

# Ethnic gaps in female labour force participation in the UK

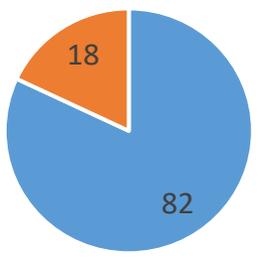
**Cigdem Gedikli <sup>a</sup>, Gurleen Popli <sup>b</sup>, Okan Yilmaz <sup>a</sup>**

a. Swansea University ([okan.yilmaz@swansea.ac.uk](mailto:okan.yilmaz@swansea.ac.uk),  
[cigdem.gedikli@swansea.ac.uk](mailto:cigdem.gedikli@swansea.ac.uk))

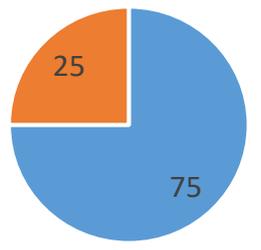
b. Department of Economics, University of Sheffield ([g.popli@sheffield.ac.uk](mailto:g.popli@sheffield.ac.uk))

# Background: UK

Men

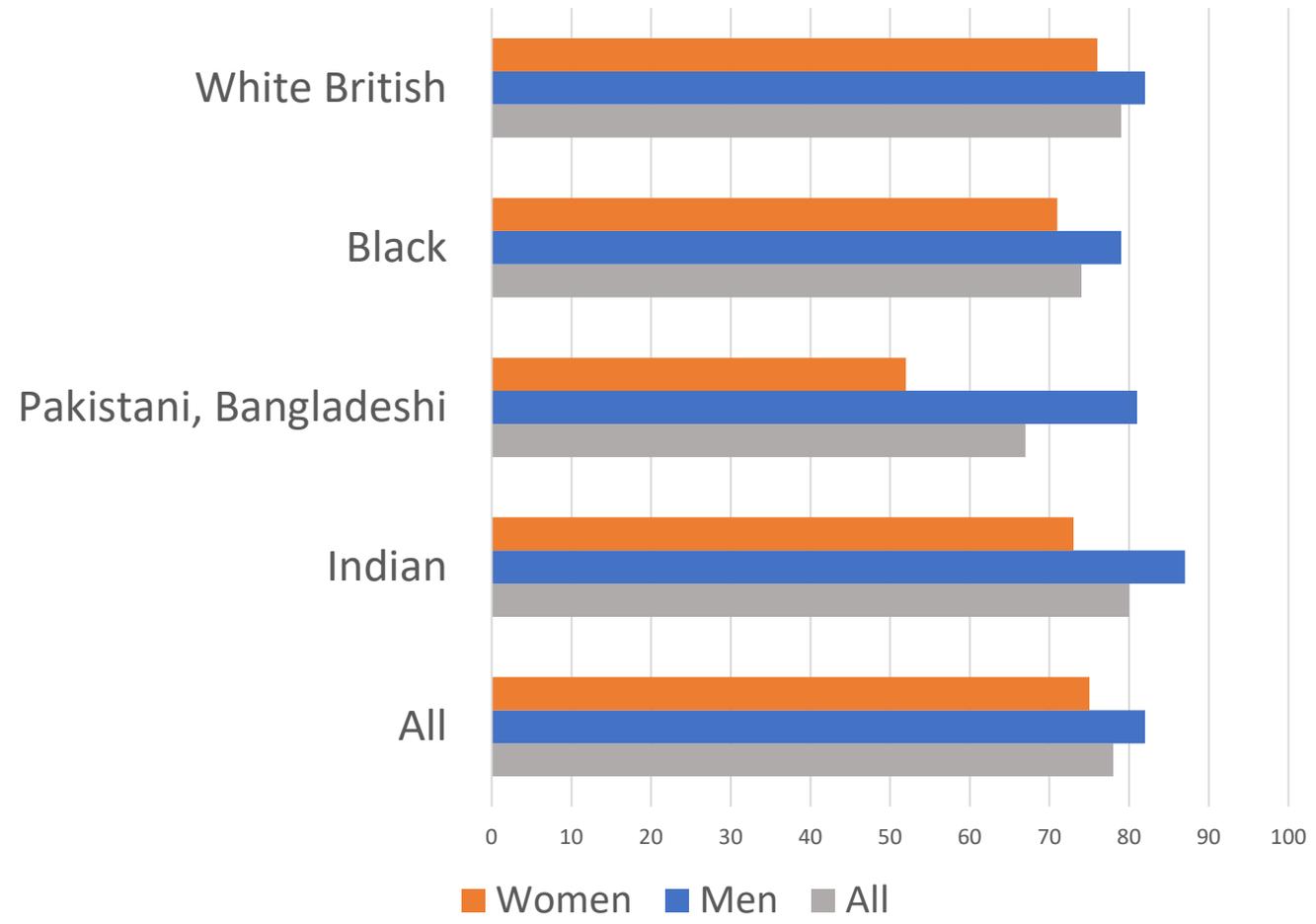


Women



■ Economically active  
■ Economically Inactive

### Economic Activity Rates, by ethnicity



*Rates are over population aged 16-64.*  
*Data Source: [APS 2023](#)*

# What explains Labour Force Participation for women?

- Human capital
- Family composition
- Household resources
- Gender norms
- Integration with the host country
- Intergenerational factor
- Generational factors



# This paper

## Aim

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- Investigate the *relative* contribution of different factors in explaining the gap in the LFP rates between white women and ethnic minority women in the UK
- Focus on the heterogeneity of experiences across different ethnic minorities

## Data

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- UK Household Longitudinal Study
- Waves 2 (2010-2012), 4 (2012-2014), and 10 (2018-2020)
- These waves have questions on 'gender norms'

# This paper

## Sample

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- women aged 16 to 64 years old
- exclude: students, long-term sick or disabled
- 5 main ethnic groups: Indian, Pakistani, Bangladeshi, Caribbean, Other Blacks relative to **UK-White**

## Methods

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- Linear probability model, data of all waves pooled
- Gelbach's decomposition for relative contribution of different factors

# Method: Gelbach Decomposition

- Start by estimating the unconditional gap,  $\beta^{uc}$ , in LFP rate across different ethnic minority women relative to white women

$$Y_i = \alpha_1 + \beta^{uc} ED_i + e_i$$

- Outcome,  $Y_i$ , is a binary variable taking value 1 if in the labour force, and 0 otherwise
- Linear probability model

- Estimate the conditional,  $\beta^c$ , ethnic gap

$$Y_i = \alpha_2 + \beta^c ED_i + \sum_j \gamma_j X_{ji} + u_i$$

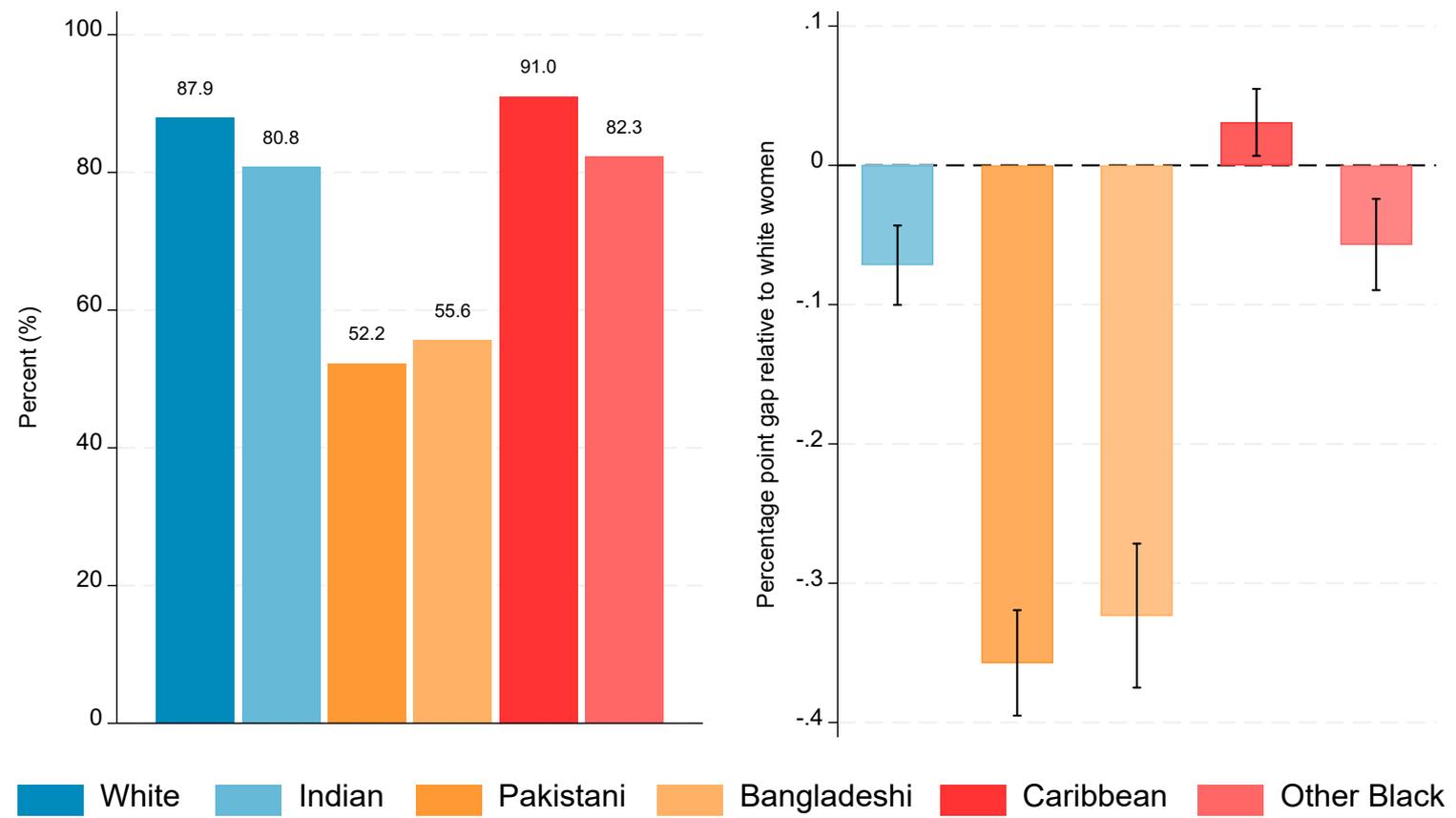
- Our main interest is the difference:  $\Delta = \beta^{uc} - \beta^c$ 
  - This is the gap in the LFP rates that can be attributed to the covariates,  $X_{ji}$ , included in the conditional specification
  - Gelbach's decomposition  $\Delta = \beta^{uc} - \beta^c = \sum_j \gamma_j (X_{ji}^W - X_{ji}^E)$

# Method: Gelbach Decomposition

$$\Delta = \beta^{uc} - \beta^c = \sum_j \gamma_j (\bar{X}_j^{em} - \bar{X}_j^w) = \sum_j \gamma_j \pi_j$$

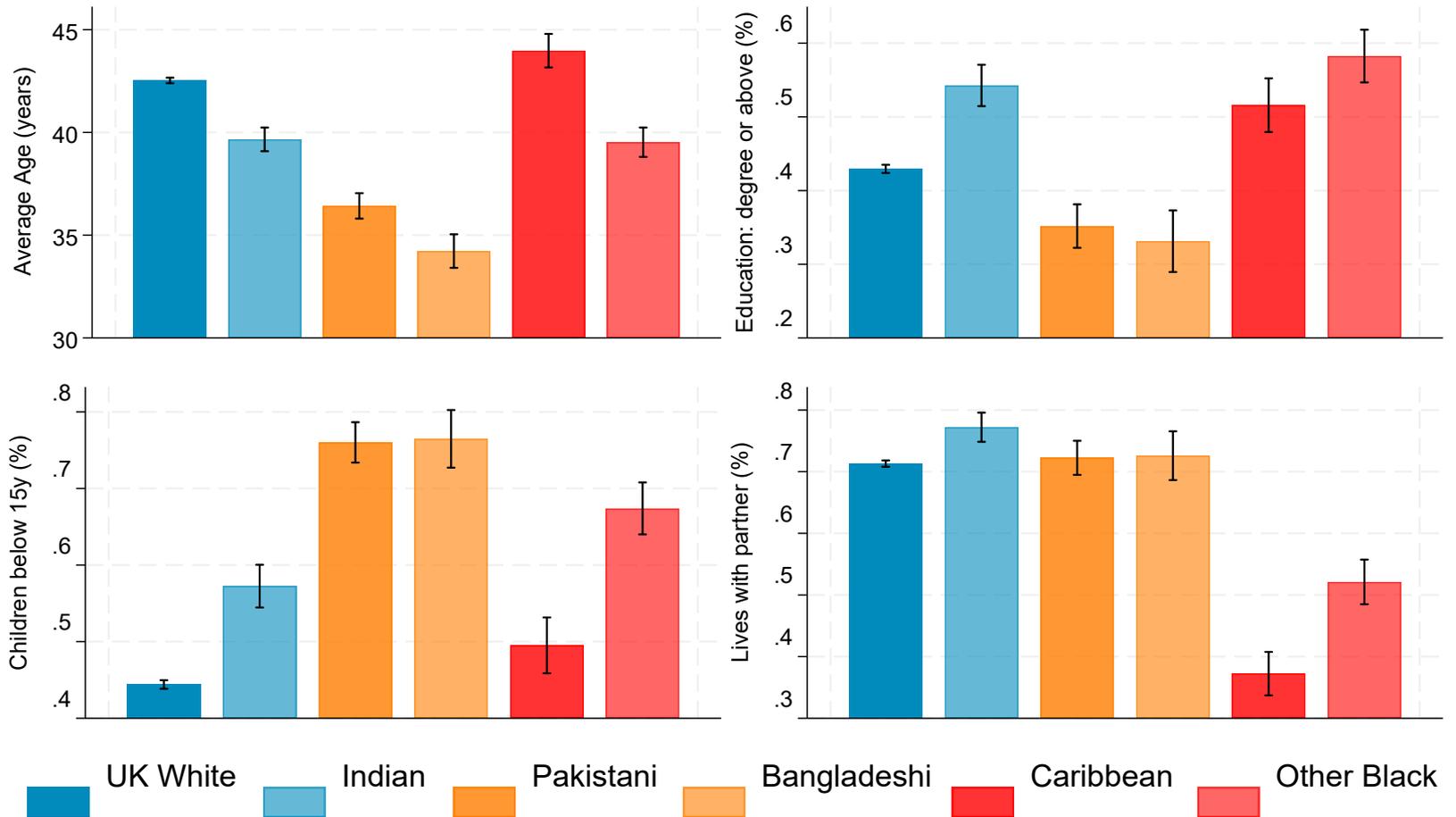
- Contribution of different covariates to the difference in the unconditional and conditional estimates
- Path-independent (sequence does not matter)
- Interpretation of  $\Delta$ : mean difference in the covariate among the two groups, weighted by that covariate's impact on the outcome.

# Unconditional LFP rates



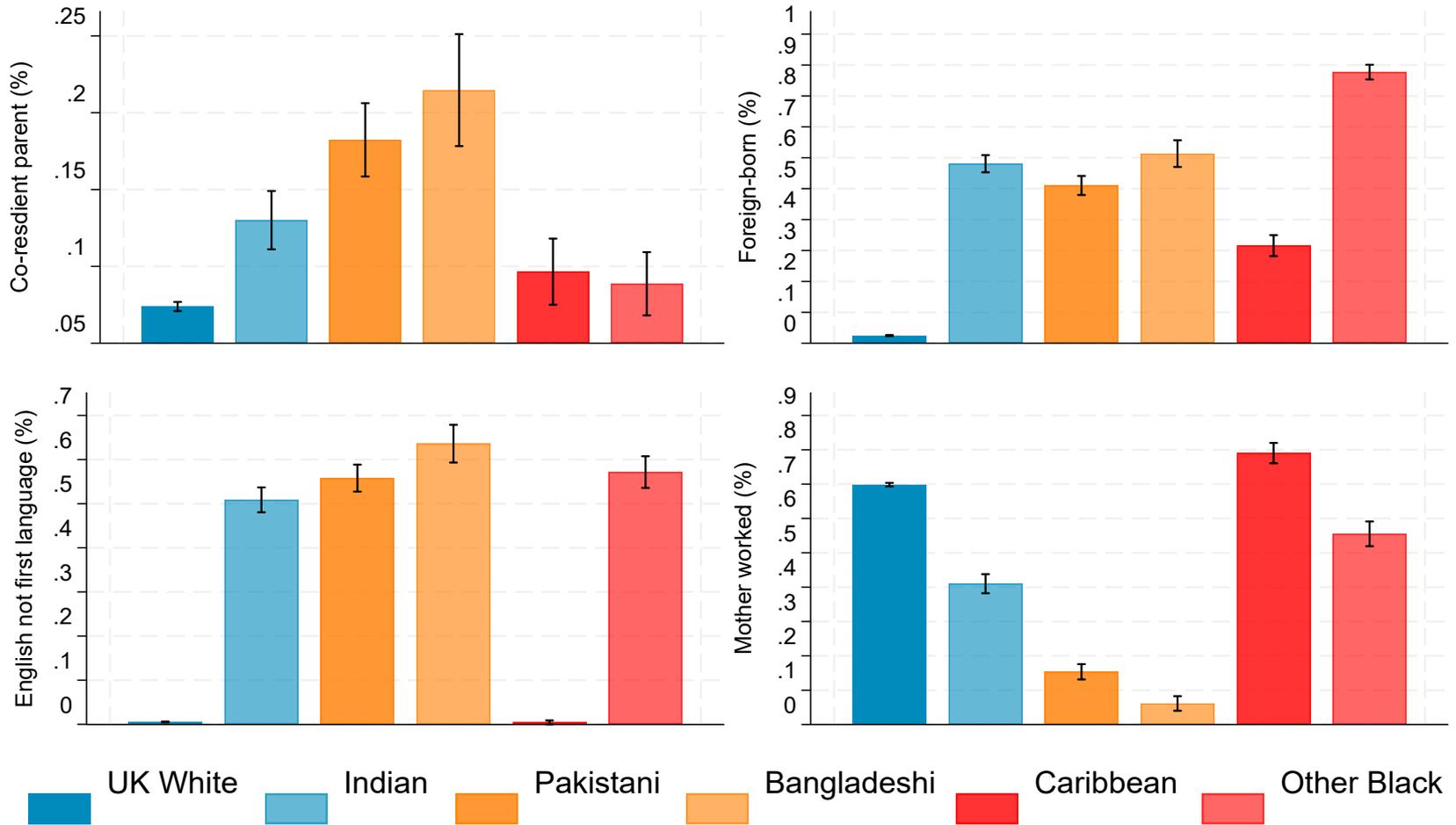
Note: Unconditional Labour Force Participation rates. Panel on the left is mean LFP rate, panel on the right is the gap relative to white women. Vertical lines are 95% confidence intervals.

# Characteristics by ethnicity



Vertical lines are 95% confidence intervals.

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# Gender norms

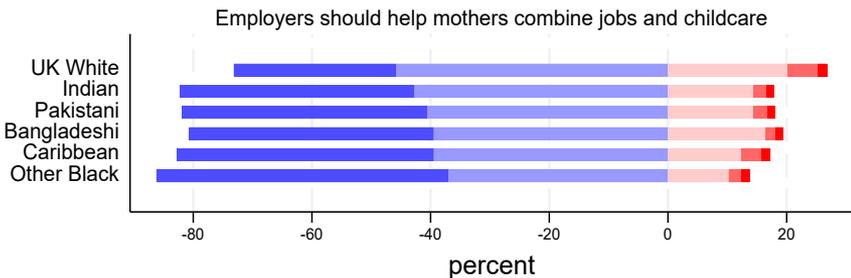
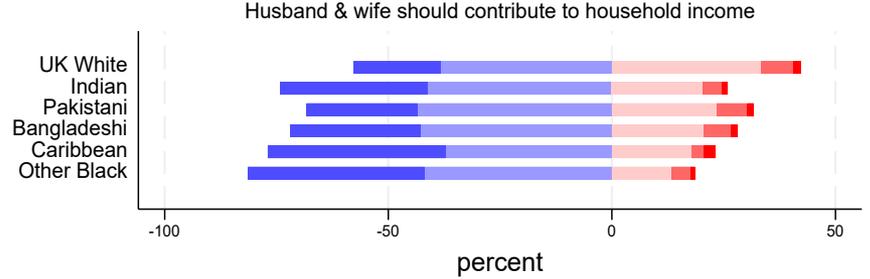
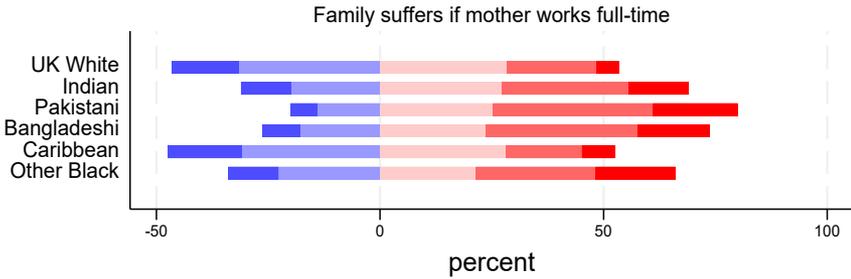
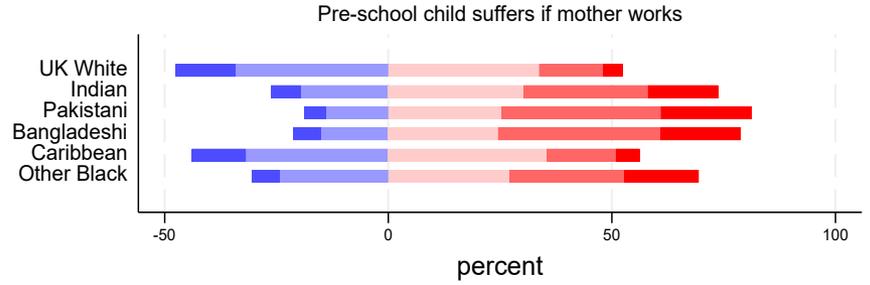
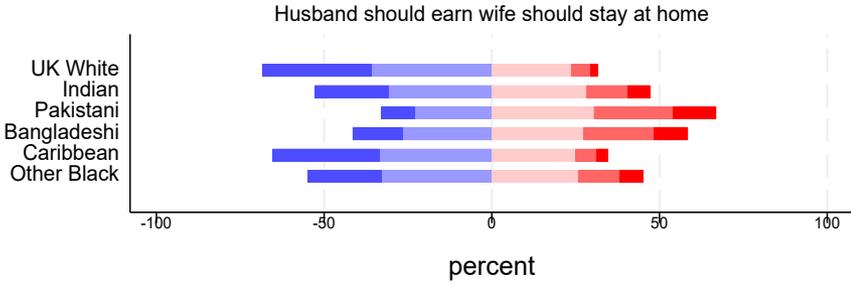
Five statements asked in UKHLS waves 2, 4 and 10:

1. Preschool child suffers if mother works
2. Family suffers if mother works full time
3. Husband and wife should contribute to household income
4. Husband should earn, wife should stay at home
5. Employers should help mothers combine jobs and childcare

Response on 5-point Likert scale: 1= strongly agree...5 = strongly disagree

- Keep the original Likert scale coding for statements (3) and (5)
- Reverse code statements (1), (2) and (4)

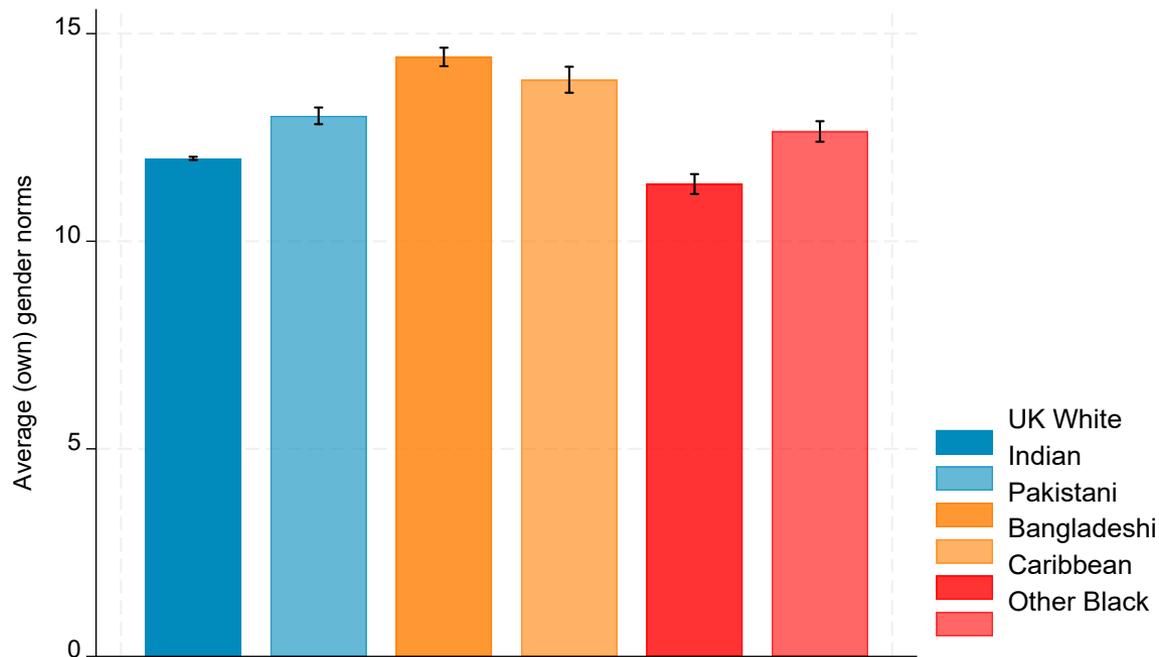
# Gender norms



■ Strongly disagree  
 ■ Disagree  
 ■ Neither A/DA  
 ■ Agree  
 ■ Strongly agree

# Gender norms index

- Add response to all statements to obtain the gender norms index, which goes from 5 to 25
- Interpretation: higher value of the index indicates more traditional gender norms, and correspondingly a lower value of the index represents more egalitarian gender norms



# Differences in characteristics among women

- Women from all ethnic minority groups are more likely to be foreign-born, have young children, and are less likely to report English as their first language.
- However, when it comes to other characteristics, there is considerable heterogeneity
  - Indian, Caribbean & O. Black women are *more* likely to have higher education; Pakistani & Bangladeshi women are *less* likely to have higher education, relative to white women
  - S. Asian women *more* likely to live with a partner & have co-resident parent
  - S. Asian women are *more* likely to report traditional gender norms; Caribbean & O. Black women are *more* likely to report egalitarian norms
  - Caribbean & O. Black women are *more* likely to report their mother worked, and S. Asian women are *less* likely to report their mother worked

# Gelbach decomposition - results

	Indian	Pakistani	Bangladeshi	Caribbean	Other Black
Unconditional gap	-0.072***	-0.357***	-0.323***	0.031***	-0.057***
Conditional gap	0.005	-0.147***	-0.107***	0.016	0.036**
<i>Difference</i>	-0.077***	-0.210***	-0.216***	0.015**	-0.093***
<b>Decomposition</b>					
Human capital	0.003	-0.034***	-0.042***	0.010***	0.001
	-4	16	19	70	-1
Family composition	-0.023***	-0.062***	-0.065***	0.006	-0.042***
	30	30	30	42	45
HH resources	0.002***	0.001***	0.002***	-0.005***	-0.005***
	-3	-1	-1	-36	6
Gender norms	-0.021***	-0.049***	-0.038***	0.012***	-0.013***
	27	24	18	82	14
Integration	-0.038***	-0.067***	-0.075***	-0.008**	-0.037**
	50	32	35	-57	40
Mother worked	-0.009***	-0.016***	-0.018***	0.003***	-0.004***
	11	7	8	18	5
Birth cohort	0.009***	0.017***	0.020***	-0.003*	0.007***
	-12	-8	-9	-19	-8
N	31074	30876	30356	30592	30600

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	Indian	Pakistani	Bangladeshi	Caribbean	Other Black
Family composition	-0.023***	-0.062***	-0.065***	0.006	-0.042***
<i>Children</i>	-0.023***	-0.065***	-0.068***	-0.003	-0.048***
<i>Partner</i>	-0.002***	-0.000	-0.000	0.009***	0.005***
<i>Co-resident parent (own)</i>	0.001*	0.004***	0.004**	0.000	0.000
Integration	-0.038***	-0.067***	-0.075***	-0.008**	-0.037**
<i>Foreign born</i>	-0.018**	-0.027***	-0.035***	-0.008**	-0.028**
<i>English not first language</i>	-0.020**	-0.040***	-0.041***	-0.000	-0.009

# Key findings

- Heterogeneity in the LFP rates across women from different ethnic backgrounds
  - Participation rates, unconditional & conditional, are lowest among Pakistani and Bangladeshi women, and highest among Caribbean women
- Over and above the human capital factors, household composition, integration with the host country, and gender norms are important in explaining the ethnic gaps in LFP rates
  - For S. Asian women and Other Black women, it is the presence of children which is important, while for Caribbean women, it is their partnership status
  - Being foreign-born & lack of proficiency in English language are important determinants of participation rates & explaining the gap
  - Traditional gender norms of S. Asian women explain their lower participation rates, whereas for Caribbean women, it is their egalitarian gender norms which increase their participation rates

# Robustness checks

- **Women in partnership**

- Including characteristics of the partner – work status, foreign-born, education, gender norms, if mother worked
- This reduces the sample size, more so for Caribbean & O. Black women
- LFP rates are much lower for Pakistani & Bangladeshi women in partnership, increasing their unconditional & conditional gap relative to white women
- For other ethnic groups, the participation rates are not very different from the main sample
- Main factors explaining the gap remain the same: household composition, integration & own gender norms
- Partner's characteristics are also important: partner's gender norms, and foreign-born status
- Partner's mother's work status is significant & not own mother

# Robustness checks

- **Women with children**

- In this sample – household composition is no longer important
- Human capital becomes important
- Integration and gender norms remain important, with the role of gender norms becoming important

# Summary

- Considerable heterogeneity in the LFP rates among ethnic minority women
  - Caribbean women report the highest LFP rates, while Pakistani and Bangladeshi women report the lowest LFP rates
  - Participation gaps are higher for partnered women and for women with children
- Integration and family composition are the main factors explaining the LFP gaps
- Gender norms emerge as another important factor
  - However, while they lower the LFP rates for South Asian women, they increase the participation of Caribbean women
- For partnered women, husbands' characteristics are a contributing factor to the observed gap
- For women with children – gender norms have a bigger impact