elderly and disabled people (lower means more conservative)	- Adult children have the duty to provide long- term care for their parents (D026_05)
Culture, traditions and norms related to childcare (lower means more conservative)	<ul> <li>Please say, for each of the following, how important it is in your life. FAMILY (A001)</li> <li>When a mother works for pay, the children suffer (D061)</li> <li>Children are important for a successful marriage or partnership (D038)</li> <li>It is a duty towards society to have children (D026_03)</li> </ul>

To handle missing values in the above variables, we employed multiple imputation by chained equations, which involves creating several imputed datasets to estimate missing values based on the observed data (see e.g. White et al. 2011). However, to reduce the complexity of the analysis, we decided to keep the number of imputations at one, due to fairly small share of missing datapoints per variable of Table 1.

We base our estimations on two methodological approaches: Factor Analysis and Principal Components Analysis (Jolliffe, 1986). Factor Analysis (FA) is a statistical method used to identify underlying relationships between measured variables. By analysing the correlations among the variables, FA reduces the dataset's dimensionality, revealing common patterns and structures. The process involves extracting factors that account for the maximum variance in the observed variables. Each factor represents a cluster of related variables, providing insights into broad concepts such as those in Table 1. FA helps in simplifying the complexity of the dataset, allowing for a more straightforward interpretation of how different aspects influence labour market participation.

Principal Component Analysis (PCA) is another statistical technique utilized to reduce the dimensionality of a dataset while preserving as much variance as possible. Unlike FA, which focuses on uncovering latent constructs, PCA transforms the original variables into a new set of uncorrelated components called principal components. These components are ordered by the amount of variance they explain in the data. The first few principal components often explain the bulk of the variance. By using PCA, the study distils the essential features of the dataset, facilitating a clearer understanding of the primary drivers behind labour market inactivity.

Based on the FA and PCA, we will identify factors that could be potentially associated with the individuals' inactivity on the labour market. These will be input into the second methodological part of the analysis. It consists of estimating the probability that a person is inactive on the labour market of North Macedonia. To calculate this probability, we need to - at the outset - know what kind of labour market statuses are identifiable in our survey. Table 2 presents the self-reported statuses of the individuals in our survey: they depart from the standard ILO classification available in LFS. However, the calculated employment rate in EVS is 47.8% (18+), which almost mimics the official statistics for 2019 from LFS of 47.3% (15-79). However, the activity rate, which is a sum of employment and unemployment rates soars at 65.7%, as opposed to 57.2% in the official statistics. This is because people tend to self-classify as unemployed, while by definition neither looking for a job nor being able to accept it if offered and start working in the next two weeks. This is clear if we calculate the unemployment rate from EVS, at 26%, as opposed to the one from LFS, at 17.3%. Indirectly, this suggests that a third of our unemployed individuals are likely inactive.

Table 2 – Self-reported labour-market statuses

	All	Women	Men
Full time employment	36.4%	31.5%	41.3%
Part time employment	4.0%	3.4%	4.6%
Self-employed	7.4%	3.8%	11.0%
Retired	15.4%	14.5%	16.3%
Housewife / Househusband	7.1%	13.7%	0.5%
Students	7.6%	7.8%	7.4%
Unemployed	17.9%	20.4%	15.4%
Other (incl. no answer)	4.2%	4.9%	3.5%

Source: EVS 2019.

Still, there are three other categories of clearly inactive individuals: retired, students and housewife/housemen. Apparently, we are interested in the latter. In our sample, they constitute 7.1%, being 13.7% among women and 0.5% among men. This may be suitable for analysis of female labour market inactivity, yet, to preserve the scientific rigor, we cannot simply give up of the individuals who are likely inactive but who identified as unemployed. We have on the disposal the question about the extent to which respondents agree or disagree about whether unemployed people should have to take any job available or lose their unemployment benefits or they should have the right to refuse a job they do not want. The question is answered on a scale from 1 to 10, serving as a litmus of whether the person would likely accept a job if offered, i.e. an indicator of the level of passivation on the labour market. We apply a rule-of-thumb that had the individual responded 7 or higher on this question, then it may be acceptably assumed to be inactive on the labour market rather than unemployed. With this, we obtain the statistics in Table 3: they largely mimic the national statistics; the only difference is the slight underestimation of inactive in the group of students and retired because we work with 18+, while official statistics is 15-79, hence we are missing some share of inactivity due to still being in school. We continue working with these adjusted variables, while we present results about the unadjusted alternatives in the appendices, to serve robustness checks.

In the analysis, we drop students and retired so that the analysis of inactivity has all active individuals (employed and unemployed) as a comparative basis.

Table 3 - Labour-market statuses after adjustment

	All	Women	Men
Employed	47.8%	38.7%	56.9%
Unemployed (adj.)	10.0%	11.2%	8.8%
Inactive (adj.)	15.0%	23.0%	7.1%
Students and retired	24.0%	24.0%	24.0%
Other (incl. unknown)	3.2%	3.2%	3.2%

Source: Authors' calculations based on EVS 2019.

We employ a probit model, which is suitable for modelling binary outcome variables (Wooldridge, 2010). The dependent variable in our model is a binary indicator of labour market inactivity, where  $Y_i$ =1 if individual it is inactive on the labour market and  $Y_i$ =0 otherwise. The probit model assumes that there is an underlying latent variable,  $Y_i$ \*, which is linearly related to a set of independent variables through the following relationship:

$$Y_i^* = \beta_0 + \beta_1 X_{1i} + \beta_2 X_{2i} + \dots + \beta_k X_{ki} + \epsilon_i$$
 (1)

Whereby,  $X_{1i}X_{2i}...X_{ki}$  are the independent variables that may influence labour market inactivity and  $\epsilon_i$  is the error term, assumed to be normally distributed with mean 0 and variance 1.

The observed binary outcome  $Y_i$  is related to the latent variable  $Y_i^*$  as follows:

$$Y_i = \begin{cases} 1 & if \ Y_i^* > 0 \\ 0 & if \ Y_i^* \le 0 \end{cases}$$

In this framework, the probability of being inactive  $(P(Y_i=1))$  can be modeled as:

$$P(Y_i = 1|X_i) = \Phi(\beta_0 + \beta_1 X_{1i} + \beta_2 X_{2i} + \dots + \beta_k X_{ki})$$
 (2)

where  $\Phi$  is the cumulative distribution function (CDF) of the standard normal distribution.

The set of independent variables  $X_i$  includes:

- Gender of the respondent;
- Age of the respondent and its square;
- Highest level of education attained (ISCED 97);
- Marital Status;
- Presence of dependent children in the household;

- Self-reported health status;
- Size of town of residence;
- Parents' education;
- Fathers' employment when the respondent was 14;
- Spouse's education;
- Spouses labour-market status.

And the set of own-created factors / principal components, as per their identification in Section 5.1.

We introduce the explanatory variables group by group: first, we rely only on the demographic variable of the respondent; then, we add the characteristics of parents, whose idea is to incorporate information about the respondent's socio-economic background; then, we add the characteristics of the spouse. The limitation with the latter is that not all respondents have spouses, as a result of what the size of our sample drops. Therefore, in the final attempt, we add the factors / principal components, but without the spousal characteristics.

Using the probit model allows us to account for the non-linear relationship between the probability of labour market inactivity and the independent variables. Additionally, it enables us to estimate the impact of various sociocultural factors on labour market inactivity, which are not typically captured by LFS. This approach provides a richer, more nuanced understanding of the underlying causes of labour market inactivity, particularly how cultural norms, gender stereotypes, work attitudes, and discrimination contribute to individuals' decisions to remain outside the labour force.

#### 5. RESULTS AND DISCUSSION

## 5.1. Data speak themselves: Underlying concepts of labour market inactivity

To make both FA and PCA operational, we start the analysis by providing estimates of the Kaiser-Meyer-Olkin (KMO) test and the Bartlett's test of sphericity (Hill, 2011). Both tests are important to determine if data are good to be grouped in several underlying factors; in particular, the KMO test indicates if data factor well. Table 4 provides a KMO value above the threshold of 0.7 suggesting that we could proceed with factor analysis in this case. Similarly, the Bartlett's test rejects the null hypothesis that variables are not correlated, providing grounds for conducting a factor analysis.

Table 4 - Tests for data factoring

Test	2019	
Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy	0.804	
Bartlett's test of sphericity	0.000	
H0: variables are not intercorrelated (p-value)		

Source: Authors' calculations.

Next, we proceed with the FA and PCA. As usual in the literature (e.g. Onatski, 2010), we consider only the factors whose estimated eigenvalue is higher than 1, and retain only factor loadings whose absolute value exceeds 0.35. In the FA, the first two factors have an eigenvalue greater than 1, so that we continue with these factors. In addition, they explain large share of the variance in our data, supporting the notion that two concepts (factors) are sufficient to explain our data.

Table 5 presents the factor loadings for the various variables used in our analysis, and it provides insightful details into the underlying factors contributing to labour market inactivity. The first factor, which is of major importance, explains a significant 57.8% of the total variance. This factor primarily captures elements related to gender stereotypes, attitudes towards discrimination, and norms concerning childcare. The high loadings on variables associated with all aspects of the gender stereotypes indicate that this factor is heavily influenced by societal and cultural perceptions regarding gender roles. These stereotypes reflect deep-seated beliefs and attitudes about what is considered appropriate behaviour and responsibilities for different genders, particularly within the context of work and family life. Furthermore, the loading on attitudes towards discrimination highlights how discrimination based on gender also plays a critical role in shaping these perceptions. This suggests that discriminatory attitudes and practices are intertwined with stereotypes, reinforcing traditional gender roles. The partial importance assigned to

cultural aspects related to childcare within this factor suggests that gender stereotypes significantly influence how childcare responsibilities are perceived and allocated within households. This likely revolves around the role of the mother, who is often expected to take on the primary caregiving role, limiting her participation in the labour market.

The second factor, which explains 37.5% of the variance, captures attitudes towards work and norms related to childcare. This factor is significantly influenced by the high loadings on almost all variables associated with attitudes towards work, indicating that perceptions and attitudes regarding employment play a crucial role in shaping individuals' labour market participation. The high loadings on these variables suggest that the way individuals perceive and value work has a substantial impact on their participation in the labour market. Positive attitudes towards employment may encourage women to seek job opportunities and remain active in the workforce, while negative attitudes may act as a deterrent. Moreover, the loading on childcare norms within this factor highlights the significant role of childcare responsibilities in influencing labour market participation. This indicates that cultural attitudes towards childcare, particularly the belief that the best nurturing environment for children is at home, can interact with attitudes towards work to shape women's employment decisions. Individuals who hold the belief that children should be primarily cared for at home are likely to have a more negative attitude towards seeking employment, as they prioritize their role as caregivers over participating in the labour market. This interplay between work attitudes and childcare norms underscores the complex factors that contribute to one's labour market inactivity.

We label factor 1 as 'gender stereotypes', while factor 2 as 'work attitudes'. Returning to Table 1, we observe that the increase of the 'gender stereotypes' factor relates to less stereotyping, i.e. the increase of the variable results in weaker stereotypes. While, increase of the 'work attitudes' factor relates to more negative attitude towards work, i.e. when the factor has smaller values, the work is more appreciated.

In the PCA, the first four factors have an eigenvalue greater than 1. The first two factors are almost identical to those identified in the FA, however, all four have much lower weights. The third and the fourth factor are worth examining. The third factor in the PCA reflects attitudes towards childcare, indicating a focus on cultural and traditional norms in this area. The high loadings on variables associated with attitudes towards childcare suggest that the way individuals perceive and value this care role is crucial in understanding their overall approach to these responsibilities. For instance, positive attitudes towards traditional childcare practices may reinforce the importance of these roles within the family structure. Individuals who value these traditional norms may prioritize maintaining these roles over other activities or employment opportunities, indicating a strong cultural attachment to these practices.

The fourth factor in the PCA reflects a combination of attitudes towards household chores and, to a lesser extent, attitudes towards discrimination, again highlighting cultural and traditional norms, but with a different emphasis than the third factor. This factor is significantly shaped by cultural and traditional norms regarding domestic responsibilities, reflecting how deeply ingrained perceptions influence individuals' views on managing household tasks. For individuals who score high on this factor, household chores are seen through a lens of cultural expectation, where these tasks are often considered a central aspect of domestic life and family dynamics. This perspective suggests that traditional norms strongly influence how individuals prioritize and value household responsibilities.

In practical terms, this means that people with high loadings on this factor likely uphold conventional views regarding the distribution of domestic tasks, which may include beliefs about who should be responsible for cooking, cleaning, and other chores. Such attitudes can reinforce traditional gender roles, where domestic responsibilities are seen as predominantly a woman's duty. This traditional viewpoint can impact how household chores are managed and how domestic roles are assigned within the family, reflecting a broader cultural adherence to established norms.

The relatively smaller variance explained by factor 3 and 4, compared to factors 1 and 2, suggests that while these cultural and traditional attitudes are important, they interact with a broader set of influences. This interaction may manifest in various ways, such as influencing how individuals balance domestic responsibilities with other roles or how societal expectations shape their attitudes towards these tasks.

We label factor 3 as 'childcare', while factor 4 as 'household chores'. Returning to Table 1, we observe that lower values of both factors associate with more conservative culture centred around family and children; in particular, lower values on the factoring of children assigns higher cultural value to children for the household and the society. We continue the work in the next section with the four factors.

It is interesting to note that two of the four factors have the cultural norms related to childcare as a cross-topic, despite such cultural norms around childcare popped up as a standalone factor. The fact that cultural norms related to childcare permeate several factors besides appearing as a standalone factor underscores their pervasive influence in shaping attitudes and behaviours across different domains. This observation highlights the importance of considering how childcare norms intersect with gender roles, work attitudes, and general domestic responsibilities. Understanding this integration provides a more comprehensive view of how deeply cultural attitudes towards childcare influence various aspects of social and economic life, reinforcing the notion that childcare norms are a central, interconnected element in the broader context of cultural and societal attitudes.

Table 5 - Factor loadings

	Factor		Factor analysis		ipal Comp	onents An	alysis
	Identifier	Factor 1	Factor 2	Factor 1	Factor 2	Factor 3	Factor 4
Attitudes towards work	C038		0.3824		0.3862		
	C039		0.6663		0.5436		
	C041		0.5534		0.4625		
	A005						
Attitudes towards discrimination	C001						
	D081						0.4257
	G007_35_B						
	D060	0.6824		0.4824			
Gender stereotypes	D062	0.5339					
	D059	0.7636		0.4940			
	D078	0.7849		0.5121			
Culture, traditions and norms related to household	D032						-0.5192
chores	D037						0.5392
Culture, traditions and norms related to elderly care	D026_05						
Culture, traditions and norms related to childcare	A001					0.5964	
	D061	0.4697					
	D038					0.6191	
	D026_03		0.5673		0.4387		
Weight of factor		0.5776	0.3747	0.1603	0.1280	0.0828	0.0785

Source: Authors' calculations based on EVS 2019.

#### 5.2 Evidence that women are more inactive on the labour market than men

This section presents the results about what determines inactivity, particularly that of women, in North Macedonia. We commence by observing the result of our probability model for the whole set of individuals, hence including both men and women. Despite our prime interest lies in the understanding of the female labour-market inactivity, we use the full sample to derive comparisons.

Table 6 reveals that gender has a significant and substantial effect on labour market inactivity. Being a woman is associated with higher likelihood of being inactive due to housewife roles, as well as across all models which consider inactivity beyond housewife's role (yet exclude students and retirees). Coefficients suggest that women are, on average, with higher probability of being inactive on the labour market in North Macedonia by 8.8% to 22.3%. These coefficients are consistently significant at the 1% level, underscoring the impact of traditional gender roles on labour market participation.

Age and age squared coefficients are included to capture a potential nonlinear effect. The coefficients for age suggest that older individuals may have a lower probability of being inactive, although this effect is significant in a rather scattered manner. The squared term indicates that this relationship may level off or even start increasing at higher ages, but again, the significance varies across models.

Higher education levels (measured by ISCED 97) are consistently associated with a lower probability of inactivity. The coefficients are negative across all models and consistently significant, highlighting the protective effect of education against labour market inactivity. Education appears to reduce the likelihood of individuals opting out of the labour market for housewife's

Marital status is a significant predictor of labour market inactivity. Being married, as opposed to being single, generally decreases the likelihood of being inactive. The coefficients for being married are negative across most models, with values ranging from 0.6% to 19%. In contrast, being divorced or widowed (as opposed to being single) generally does not matter. The presence of children in the household is another critical factor. Generally, having children in the household is associated with a higher probability of being inactive, reflecting the increased household responsibilities that come with larger families. However, the coefficients are generally not significant. This suggests that while having children adds to household duties and may push some individuals out of the labour market, this effect is not overwhelmingly strong across the board. Quite the contrary, results suggest that it is the marriage which matters for the labour-market participation, not the presence of children per se.

Similarly, self-precepted health condition is a predictor of labour-market inactivity in some specifications. The coefficient suggests that the worse the health, the higher the probability of being inactive, which is expected and aligned with illness and disability being always spelled out as a potential reason for inactivity in surveys.

Including parental education levels and employment status during the respondent's adolescence provides additional context. The higher education level of the father is associated with lower inactivity probability of the respondent, revealing that the socio-economic history of the respondent's household may matter. However, the education of the mother and the employment status of the father when the respondent was 14 has non-significant effect on labour market inactivity. These findings suggest that while parental background may influence early life opportunities, its direct impact on labour market inactivity in adulthood is limited.

The spouse's education level has a significant effect on individual's labourmarket inactivity in that a higher level is associated with higher inactivity. It could be that spouse's educational level is more strongly associated with his/her achievements on the labour marking, providing comfort room for the wife/husband to stay inactive. On the contrary, the spouse's employment status shows limited effects. Having an unemployed spouse significantly increases the probability of inactivity, particularly in the final model, indicating that spousal unemployment might compel one partner to focus more on household responsibilities. Similarly, having a retired (or less likely a student) spouse also shows significant effects, highlighting the interdependence of spousal labour market decisions.

When factors such as gender stereotypes, work attitudes, and cultural norms are included, they provide a richer understanding of societal influences. Stronger gender stereotypes increase the likelihood of inactivity, reflecting the persistent impact of traditional gender roles. Work attitudes show that more positive views towards work reduce the probability of inactivity, indicating that personal attitudes towards employment play a significant role. Cultural norms related to childcare and household chores significantly affect inactivity probabilities. More conservative cultural norms are associated with higher inactivity, reinforcing the idea that societal expectations and cultural values heavily influence individual labour market behaviours.

It is to be noted, however, that the roles of societal influences are significantly weaker when inactivity is observed only through the housewife's role. This could suggest that societal influences mainly work when inactive individuals are deterrent from the labour market but do not identify themselves as housewives / househusbands. Nevertheless, it could be a matter of the fact that the category 'inactivity due to housewife / househusband' is dominated by women, which warrants a separate analysis of women and men. This is what we do next.

Table 6 – Baseline results – full sample

	'	De	pendent variab	le: Probability o	f being inactive on	the labour ma	arket			
	Inactive due to house- wife/man	Inactive	Inactive due to house- wife/man	Inactive	Inactive due to housewife/man	Inactive	Inactive due to house- wife/man	Inactive	Inactive due to house- wife/man	Inactive
	Own chara	cteristics	+ Characteris	- Characteristics of parents + Char		s of spouse	+ factors		+ principal componen	
Sex (1=woman)	0.0958***	0.219***	0.0910***	0.228***	0.0853***	0.213***	0.0845***	0.222***	0.0876***	0.223***
	(0.020)	(0.030)	(0.019)	(0.032)	(0.023)	(0.036)	(0.019)	(0.030)	(0.020)	(0.030)
Age (in years)	0.000817	-0.0128**	-0.00037	-0.0197***	0.00264	-0.00447	0.000694	-0.0117*	0.000705	-0.0104
	(0.002)	(0.007)	(0.001)	(0.007)	(0.003)	(0.008)	(0.001)	(0.007)	(0.001)	(0.006)
Age squared	-1.93E-06	0.000133*	7.72E-06	0.000207***	-2.62E-05	4.82E-05	-3.97E-07	0.000128*	-1.56E-06	0.000114*
	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)
Education (ISCED 97)	-0.0154**	-0.0616***	-0.0119**	-0.0585***	-0.0253**	-0.0827***	-0.0125**	-0.0563***	-0.0115**	-0.0518***
	(0.006)	(0.014)	(0.006)	(0.016)	(0.011)	(0.021)	(0.005)	(0.015)	(0.005)	(0.015)
Married (ref. = single)	-0.00631	-0.162**	-0.0005	-0.145*	-0.263	-0.251	0.00218	-0.157**	-0.00103	-0.190***
	(0.023)	(0.074)	(0.018)	(0.074)	(0.206)	(0.163)	(0.015)	(0.073)	(0.016)	(0.073)
Divorced, widowed (ref.	0.0154	-0.0681	0.0234	-0.0402	0.00729	0.00432	0.0273	-0.0598	0.0197	-0.0739
= single)	(0.041)	(0.056)	(0.049)	(0.064)	(0.051)	(0.122)	(0.047)	(0.054)	(0.040)	(0.048)
Presence of children in	0.0148	0.0252	0.0121	0.0272	0.0223**	0.0598	0.0107	0.0207	0.0094	0.0174
the household	(0.009)	(0.048)	(0.007)	(0.048)	(0.010)	(0.044)	(0.008)	(0.047)	(0.008)	(0.046)
Health (higher means	0.0109*	0.0311*	6.65E-03	0.0146	0.00785	0.0351*	0.00799	0.0243	0.00701	0.0258
worse)	(0.006)	(0.019)	(0.005)	(0.019)	(0.006)	(0.020)	(0.005)	(0.018)	(0.005)	(0.018)
Small town (ref. = large	0.00115	-0.0109	-0.00018	-0.00271	0.00707	0.00385	0.00228	-0.0148	0.00171	-0.0205
town)	(0.009)	(0.033)	(0.008)	(0.034)	(0.013)	(0.036)	(0.008)	(0.032)	(0.007)	(0.032)
Medium town (ref. =	-0.00248	-0.0152	-0.00529	-0.00695	-0.0123	-0.0445	0.00233	-0.00727	0.00315	-0.00895
large town)	(0.011)	(0.044)	(0.009)	(0.046)	(0.011)	(0.044)	(0.010)	(0.044)	(0.009)	(0.042)

		1			1	1	1	1		1
Father's education (ISCED 97)			-0.00967*	-0.0315**	-0.0180**	-0.0552***				
(IDCLID 81)			(0.005)	(0.014)	(0.008)	(0.018)				
Mother's education			0.00494	0.0121	0.00934	0.0348*				
(ISCED 97)			(0.004)	(0.016)	(0.008)	(0.021)				
If father was employed			-0.00799	0.00878	-0.0012	0.0315				
when respondent was 14			(0.012)	(0.039)	(0.013)	(0.036)				
Spouse's education					0.0123*	0.0476**				
(ISCED 97)					(0.007)	(0.019)				
Spouse is unemployed					0.0346	0.153***				
(ref. = spouse is em- ployed)					(0.026)	(0.059)				
Spouse is inactive (ref. =						0.0523				
spouse is employed)						(0.109)				
Spouse is in other LM					0.257*	0.261**				
status (ref. = spouse is employed)					(0.134)	(0.124)				
Gender stereotypes							0.001	-0.0228*	0.000342	-0.0133**
(lower means stereo- typed)							(0.004)	(0.017)	(0.002)	(0.002)
Work attitudes (lower							0.0141**	0.0835***	0.00582*	0.0489***
means more positive)							(0.007)	(0.019)	(0.003)	(0.011)
Cultural norms - child-									0.00103	-0.0300*
care (lower means more conservative)									(0.004)	(0.016)
Cultural norms -									-0.00612*	-0.0357***
household chores (lower means more conserva- tive)									(0.004)	(0.013)
Observations	841	841	800	800	536	572	841	841	841	841

<sup>\*</sup>, \*\* and \*\*\* denote statistical significance at the 10%, 5% and 1% level, respectively. Standard errors provided in parentheses. Population weights accordingly used.

# 5.3 What pushes women being inactive on the labour market?

Table 7 explores the probability of being inactive in the labour market for women. The effect of age suggests that women face lower probability of being inactive as they age, but up until about 50 years of age; yet, the significance is present only when inactivity is treated in a broader sense and is lost when attitudinal variables are added. Education continues to play a crucial role in reducing the likelihood of labour market inactivity for women. The coefficients for education are negative and significant across all models, similar to the full sample, indicating that higher education levels are associated with lower probabilities of being inactive. For women, being married significantly reduces the likelihood of labour market inactivity, albeit only when inactivity is viewed in broader definition. The coefficients are negative and often significant. This suggests that marriage might provide a supportive environment that encourages greater labour market participation, possibly due to shared financial responsibilities, social support, or stable living conditions. This coefficient, however, must be observed in conjunction with the presence of children in the household; when this is the case, the probability that the woman withdraws from the labour market increases, and this is the case when inactivity is viewed via housewife's lens and in its broader meaning. Essentially, the arrival of children may lead to a more nuanced dynamic where marital support helps women manage both family and work responsibilities more effectively, but in an attenuated manner compared to the case when the couple has no children. Health, as in the full sample, predicts woman's labour-market inactivity.

Gender stereotypes, work attitudes, and cultural norms continue to influence labour market inactivity for women. Stronger gender stereotypes are associated with higher probabilities of inactivity, reflecting the persistence of traditional gender roles. Positive work attitudes reduce the likelihood of inactivity, and more conservative cultural norms increase it. Yet, it is to be noted that the significance on the cultural norms related to childcare is lost, which may look strange. Hence, these results reveal that it is the presence of children rather than the cultural prejudices related to them that shape mother's labour market activity. These effects are generally consistent with the findings in the full sample, underscoring the role of societal attitudes and cultural values in shaping women's labour market behaviour.

It is critical to note that in Section 5.1 we identified that two of the four factors – namely gender stereotypes and work attitudes – involve factoring of cultural norms related to child-rearing. Along the finding that the presence of children in the household consistently predicts labour market inactivity, we also find that what significantly influences inactivity are the broader traditional roles of mothers, indirectly influenced through mothers' gender-related stereotypes, work attitudes, and marital status.

For instance, the gender stereotyping that prioritizes mothers' roles in childcare has a significant impact on whether women remain in or leave the labour market. This suggests that while the mere presence of children may directly cause women to leave the workforce, societal and cultural expectations about mothers' roles in child-rearing after they get married reinforces a vital role in these decisions. Thus, it is not only the quantity of children but also the qualitative cultural attitudes towards working and child-rearing, gender roles, and marriage that matter significantly in understanding women's labour market inactivity in North Macedonia.



Table 7 - Baseline results - women

		De	ependent variable:	Probability of l	peing inactive on	the labour ma	rket			
	Inactive due to housewife/ man	Inactive	Inactive due to housewife/ man	Inactive	Inactive due to housewife/ man	Inactive	Inactive due to housewife/ man	Inactive	Inactive due to housewife/ man	Inactive
	Own charac	cteristics	+ Characteristic	cs of parents	+ Characteristi	cs of spouse	+ fact	cors	+ principal	components
				1						
Age (in years)	0.00248	-0.0207*	-0.00386	-0.0345***	0.00786	-0.0187	0.00302	-0.0152	0.00348	-0.0139
	(0.008)	(0.012)	(0.008)	(0.013)	(0.009)	(0.018)	(0.008)	(0.013)	(0.008)	(0.013)
Age squared	-2.53E-06	0.0002	4.85E-05	0.000332**	-9.00E-05	0.000159	-7.96E-07	0.00016	-8.82E-06	0.000142
	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)
Education (ISCED 97)	-0.0773***	-0.108***	-0.0688***	-0.0935***	-0.0973***	-0.129***	-0.0757***	-0.101***	-0.0746***	-0.0964***
	(0.021)	(0.026)	(0.025)	(0.030)	(0.030)	(0.040)	(0.021)	(0.029)	(0.021)	(0.029)
Married (ref. = single)	-0.089	-0.268**	-0.0526	-0.286**	-0.618**	-0.709***	-0.0372	-0.245**	-0.0529	-0.297**
	(0.124)	(0.113)	(0.107)	(0.116)	(0.248)	(0.121)	(0.097)	(0.113)	(0.106)	(0.118)
Divorced, widowed (ref.	-0.0279	-0.102	-0.00575	-0.095	-0.0533	-0.129	0.0189	-0.0776	0.00556	-0.108
= single)	(0.088)	(0.111)	(0.094)	(0.110)	(0.066)	(0.138)	(0.104)	(0.109)	(0.099)	(0.101)
Presence of children in	0.101***	0.151**	0.0966***	0.169***	0.106***	0.265***	0.0900***	0.134**	0.0865**	0.132**
the household	(0.035)	(0.065)	(0.032)	(0.063)	(0.030)	(0.043)	(0.035)	(0.064)	(0.035)	(0.065)
Health (higher means	0.0536**	0.0594*	0.0383*	0.0223	0.0322	0.0326	0.0452**	0.0447	0.0431*	0.0468
worse)	(0.023)	(0.034)	(0.022)	(0.035)	(0.021)	(0.036)	(0.023)	(0.036)	(0.023)	(0.036)
Small town (ref. = large	0.0261	0.0372	0.0162	0.018	0.0396	0.0315	0.0329	0.0527	0.0292	0.0413
town)	(0.046)	(0.061)	(0.044)	(0.065)	(0.048)	(0.071)	(0.045)	(0.061)	(0.046)	(0.063)
Medium town (ref. = large	0.0143	-0.057	-0.00499	-0.0775	-0.0319	-0.157***	0.0333	-0.0261	0.0404	-0.0267
town)	(0.059)	(0.077)	(0.054)	(0.076)	(0.046)	(0.060)	(0.060)	(0.078)	(0.059)	(0.075)
Father's education			-0.0523**	-0.0481*	-0.0631**	-0.0660*				
(ISCED 97)			(0.022)	(0.027)	(0.026)	(0.034)				

Observations	422	422	400	400	304	304	422	422	422	422
Cultural norms - household chores (lower means more conservative)									-0.0354**	-0.0802***
childcare (lower means more conservative)									(0.025)	(0.036)
Cultural norms -									0.00895	-0.0198
							(0.026)	(0.040)	(0.014)	(0.022)
Work attitudes (lower means more positive)							0.0729***	0.193***	0.0320**	0.0997***
stereotyped)							(0.024)	(0.016)	(0.014)	(0.011)
Gender stereotypes (lower means							0.0124	-0.0302**	0.00494	-0.02**
status (ref. = spouse is employed)					(0.162)	(0.151)				
Spouse is in other LM					0.456***	0.457***				
spouse is employed)										
Spouse is inactive (ref. =				+	(0.101)	(0.100)				
(ref. = spouse is employed)					(0.101)	(0.106)	1			
Spouse is unemployed				-	0.023)	0.355***		+		
Spouse's education (ISCED 97)				-	0.0371	0.0892**		+		
			(0.055)	(0.076)	(0.049)	(0.071)				
If father was employed when respondent was 14			-0.0269	-0.00167	0.00433	0.0854	<u> </u>	1		
(ISCLD 01)			(0.022)	(0.027)	(0.028)	(0.039)	ļ			
Mother's education (ISCED 97)			0.0239	-0.0193	0.0307	-0.0259				ļ

<sup>\*, \*\*</sup> and \*\*\* denote statistical significance at the 10%, 5% and 1% level, respectively. Standard errors provided in parentheses. Population weights accordingly used.

# 5.4 The varying effect of societal attitudes and cultural norms on women's labour market inactivity

The results in Table 7 could be concealing a variety of manners in which the gender stereotypes, work attitudes and cultural norms related to childcare and household chores affect the propensity of a woman to de-activate on the labour market. In this section, we explore a bit deeper; we use the same equation (1), just regrouping five demographic variables:

- Age: 18-34, 35-49 and 50-64, to reflect youth and associated with the key childbearing age, middle-aged women and older adult women;
- Education: primary education or less, secondary, and tertiary or more:
- Marital status: married, single and widowed/divorced women;
- **Number of children:** no children, 1 or 2 children (the most common number of children in North Macedonia); and 3 or more children;
- **Health status:** excellent health, good health and fair and poor health.

In equation (1), we introduce a cross-product of the above demographic groups with each of the four principal components: gender stereotypes, work attitudes, cultural norms - childcare and cultural norms - household chores; each set of cross products once at a time. We note the estimated coefficients and their associated confidence intervals.

Figure 9 reveals interesting insights into how different age groups interact with gender stereotypes, work attitudes, and cultural norms related to childcare and household chores, and how these interactions influence the inactivity likelihood of women. For young individuals aged 18-34 - the usual childbearing age, results indicate that only negative work attitudes significantly predict larger women's inactivity. This suggests that the way people in this age group perceive and value work significantly influences women's participation in the labour market. On the other hand, for young individuals, gender stereotypes and cultural norms related to childcare and household chores are unimportant, indicating that for younger adults, traditional cultural norms around childcare and household responsibilities are irrelevant in explaining women's inactivity in the labour market, which could be considered a positive cultural change.

In the 35-49 age group, the picture is slightly different. Work attitudes work in a similar fashion, but the coefficient is higher, indicating a stronger effect. This is not strange, given this is the core earning age for individuals. Besides, gender stereotypes matter: the more negative they are, the higher the probability that the woman would stay outside the labour market. This suggests that gender-related stereotypes in North Macedonia start pressing around middle-age. Cultural norms do not matter.

For those aged 50-64, the results again reveal significant positive associations of women's inactivity with work attitudes, with further higher coefficient. For the elderly adults, cultural norms related to household chores exert strong and significant influence: the more conservative they are, the higher the likelihood the woman would stay inactive. In other words, traditional beliefs and expectations about women's roles in managing household chores significantly press women in their later age. In North Macedonia, importance of both work attitudes and cultural norms of the older adults could be well associated with the transition process, when massive layoffs in the 1990s - then these women were entering the labour market - inflicted widespread discouragement.

0.8 0.6 0.4 0.2 0 -0.2 -0.4-0.6 -0.8 -1 Cultural norms - childcare Cultural norms - hh chores Nork attitudes Cultural norms - hh chores Cultural norms - childcare Gender stereotypes Cultural norms - childcare Gender stereotypes Gender stereotypes Nork attitudes Cultural norms - hh chores Nork attitudes 18-34 35 - 4950-64 ◆ Coefficient - Lower\_CI - Upper\_CI

Figure 9 - Societal attitudes and cultural norms' role for inactivity likelihood across ages of women

Source: Authors' calculations based on EVS 2019.

Figure 10 crosses attitudes and norms' role on women's inactivity with attained education. For women with primary or secondary, gender stereotypes matter, similarly as for middle-aged individuals on Figure 9. This suggests that gender stereotyping is more prevalent among secondaryeducated women of middle age. For the primary-educated, household chores matter, similarly as for the older adults on Figure 9. This suggests that elderly-adult women of primary or no education assign higher value of being in the role of a housewife rather than looking for a job and working. For women with tertiary education, the influence of these attitudinal/ cultural factors vanishes markedly. The association with women's inactivity becomes weaker and is not significant, indicating that gender stereotypes and cultural norms are less influential for women in this educational group.

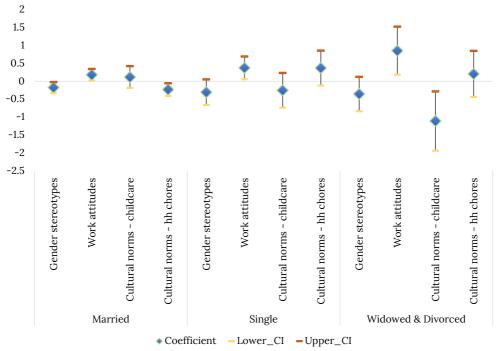
0.8 0.6 0.4 0.2 0 -0.2 -0.4 -0.6 -0.8 -1 Gender stereotypes Cultural norms - childcare Cultural norms - hh chores Gender stereotypes Work attitudes Work attitudes Cultural norms - childcare Cultural norms - hh chores Work attitudes Cultural norms - childcare Cultural norms - hh chores Gender stereotypes Primary or less Secondary Tertiary or more ◆ Coefficient - Lower\_CI - Upper\_CI

Figure 10 - Societal attitudes and cultural norms' role for inactivity likelihood across education of women

Figure 11 explores the role of the four cultural/attitudinal variables for the probability of inactivity across marital statuses. For married women, the coefficients for gender stereotypes, work attitudes, and cultural norms related to household chores all are significant. As found earlier, marriage is a strong predictor of women's inactivity; now, we document that the three attitudinal/cultural factors out of the four strongly determine inactivity within this marital group. For the single individuals, only gender stereotypes matter for the labour-market behaviour of women. These women do not strictly adhere to traditional or conservative views on household chores or, at the minimum, this is not a predictor of the inactivity on the labour market.

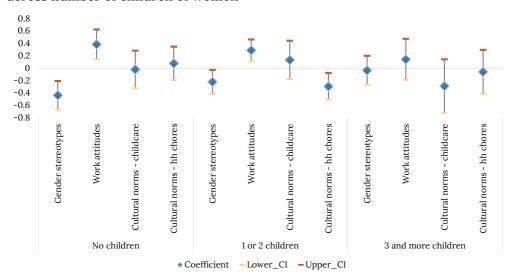
For widowed and divorced individuals, only the interaction terms for work attitudes and cultural norms related to childcare show significances. Particularly, the coefficient on the cultural norms related to childcare is important, as is used to be insignificant across other demographic groups. It suggests that more conservative cultural norms emphasizing childrearing by women are associated with a higher probability of inactivity for widowed and divorced women. This may be explained by the fact that, following a divorce, the child typically resides with the mother. This arrangement might place greater pressures on women to adhere to traditional childrearing roles, which could in turn limit their ability to participate in the labour market, leading to higher inactivity rates for these individuals compared to other groups.

Figure 11 - Societal attitudes and cultural norms' role for inactivity likelihood across marital statuses of women



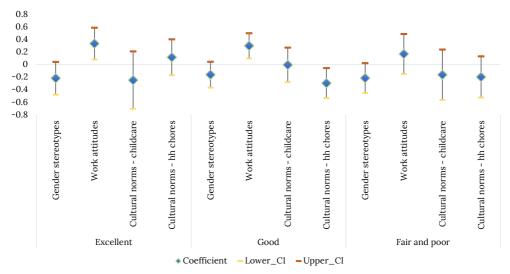
Work attitudes are relevant when the number of children of the woman does not exceed two, but the effect on labour-market inactivity is stronger when the woman has no children (Figure 12). Similarly, gender stereotyping deters labour-market activity only in case fewer children are present in the household, likely because there is less practical demand for traditional gender roles, making the influence of these stereotypes more visible. In contrast, larger families may be more focused on immediate caregiving needs, which can overshadow the impact of gender norms. While, cultural norms related to household chores work only when one or two child is present in the household - the most common type of Macedonian household. Similarly, in such households, the visibility and impact of these roles are more pronounced, as there are fewer children to distribute caregiving tasks, making the adherence to cultural expectations about gender roles more evident when compared to household hosting three or more children, let alone to those where there are no children.

Figure 12 - Societal attitudes and cultural norms' role for inactivity likelihood across number of children of women



Finally, work attitudes are relevant for the women's labour-market inactivity when the health of the individual is excellent or good (Figure 13). Actually, when the health is deteriorated, none of the attitudes is relevant for the labour-market activity, which is expected since then the health solely determines a labour-market withdrawal. It is alto to be noted that cultural norms related to household chores are predicting labour-market inactivity of women with good health only.

Figure 13 - Societal attitudes and cultural norms' role for inactivity likelihood across health statuses of women



### 5.5. Do the same factors cause de-activation among men?

It becomes clear that the full results presented in Table 6 are likely driven by the inactivity of women, which is more pervasive than that of men, when we observe the determinants of men's labour-market inactivity in Table 8. Only the broader inactivity is presented, because the observations of men who appear as househusbands is negligibly small preventing running convincing regressions.

Factors affecting whether a man would decide to deactivate from the labour market in North Macedonia are influenced by different dynamics compared to women. Age, which is significant for women, plays a trivial role for men. Education affects both men and women, but its impact is less statistically convincing for men. While higher education levels generally contribute to lower inactivity, this effect is not as strong or clear-cut for men as it is for women. Additionally, entering into marriage does not significantly impact men's labour market activity, while being critical for women. In contrast, when men divorce or become widowers, this prompts lower labour market activation. This highlights a gender disparity in how marital status influences labour market behaviour, as the effect was the same for women but when they get married. The presence of children reduces the likelihood of inactivity for men, which is opposite to the finding for women. For men, having children may increase their motivation to remain in the labour market, as they often feel a stronger financial responsibility to provide for their family. This sense of obligation can drive men to work more, rather than withdraw. Conversely, for women, the added childcare responsibilities can create additional barriers to labour market participation, especially if they face challenges balancing work and family life, leading to higher inactivity rates. Living in a small town reduces the chances of inactivity compared to residing in a big town, suggesting that the economic opportunities and community dynamics in smaller towns might encourage men to remain active in the labour market.

Parental education also influences men's labour market activity. Higher father's education is associated with lower inactivity among men, implying that a father's educational attainment might positively influence his son's labour market participation. Conversely, higher mother's education is linked to higher inactivity among men, although the reasons for this are less clear and could be attributed to various socio-cultural factors.

Spousal characteristics, such as their education or employment status, do not significantly affect men's labour market activity. This may be associated with the cultural role of the men being the main breadwinner in the household, hence no coordination with what the wife has as endowment or does on the labour market is perceived necessary. In that line, gender stereotypes, work attitudes, and cultural norms that powerfully influence women's labour market decisions appear to have little to no effect on men's decisions to remain active or deactivate from the labour market.

Table 8 - Baseline results - men

Dependent variable: 1	Probability of being	inactive on the labo	ur market		
	Own characteristics	+ Characteristics of parents	+ Characteristics of spouse	+ factors	+ principal components
Age (in years)	-0.00634	-0.00809	0.00532	-0.00623	-0.00589
	(0.005)	(0.006)	(0.005)	(0.005)	(0.005)
Age squared	8.16E-05	0.000103	-4.28E-05	8.15E-05	7.99E-05
	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)
Education (ISCED 97)	-6.54E-03	-0.00703	-0.0176**	-0.00427	-1.04E-03
	(0.009)	(0.011)	(0.009)	(0.010)	(0.010)
Married (ref. = single)	-0.0225	-0.00729	0.0157	-0.0273	-0.0387
	(0.049)	(0.044)	(0.020)	(0.051)	(0.049)
Divorced, widowed (ref. = single)	-0.0632***	-0.0482	0.0384	-0.0610***	-0.0590***
	(0.023)	(0.031)	(0.132)	(0.023)	(0.021)
Presence of children in the household	-0.102*	-0.106*	-0.144**	-0.0968*	-0.0972*
	(0.054)	(0.056)	(0.072)	(0.054)	(0.052)
Health (higher means worse)	0.0122	0.0134	0.0266**	0.0109	0.0134
	(0.017)	(0.018)	(0.012)	(0.016)	(0.015)
Small town (ref. = large town)	-0.0588**	-0.0378	-0.02	-0.0612**	-0.0598**
	(0.027)	(0.026)	(0.018)	(0.026)	(0.026)
Medium town (ref. = large town)	0.00556	0.0318	0.0311	0.00309	0.00291
	(0.038)	(0.045)	(0.034)	(0.037)	(0.035)
Father's education (ISCED 97)		-0.0154	-0.0186**		
		(0.010)	(0.009)		

				I	Ī
Mother's education (ISCED 97)		0.0161	0.0272**		
		(0.012)	(0.011)		
If father was employed when respondent was 14		0.0201	0.021		
		(0.030)	(0.016)		
Spouse's education (ISCED 97)			0.00984		
			(0.008)		
Spouse is unemployed (ref. = spouse is employed)			0.0529		
			(0.043)		
Spouse is inactive (ref. = spouse is employed)			0.00792		
			(0.030)		
Spouse is in other LM status (ref. = spouse is employed)			0.12		
			(0.205)		
Gender stereotypes (lower means stereotyped)				-0.0132	-0.009
				(0.012)	(0.007)
Work attitudes (lower means more positive)				0.0131	0.0152
				(0.015)	(0.010)
Cultural norms - childcare (lower means more conservative)					-0.0205
					(0.011)
Cultural norms - household chores (lower means more					-0.00443
conservative)					(0.011)
Observations	419	400	268	419	419

<sup>\*</sup>, \*\* and \*\*\* denote statistical significance at the 10%, 5% and 1% level, respectively. Standard errors provided in parentheses. Population weights accordingly used.

#### 5.6 Robustness checks

We pursue two types of robustness checks for the results on women's labour market inactivity. The first is the addition of household's income in the list of regressors; we did not do this from the outset because our dataset misses the income information for about a third of the sample. Results are presented in Appendix - Robustness checks - tables

Table A 1 in the Appendix. Earlier results are largely corroborated, which is important given the sample reduction and the addition of income as explanatory variation. The income itself is barely significant. The negative sign may be correct, signifying that higher income households are less prone to inactivity on the labour market. However, the sign and the significance may suffer endogeneity, because inactivity itself results in lower income. Treating endogeneity is beyond the objectives of the current work, however, needs to be borne in mind when trying to understand the role of income for labour market inactivity of women.

The other robustness check relates to expanding the treatment of inactive individuals. Recall (Section 4) that we had difficulties in clearly disentangling the unemployed from the inactive individuals - except housewives / househusbands - as our survey asks for self-identification of the labourmarket status. While we worked out a mode to circumvent the problem, there is no guarantee that the division is clear-cut. We therefore adopt a broader treatment of inactive individuals and the category now grasps all housewives / househusbands, other inactive and unemployed individuals, except students and retirees. Such an approach is not without its problems, hence serving only as a robustness check in our analysis.

Table A 2 presents the results; they are largely aligned with our baseline results. A non-trivial difference may be that marriage and presence of children have slightly larger coefficients than in the baseline specification. This means that the impact of being married or having children on the likelihood of woman's labour market inactivity is slightly more pronounced compared to the baseline results. Specifically, a larger coefficient for marriage indicates that being married significantly reduces the likelihood of inactivity more than previously estimated. Similarly, a larger coefficient for having children suggests that motherhood has a more substantial negative effect on influencing labour market participation.

The slight varieties in findings about marriage and children should not be neglected. Throughout our analysis we find that i) presence of children reduces the chances that the mother activates on the labour market; ii) gender stereotypes, work attitudes and household chores are perplexed with cultural factors related to child-rearing; and iii) the cultural norms related to children do not affect inactivity of women. Hence, we document the complex and multifaceted impact of children and related cultural norms on women's labour market inactivity, emphasizing that while these factors are important, their presence is confluent rather than robustly isolated or straightforward.

# 6. CONCLUSIONS AND POLICY **IMPLICATIONS**

This study aims to thoroughly understand women's labour market inactivity in North Macedonia by examining cultural norms, gender stereotypes, and work attitudes, on top of standard demographic characteristics of women. We first analyse the data to uncover the factors contributing to inactivity and then explore how demographic characteristics, societal attitudes, and cultural norms related to childcare and household responsibilities affect women's labour market participation.

This study utilizes the European Values Survey (EVS) 2019 for North Macedonia to explore the multifaceted issue of women's labour market inactivity. Unlike traditional labour force surveys that focus on quantitative employment data, the EVS provides a broader social and cultural context, allowing us to assess how deeply ingrained societal values influence labour market participation. The methodology includes a two-part approach: first, a quantitative analysis using Factor Analysis and Principal Components Analysis to identify key factors affecting labour market inactivity; second, a probit model to estimate the probability of inactivity, incorporating demographic, socio-economic variables, and culturally relevant factors. This comprehensive approach reveals the complex interplay between societal values and labour market dynamics, offering valuable insights for developing targeted policy interventions.

We identified four key factors describing labour market inactivity: 'gender stereotypes', 'work attitudes', 'cultural norms related to childcare', and 'cultural norms related to household chores'. The 'gender stereotypes' factor captures the significant impact of societal perceptions and discrimination on gender roles, revealing how entrenched beliefs about gender responsibilities affect women's labour market participation. The 'work attitudes' factor highlights the role of individuals' views on employment, showing how positive or negative attitudes towards work, combined with norms around childcare, shape labour market activity. The 'childcare' factor reflects cultural and traditional attitudes towards childcare responsibilities. Finally, the 'household chores' factor focuses on cultural expectations regarding domestic tasks, illustrating how traditional views on managing household chores impact the distribution of domestic responsibilities and labour market engagement. Notably, childcare norms are also found embedded within the 'gender stereotypes' and 'work attitudes' factors, underscoring their pervasive influence across multiple dimensions of labour market inactivity.

Results quantitatively and robustly document that women in North Macedonia have 8.8% to 22.3% higher probability of being inactive. The

analysis reveals that age impacts inactivity rates, with women older than 50 years of age exhibiting a higher likelihood of being inactive. Higher education is consistently linked to lower women's inactivity. Marriage also reduces inactivity, suggesting that marital support helps women balance work and family responsibilities, although this effect is moderated by the presence of children. Gender stereotypes, work attitudes, and cultural norms play significant roles, with stronger gender stereotypes increasing inactivity, while positive work attitudes decreasing it. Similarly, more conservative cultural attitudes toward household work increase likelihood of inactivity. On the other hand, the significance of cultural norms related to childcare diminishes, indicating that the presence of children, rather than specific cultural attitudes related to childrearing, more directly influences women's labour market participation. This suggests that societal and cultural expectations surrounding motherhood and gender roles significantly impact women's decisions to remain in or leave the workforce, highlighting the importance of both quantitative and qualitative factors in understanding labour market inactivity.

Results are opposite in depicting labour market inactivity of men. Age has a minimal impact, unlike its significant role for women. Education affects both genders, but its influence is weaker for men. Marriage does not significantly affect men's labour market participation, though divorce or widowhood leads to reduced activity. Men with children are less likely to be inactive, driven by financial responsibility, contrary to women, for whom childcare duties can impede labour market participation. Traditional gender roles and cultural norms influencing women's inactivity have little or no effect on men's labour market behaviour. This depicts labour market inactivity in North Macedonia as clearly a women's phenomenon.

Results further suggest that the effects of demographic factors on women's labour market inactivity vary significantly across age groups, education levels, marital status, number of children, and health status. For younger women (18-34), negative work attitudes are the primary driver, while for women aged 35-49, gender stereotypes gain significance, and for those aged 50-64, both negative work attitudes and conservative cultural norms are influential. Higher education mitigates the impact of traditional cultural attitudes, whereas primary and secondary education heightens susceptibility to gender stereotypes and household norms. Marital status also plays a crucial role, with married women being more affected by gender stereotypes and cultural norms than single women, and widowed or divorced women facing increased childcare responsibilities. The number of children influences the impact of gender stereotypes and household norms, particularly in smaller households. Additionally, work attitudes significantly affect labour market inactivity only when health is excellent or good, while deteriorated health independently dictates labour market withdrawal. These findings underscore the complex interplay of various factors influencing women's labour market inactivity.

Given the findings of the study, the following integrated policy recommendations can be made to address labour market inactivity among women in North Macedonia:

#### 1. Support for Housewives and Carers:

- Enhance Support for Working Parents: Develop and expand familyfriendly workplace policies, such as flexible working hours, remote work options, and affordable childcare services. Such measures can help women balance work and family responsibilities, particularly during key childbearing years. Providing support for childcare and domestic duties can also mitigate the impact of cultural norms related to household chores, which currently discourage women from participating in the labour market.
- Employer Incentives: Provide incentives for employers to implement flexible working arrangements and support work-life balance initiatives.
- Investment in Childcare: Increase investment in childcare facilities and day-care centres. Launch campaigns to promote their use, especially in regions where traditional home-based childcare is prevalent.
- Education and Leave Policies: Support women's access to higher education and revise policies for maternal, paternal, and parental leave to ensure equitable distribution of childcare responsibilities between parents.
- Support for Single Mothers: Introduce policies that offer targeted support for single mothers. This could include financial assistance, career counselling, and professional development opportunities. Recognizing the dual role of women as caregivers and workers, such support can help mitigate the negative impact of conservative cultural norms and ensure a more balanced approach to family and work responsibilities.

#### 2. Addressing Cultural Barriers:

- Promote Gender Equality and Challenge Stereotypes: Implement educational and awareness campaigns aimed at dismantling entrenched gender stereotypes. This can include public awareness campaigns and integration of gender studies into school curricula to promote more progressive attitudes towards gender roles.
- Encourage Inclusive Workplace Cultures: Foster inclusive workplace environments that recognize and address the diverse needs of employees. Companies should be encouraged to adopt policies that

promote gender diversity and inclusion, offer mentoring programs, and ensure equal opportunities for career advancement. Creating a supportive work environment can help counteract negative work attitudes and increase women's participation in the labour market.

- Redistribution of Care Work: Raise awareness about the need for equitable distribution of caregiving responsibilities within families. Encourage societal shifts towards shared responsibilities to reduce the burden on women.
- Importance of Pre-School Education: Promote the value of preschool education in child development and socialization to increase its acceptance and utilization.

#### 3. Enhanced Skills and Qualifications for Inactive Women:

- **Public Interventions and Training:** Continue to invest in educational opportunities for women, with a focus on vocational training and higher education. Policies should aim to reduce educational disparities and provide targeted support for women at different life stages, including those returning to the workforce after a period of inactivity. Promoting lifelong learning and upskilling can help women remain competitive and reduce their likelihood of labour market inactivity.
- Support for Social Assistance Recipients: Strengthen activation policies for women receiving social assistance, particularly those in low-income or marginalized communities. Provide targeted support to break the cycle of low education and inactivity.

By incorporating these recommendations, North Macedonia can better address the multifaceted issues contributing to labour market inactivity among women, thereby fostering a more inclusive and equitable workforce.

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#### APPENDIX - ROBUSTNESS CHECKS - TABLES

Table A1 - Robustness check - income added

		Depend	ent variable: Proba	ability of being	inactive on the	labour mark	tet		Г	
	Inactive due to house- wife/man	Inactive	Inactive due to housewife/ man	Inactive	Inactive due to house- wife/man	Inactive	Inactive due to house- wife/man	Inactive	Inactive due to house- wife/man	Inactive
	Own chara	cteristics	+ Characteristic	+ Characteristics of parents		ristics of ise	+ fact	ors	+ principal compone	
Ada (in ana m)	0.00250	0.0220	0.00702	-0.0485***	0.00257	0.0071	0.00224	0.0107	0.00402	0.0100
Age (in years)	0.00356	-0.0239	-0.00782		0.00257	-0.0271	0.00324	-0.0197	0.00403	-0.0189
	(0.010)	(0.015)	(0.009)	(0.017)	(0.010)	(0.021)	(0.010)	(0.015)	(0.009)	(0.015)
Age squared	8.41E-07	0.000243	0.00011	0.000497***	-1.54E-05	0.000258	1.25E-05	0.000218	-1.10E-06	0.000203
	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)
Education (ISCED 97)	-0.0842***	-0.124***	-0.0672***	-0.101***	-0.0837***	-0.110**	-0.0824***	-0.112***	-0.0769***	-0.102***
	(0.023)	(0.032)	(0.023)	(0.035)	(0.031)	(0.045)	(0.024)	(0.035)	(0.025)	(0.036)
Married (ref. = single)	-0.320*	-0.410***	-0.310*	-0.465***	-0.742***	-0.748***	-0.249	-0.416***	-0.272	-0.478***
	(0.192)	(0.136)	(0.179)	(0.132)	(0.189)	(0.099)	(0.164)	(0.133)	(0.170)	(0.134)
Divorced, widowed (ref. =	-0.114***	-0.226**	-0.0952***	-0.252***	-0.0758***	-0.198**	-0.0986***	-0.225***	-0.0997***	-0.240***
single)	(0.033)	(0.090)	(0.028)	(0.073)	(0.025)	(0.077)	(0.036)	(0.081)	(0.033)	(0.072)
Number of children in the	0.126***	0.183**	0.120***	0.220***	0.0970***	0.227***	0.124***	0.183***	0.112***	0.177**
household	(0.037)	(0.076)	(0.033)	(0.069)	(0.032)	(0.052)	(0.035)	(0.070)	(0.037)	(0.075)
Health (higher means worse)	0.0534**	0.0678*	0.029	2.78E-02	0.0257	0.0419	0.0512**	0.0635	0.0514**	0.0661*
	(0.025)	(0.038)	(0.022)	(0.039)	(0.024)	(0.040)	(0.026)	(0.040)	(0.025)	(0.039)
Small town (ref. = large town)	0.0657	0.0465	0.0473	0.016	0.0683	0.0239	0.0811	0.0696	0.0717	0.0562
	(0.051)	(0.069)	(0.048)	(0.075)	(0.058)	(0.080)	(0.052)	(0.068)	(0.054)	(0.071)
Medium town (ref. = large	0.0607	-0.0466	0.042	-0.0528	-0.00993	-0.165**	0.0867	-0.00862	0.0891	-0.0122
town)	(0.077)	(0.090)	(0.072)	(0.090)	(0.061)	(0.068)	(0.085)	(0.093)	(0.081)	(0.089)

Log of household income	-0.0292	-0.0648	-0.0444*	-0.0981**	-0.0317	-0.0866*	-0.0274	-0.0673*	-0.0374	-0.0778*
2-5 or noncentral meanic	(0.027)	(0.042)	(0.025)	(0.040)	(0.028)	(0.045)	(0.026)	(0.040)	(0.026)	(0.041)
Father's education (ISCED 97)	()	(====)	-0.0478**	-0.0451	-0.0546*	-0.0278	()	(5.5.20)	(====)	(=== 22)
		1	(0.023)	(0.032)	(0.029)	(0.039)				
Mother's education (ISCED 97)		1	0.024	-0.0332	0.0281	-0.0739				
,			(0.022)	(0.032)	(0.030)	(0.047)				
If father was employed when			0.00775	0.0066	0.039	0.0927				
respondent was 14			(0.042)	(0.081)	(0.040)	(0.077)	İ			
Spouse's education (ISCED 97)		1			0.0123	0.0523				
					(0.026)	(0.045)				
Spouse is unemployed (ref. = spouse is employed)					0.16	0.304**				
					(0.111)	(0.119)				
Spouse is inactive (ref. =										
spouse is employed)										
Spouse is in other LM status					0.347**	0.297*				
(ref. = spouse is employed)					(0.166)	(0.169)				
Gender stereotypes (lower means stereotyped)							0.0234	-0.0205	0.0101	-0.0135
means stereotypeu)							(0.027)	(0.041)	(0.015)	(0.025)
Work attitudes (lower means							0.0664**	0.182***	0.0275*	0.0883***
more positive)							(0.030)	(0.047)	(0.016)	(0.026)
Cultural norms - childcare									0.0143	-0.00633
(lower means more conservative)									(0.025)	(0.040)
Cultural norms - household									-0.0417**	-0.0938**
chores (lower means more conservative)									(0.018)	(0.029)
Observations	338	338	324	324	249	249	338	338	338	338

<sup>\*, \*\*</sup> and \*\*\* denote statistical significance at the 10%, 5% and 1% level, respectively. Standard errors provided in parentheses. Population weights accordingly used.

Table A 2 - Robustness check - broader inactivity

Table 112 Robustiness effects broader materials									1	
		Dependent v	ariable: Proba	bility of being i	nactive on the	e labour market				
	Inactive due to housewife/ man	Inactive	Inactive due to housewife/ man	Inactive	Inactive due to house- wife/man	Inactive	Inactive due to house- wife/man	Inactive	Inactive due to housewife/ man	Inactive
	Own char	acteristics	+ Characteris	stics of parents	+ Character	istics of spouse	+ fac	tors	+ principal components	
Age (in years)	0.00248	-0.0333**	-0.00386	-0.0455***	0.00786	-0.00476	0.00302	-0.0249	0.00348	-0.0249
	(0.008)	(0.015)	(0.008)	(0.017)	(0.009)	(0.025)	(0.008)	(0.016)	(0.008)	(0.016)
Age squared	-2.53E-06	0.000389**	4.85E-05	0.000469***	-9.00E-05	-2.52E-05	-7.96E-07	0.000320*	-8.82E-06	0.000317*
	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)
Education (ISCED 97)	-0.0773***	-0.186***	-0.0688***	-0.127***	-0.0973***	-0.200***	-0.0757***	-0.161***	-0.0746***	-0.157***
	(0.021)	(0.035)	(0.025)	(0.036)	(0.030)	(0.047)	(0.021)	(0.038)	(0.021)	(0.038)
Married (ref. = single)	-0.089	-0.330***	-0.0526	-0.433***	-0.618**	-0.677***	-0.0372	-0.387***	-0.0529	-0.412***
	(0.124)	(0.118)	(0.107)	(0.127)	(0.248)	(0.053)	(0.097)	(0.103)	(0.106)	(0.101)
Divorced, widowed (ref.	-0.0279	-0.187	-0.00575	-0.236*	-0.0533	-0.293*	0.0189	-0.252**	0.00556	-0.261**
= single)	(0.088)	(0.140)	(0.094)	(0.129)	(0.066)	(0.152)	(0.104)	(0.124)	(0.099)	(0.124)
Number of children in the	0.101***	0.210**	0.0966***	0.249**	0.106***	0.357***	0.0900***	0.218***	0.0865**	0.224***
household	(0.035)	(0.092)	(0.032)	(0.100)	(0.030)	(0.075)	(0.035)	(0.084)	(0.035)	(0.084)
Health (higher means	0.0536**	0.0818**	0.0383*	0.0292	0.0322	0.0414	0.0452**	0.0676	0.0431*	0.0663
worse)	(0.023)	(0.039)	(0.022)	(0.038)	(0.021)	(0.041)	(0.023)	(0.042)	(0.023)	(0.044)
Small town (ref. = large	0.0261	0.0361	0.0162	-0.0336	0.0396	-0.0685	0.0329	0.0454	0.0292	0.0434
town)	(0.046)	(0.067)	(0.044)	(0.070)	(0.048)	(0.083)	(0.045)	(0.070)	(0.046)	(0.071)
Medium town (ref. = large	0.0143	-0.165*	-0.00499	-0.237***	-0.0319	-0.321***	0.0333	-0.162*	0.0404	-0.163*
town)	(0.059)	(0.088)	(0.054)	(0.082)	(0.046)	(0.075)	(0.060)	(0.087)	(0.059)	(0.086)

Father's education (ISCED			-0.0523**	-0.0823***	-0.0631**	-0.114**				
97)			(0.022)	(0.032)	(0.026)	(0.049)				
Mother's education			0.0239	-0.0906***	0.0307	-0.151***				
(ISCED 97)			(0.022)	(0.034)	(0.028)	(0.054)				
If father was employed			-0.0269	0.0363	0.00433	0.0728				
when respondent was 14			(0.055)	(0.088)	(0.049)	(0.101)				
Spouse's education					0.0371	0.105**				
(ISCED 97)					(0.023)	(0.048)				
Spouse is unemployed					0.168*	0.332***				
(ref. = spouse is employed)					(0.101)	(0.104)				
Spouse is inactive (ref. =										
spouse is employed)										
Spouse is in other LM					0.456***	0.545***				
status (ref. = spouse is employed)					(0.162)	(0.133)				
Gender stereotypes (low-							0.0124	-0.143***	0.00494	-0.0773***
er means stereotyped)							(0.024)	(0.043)	(0.014)	(0.026)
Work attitudes (lower							0.0729***	0.167***	0.0320**	0.0883***
means more positive)										
							(0.026)	(0.052)	(0.014)	(0.029)
Cultural norms - child-									0.00895	-0.0061
care (lower means more conservative)									(0.025)	(0.040)
Cultural norms - house-									-0.0354**	-0.0721**
hold chores (lower means more conservative)									(0.017)	(0.029)
Observations	422	422	400	400	304	304	422	422	422	422

<sup>\*</sup>, \*\* and \*\*\* denote statistical significance at the 10%, 5% and 1% level, respectively. Standard errors provided in parentheses. Population weights accordingly used.

#### Review of "Behind the Curtain: Cultural Norms, Gender Stereotypes and Work Attitudes Shaping Women's Labour-Market Inactivity in North Macedonia"

The study "Behind the Curtain" addresses one of the most critical socioeconomic issues pertinent to gender equality in North Macedonia: the pervasive labour market inactivity among women. The figure of women's labour force participation which stands at 42.8% is notably lower than the global average of 48.7% and the EU average of 52.3%. The study stresses the decline in women's labour market participation from a pre-pandemic peak of 46.6%, accentuating different socio-economic and cultural barriers that hinder women's workforce involvement. It further underscores the disparity in participation rates between women and men, referring to the gender gap exacerbated by the pandemic.

The study effectively argues that low women's labour force participation signifies untapped economic potential, linking it with the broader goals for advancing gender equality, poverty alleviation, and child well-being, thus making a convincing case for the socio-economic benefits of increased women's workforce involvement.

The review of North Macedonia's policy framework exposes a comprehensive but imperfect approach. While laws and strategies aimed at promoting gender equality and enhancing employment opportunities for women exist, their implementation is hindered by insufficient measures for maternity leave, limited childcare services, and adequate work arrangements. The study rightly points out that cultural norms and prejudices continue to inhibit women's employment despite anti-discrimination laws.

The study's literature review is thorough, drawing on a range of sources to highlight the personal, societal, and economic factors influencing labour market inactivity. The emphasis on cultural norms and gender roles as significant barriers is well-supported by the literature.

The study's methodological approach is novel, utilizing the European Values Survey to elaborate on cultural norms and stereotypes. The study's findings are presented comprehensively, with an insightful discussion that links different demographic characteristics, labour-market characteristics of spouses, social capital, gender stereotypes, attitudes, and cultural norms to women's labour market participation.

The study provides valuable policy recommendations for addressing the identified obstacles. These recommendations are practical, focusing on the importance of childcare services, supporting flexible work arrangements, and addressing cultural norms and values.

"Behind the Curtain" is a significant contribution to understanding women's labour market inactivity in North Macedonia.

Ms. Ivona-Paunovic-Bishevac, UN Women