



Assessing Data Needs and Gaps for Researching Ethnic Minority Entrepreneurship

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ESRC/CRE/DTI/EMDA

Ethnic Minority Business Workshop

Paper 2

**Assessing data needs and gaps for studying
ethnic entrepreneurship in Britain
-- a review paper**

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Executive Summary

Using data from a variety of sources, this study has conducted a systematic and rigorous analysis on behaviours and attitudes of people involved in self-employment / entrepreneurship in Great Britain by ethnic and faith groups, and by gender, education, geography and nativity statuses. The main findings can be summarised as follows:

- In the period from 1972 to 2005 and especially since the mid-1980s, some ethnic groups, such as Chinese, White Irish, Indian and Pakistani/Bangladeshi, were consistently found to be more involved in self-employment than the White British. Since around 2000, Pakistani/Bangladeshi men have surpassed the Chinese in rates of self-employment. The Black Caribbean and Black African groups are consistently found to be least likely to be self-employed.
- Most people from White Irish, White Other, Caribbean and Indian origins are either second-generation or came before 1971, as are over half of people of Pakistani/Bangladeshi heritage. They have a rather different history of integration / acculturation from the newer groups such as the Chinese or the Black Africans, which may help explain some of the differences in rates and types of self-employment.
- Amongst the self-employed, White Others are concentrated in Inner London, Indians in Outer London and Midlands, Pakistanis/Bangladeshis in Inner and Outer London, West Midlands and Yorkshire/Humberside, and the Chinese are scattered everywhere.
- Chinese men and women are most likely to be small employers; White Irish men and White Other women are most likely to be sole-traders. In terms of faith community, Jewish men and women are most likely to be entrepreneurs.
- Amongst the poorly educated, the Chinese men and women are the most likely to be self-employed; amongst the highly educated, Indian, Pakistani and Bangladeshi men and White Other women are much more entrepreneurial.
- The Chinese and Black African groups have the shortest history of settlement in Britain. Amongst those born outside Britain, the Chinese men and women are the most likely, just as Black Africans are the least likely, to be self-employed. Yet most Chinese are sole-traders or small employers. Black Africans have rather low rates of self-employment but for those amongst them who do follow this path, they are the biggest employers: 15 per cent employing 10-24 people, plus 21 per

cent employing 25-499 people, and around 5 per cent even employing over 500 people.

- Self-employed Chinese and Pakistani/Bangladeshi men are the least likely to work as managers or professionals, and Black African men the most likely. Amongst women, White Other and Black African self-employed are most likely to work in professional/managerial jobs.
- Around 60 per cent of the self-employed Chinese men and women work in catering, whilst the White and Black women tend to be found in more knowledge-based sectors such as health and personal care, financial intermediary, education or community services.
- Indian men and women in different categories of self-employment tend to work the longest hours.
- Black Africans, Muslims/Sikhs tend to report being treated worse in using services from bank/building society and insurance companies but they are much less likely than the White groups to believe that there would be more racial prejudice in 5 years' time, and this is the case in 2001 and in 2005.

Some suggestions are made on future work in this area:

- Changing the cross-sectional format of the ASBS and GEM surveys into a UK Longitudinal Study of Minority Ethnic Entrepreneurship with some 10000 effective sample size using a theoretically guided framework on the interplay between social, economic and human capital whilst basing much of the survey instrument (questionnaire contents) on existing ASBS/GEM and other specialist designs. As the ESRC has commissioned such work on UKLHS and LSEM, it would be very good timing for the DTI to work with ESRC to explore this possibility.
- Continue to conduct in-depth interviews and ethnographic analysis to explore and to gain a good understanding of atypical, unique, cases.

1 Introduction

This paper aims to assess the data availability, data needs and data gaps for researching ethnic self-employment/entrepreneurship in Britain.¹ As the other two review papers (Monder and Jones for Paper 1, and Law for Paper 3) and as Mascarenhas-Keyes (2006) have made excellent reviews and discussions of SME (small and medium enterprises) and EMB (ethnic minority businesses) in general, and in the UK in particular, from a theoretical/empirical perspective, and as a large number of academic and government papers and reports that do use quantitative findings rarely study the interplay between ethnicity, faith and gender in minority ethnic entrepreneurship, this paper will take a different approach. It will conduct a comprehensive and rigorous analysis on minority ethnic entrepreneurship using the most relevant government datasets and academic surveys such as GHS (General Household Survey), LFS (Labour Force Survey), SARs (Samples of Anonymised Records from the 2001 Census) and HOCS (Home Office Citizenship Survey).² Following the analysis of the available data, it then proposes some possible ways of collecting new data that will help EMB research in the long run. The overall aim of this paper is to place the debate on EMB on a firmer empirical basis.

2 The theoretical context

Britain is becoming increasingly multi-ethnic, with the proportion of people from minority ethnic groups growing from 2.9 per cent in 1951 to 8.0 per cent³ in 2001 in the total population. The presence and the continued growth of the ethnic minority population have attracted serious attention from both academic community and

¹ I would like to express my special thanks to Professor Monder Ram at De Mont Ford University and to Dr Stella Mascarenhas-Keyes at the DTI/SBS for their academic advice and practical support in the conducting of this research. I would also like to thank many other people, such as Dr David Purdy, Dr Julian Shaw, Dr Alice Teague at DTI, and Professor Mark Hart at Kingston University, for their suggestions on an earlier version of this paper and for the various other forms of help they gave me. All datasets used in the research are publicly available and I would like to thank the UK Data Archive for making available the data sets for research reported here. I am alone responsible for any errors that might exist in the analysis or the interpretation of the results.

² Other data sets such as the BHPS/WERS04 were also explored but the small sample size for the minority ethnic groups in the BHPS means that we cannot effectively and meaningfully differentiate the ethnic groups for analysis. The WERS is an employee survey and there is little information on EMB. The analysis using the BHPS/WERS is not reported here.

³ 9 per cent of the minority ethnic groups lived in England in the 2001 Census, with two thirds resident in six cities – London, Birmingham, Manchester, Bradford, Leeds and Leicester. The minority ethnic groups now comprised one third of the population in London, Birmingham and Leicester (NEP, 2005).

government organisations. This is because the socio-economic position and the socio-economic integration of the minority ethnic groups affect not only their own well-being, but the future status of the country as a major player in an ever-increasing globalised world. Furthermore, as the charter population, namely, British White (see Heath and Cheung, 2007), has an ageing structure and as the minority ethnic groups have larger family sizes and younger age profiles, improving the socio-economic conditions of the minority ethnic groups through entrepreneurship and upward social mobility is not only an issue of social justice and civic liberty, but is concerned with the economic stability, development and prosperity of all members in the society.

Studies of racial discrimination abound,⁴ dating back nearly forty years ago (Daniel 1968), but systematic research on ethnic disadvantages did not come until the 1990s with the release of full ethnic categories in the 1991 Census, particularly the release of the Samples of Anonymised Records (SARs) from the 1991 Census as micro datasets. Because of its flexibility, the SARs prompted a huge research programme on ethnic relations by the academic community and the government researchers alike. Nearly 400 academic papers, edited books and monographs by leading social scientists were published using the data (Dale et al 2000; Li 2004; Karn 1997a, b; Hakim 1998). Ever since the 1991 Census, ethnic categories have been available in all large-scale government and academic surveys, and research using more recent data has continued unabated (Carmichael and Woods 2000; Heath, McMahon and Roberts 2000; White 2002; Heath and Yu 2003; Brook 2005; Li 2005; Heath and Cheung 2006; Li and O’Leary, 2007). Yet a closer look shows that relatively little research has been conducted on minority ethnic entrepreneurship using large-scale quantitative datasets (although see Clark and Drinkwater 1998; Mascarenhas-Keyes, 2006). Indeed, much of the discussion on ethnic minority business/entrepreneurship remains theoretical, ethnographic and qualitative (see, for instance, Small and Solomos 2006; and numerous studies cited in Ram and Jones 2006; and Law 2006). The few empirical studies tend to limit the scope to only a few groups such as ‘West Indians’, ‘Indians’ and ‘Pakistanis/Bangladeshis’ (Iganski and Payne 1996, 1999). Moreover, although the research community including

⁴ Small and Solomos made a fairly poignant observation: ‘It is often said by the lay public that there is, in Britain, a “race relations industry” in which people find jobs, careers and prestige. The many publications that exist in this field are often pointed to as evidence of this industry’ (Small and Solomos, 2006: 249-50).

the government research teams have increasingly recognised the importance of social capital on labour market attainment or on entrepreneurship, there are no good UK data with a panel structure and with a large enough sample sizes for minority ethnic groups to allow detailed analysis of the social capital (social connections) causal mechanisms for minority ethnic entrepreneurship. For instance, the BHPS contains only about 400 people belonging to non-White ethnic groups, making it impossible to analyse the role of social connections on access to the labour market or to entrepreneurship or on upward social mobility (though see Li 2005 for explorations of different forms of social capital on labour market attainment for some aggregated ethnic groups). The GHS2000 contains a large array of social capital indicators but being a cross-sectional survey, no exploration can be conducted for causal directions. Finally, owing to the lack of data, no systematic research has been conducted on the entrepreneurship by the different faith communities, especially in combination with ethnicity, gender, education and geography, although the recently released 3% SAR from the 2001 Census and the HOCS surveys can be used to serve this purpose, as will be done in the present research.

There are ongoing debates on the nature and the extent of racial discrimination and disadvantages in general in the form of 'ethnic penalty' (Heath and McMahon 1997; Dale 2002) and of minority ethnic entrepreneurship in particular (ASBS 2004/05). Existing research using the 1991 Census and more recent data sets show considerable differences both between the minority ethnic groups and the Whites, and among the minority ethnic groups themselves, in a whole range of areas such as education, employment, occupation, housing, health and social deprivation (Karn 1997b; Drew et al 1997; White 2002; Dale et al 2002). The most serious disadvantages are faced by Black-Caribbeans, Black Africans, Pakistanis and Bangladeshis. Even members of minority ethnic groups who are generally perceived as 'doing well', such as Indians, are found to fall behind Whites in their socio-economic attainment, and that with personal attributes and educational qualifications taken into account (Carmichael and Woods 2000; NEP 2005). On the other hand, there are signs of growing social integration between certain ethnic groups, such as shown in the increasing rates of intermarriage, especially between some Black groups and Whites (Dale et al 2000).

Insofar as the disadvantages are caused by discrimination, whether direct, indirect, or what in Northern Ireland has become known as the 'chill factor' (O'Leary and Li 2006), they are a source of major public concern. Discrimination on the basis of irrelevant ascriptive factors such as gender or skin colour (as in the case of visible minority ethnic groups) or the county of origin (as in the case of Irish) is a waste of talent. More importantly, they are a source of social injustice and social exclusion, a source of social disorder and conflict and, above all, an impediment of economic development and prosperity. Accordingly, all forms of social injustice have been the focus of many policy interventions and continue to be of great concern to government policies (Cabinet Office 2001, 2003).

Social scientists have sought to explain the socio-economic disadvantages of the minority ethnic groups in different ways. Several theories have been put forward, which can be summarized under three main headings: human capital, social capital and economic capital. Economic capital is the easiest to understand as it is always important for ethnic minority groups in their business start-up, running and growth just as it is for the majority groups, or indeed for intergenerational upward social mobility (NEP 2005; Linehan and Sosna; Cabinet Office 2001, 2003; Ram and Smallbone 2003; Spilerman 2000; Goldthorpe 1987; Bourdieu 1985). Yet, as is well known, most minority ethnic groups came from economically underdeveloped, war-torn, or formerly colonial/commonwealth countries. Many came to fill in lower-paid manual jobs. They did not have much economic capital before they came and did not acquire much economic capital after they arrived at and settled in the destination country. They are, on average, much poorer than the charter population (majority group). Simply put, they lack economic capital to start with, whether for starting, running or developing business, or for intergenerational upward social mobility.

Turning to the other two, more theoretically-oriented, approaches, one finds that economists tend to favour the 'human capital' approach, stressing the role of education, experience, job-related skills and training, and language fluency (Mincer 1974; Borjas 1985, 1992). There is also a theory of 'human capital externalities' to explain minority ethnic disadvantages in educational or occupational attainment in terms of the lack of appropriate role models amongst co-ethnic associates or in the immediate co-ethnic community, such as the lack of successful entrepreneurs (Borjas 1995). Sociologists tend

to adopt the ‘social capital’ approach, emphasizing the benefits gained from formal and informal social networks in job searching and occupational advancement, strengths of weak or strong ties,⁵ and the information, trust and reciprocity that flows from participation in formal civic organisations (Granovetter 1973, 1974; Lin et al 1981; Lin 2001; Bourdieu 1985; Portes 1998; Portes and Zhou 1993; Portes and Sensenbrenner 1993; Putnam 2000; Peterson et al 2000; Li 2005; Zhou 2005).

It is, however, worth noting that these approaches are complementary rather than mutually exclusive. Much research has shown that the line between socio-cultural and economic capital is sometimes hard to draw: people with higher levels of ‘human capital’ tend to have higher levels of economic capital which tends to give them more ‘social capital’. For example, highly educated people tend to have larger volumes of social contacts, know more people in higher positions, and are more likely to engage in civic organisations and new forms of political participation, which in turn benefit them in their labour market positions (Lin 2001; Li et al 2002, 2003, 2005, 2006). Moreover, even though minority ethnic or faith groups tend to have lower levels of socio-political capital in general, of those amongst the groups who have similar levels of educational qualifications or are in similar class positions, the differences with the White counterpart simply disappear (Li 2006; Li and Marsh 2007).

Combining these approaches, we find some powerful theoretical grounds for believing that the minority ethnic groups will have more favourable outcomes in the labour market or in the type of business they engage in: from businesses of necessity to businesses of choice (Ram and Jones 2006) as the time goes on. First of all, new immigrants will often lack the kinds and levels of human capital that are relevant in the country of destination. Labour migrants in particular will often have relatively low levels of education and other forms of human capital and, on this account alone, would be expected to fill relatively low-level jobs or set up sole-trader or family businesses which are always ‘exposed to severe market constraints on their activities’ and have to operate ‘within the interstices of the corporate economy’ (Goldthorpe 1987: 42). Minority ethnic groups are sometimes

⁵ The different roles of weak or strong ties are assumed to be related to the kinds of job being sought, with lower-skill jobs depending more on weak ties and higher-skill depending more on strong ties, namely, on the social position of the contacts (see Granovetter 1974 and Lin et al 1981, for the two accounts).

forced to be in self-employment or to stay in prolonged education as an ‘escape strategy’ when they do, or expect to, meet with covert or overt discrimination in the wider, mainstream, labour market (Clark and Drinkwater 1998). This is particularly so as reflected in what is called the ‘hyper-cyclical’ nature of unemployment (Heath and Cheung 2007; Heath 2007) in the sense that when general unemployment rates are high, those of minority ethnic groups are disproportionately higher, such as in the mid-1980s and early 1990s (Li and Heath 2006). Self-employed people, especially those from minority ethnic groups, usually work very long and unsocial hours. Many minority ethnic people, especially new arrivals, tend to work in their co-ethnic businesses for below Minimum National Wages (Ram and Jones 2006).

Secondly, immigrants will tend to experience what might be called an ‘immigration penalty’: the qualifications that they obtained at home are often regarded by employers in the destination country as having less relevance or value on the labour market of the destination country; their experience in the home labour market may not be easily transferable to the new labour market; they may lack fluency in English; and their social networks may have been disrupted by the act of migration. Third, migrants, especially those from culturally dissimilar backgrounds, or those that are particularly ‘visible’, may experience discrimination either directly in the labour market directly, or indirectly via housing or other areas of life that may also impact on their labour market opportunities. As the time goes on, many of the disadvantages faced by earlier cohorts of minority ethnic groups may be expected to be gradually reduced, as the anti-discrimination acts begin to take effect, and as the groups gain a better command of the English language and more experience of the British labour market. Indeed, many people in the current minority ethnic groups are second or even third generation who are born and educated in Britain and who can thus be expected to have similar human and social capital to that possessed by the White British. In this context, members of second or third-generation minority ethnic groups can be expected to have similar aspirations to the White British, to seek mainstream employment and, if they do seek entrepreneurship (self-employment), they would do it out of choice, namely, in the knowledge- rather than labour- intensive sectors, such as pharmacy, health care, education or finance (Cheng and Heath 1993; Hakim 1998). We may, therefore, expect highly educated second or third generation minority ethnic groups to undertake entrepreneurship as an effective form of upward social mobility.

Summing up, one may say that in spite of the voluminous publications arising from the ‘ethnic relations industry’ (Small and Solomos 2006), there is not much systematic and rigorous empirical research from academia or government bodies on entrepreneurial activities of different minority ethnic groups (though see Clark and Drinkwater 1998; Smallbone and Ram 2003; Heath and Cheung 2006; Li and Heath 2006, 2007). Some research is based on small-scale qualitative interviews (Linehan and Sosna), others on over-collapsed ethnic groups (Cabinet Office 2001, 2003; NEP 2005; Iganski and Payne 1996, 1999), and still others on over-generalised BME-led business with no clear reference groups (ASBS 2004/05). Given this and the large amount of data that have now become available, the following will present a comprehensive analysis of the various profiles of minority ethnic groups in their self-employment/entrepreneurial activities and attitudes.

3 Data and variables

In order to conduct the study, a large number of data sets are used. They are all publicly available government surveys. They are: the GHS (General Household Survey, from 1972 to 2005), the LFS⁶ (Labour Force Survey, from 1983 to 2005), the 3% SAR (Samples of Anonymised Records) from the 2001 Census, and the HOCS (Home Office Citizenship Surveys) of 2001 and 2005. Some other data sets were also explored, such as the BHPS (British Household Panel Survey) for intergenerational entrepreneurial mobility of minority ethnic groups,⁷ but due to the small sample sizes, the results are not reported. The WERS (Workplace Employment Relations Survey) of 2004 was also explored to assess the employment relations between managers and employees for the

⁶ The LFS has a panel and rotating structure in the recent years. Only data from Wave 1 of each season in each year are pooled together and used, as Wave 1 data have face-to-face interviews with a much higher response rate than that in Waves 2-5.

⁷ There are no good recent data for research on intergenerational entrepreneurship for the minority ethnic groups in Britain. The GHS has father’s class derived from usual/last main jobs (not the standard one on his job when the respondent was about 14 or 16 years of age), and even this information was no longer available after 1992. Thus even the use of the pooled GHS files in the whole of the 1990s does not allow research on social mobility of some ethnic groups (Heath and Cheung 2006). The BHPS has only around 400 members of minority ethnic groups in the cumulative files (Li et al 2005). The HOCS 2001 has large sample sizes for the minority ethnic groups (39.5% out of the total sample size of 15475) but there is no information on father’s class. This problem will remain unsolved until the arrival of the newly proposed UK Longitudinal Household Survey, to be fielded in 2008 (Buck et al 2006; Lynn et al 2006; Martin et al 2006; Nazroo 2005, 2006).

minority ethnic groups. The data contain information on ethnic compositions of the establishment but the ethnic status of the managers/partners of the workplace is not, although that of the employees is, available. The data are not reported either.⁸ In the following analysis, people of Pakistani and of Bangladeshi heritage are combined as the sample size for the latter group is rather small, especially in the earlier years of the GHS data (similar practices are adopted by Heath and Cheung 2007).

As this paper is mainly concerned with minority ethnic self-employment (as a proxy for entrepreneurship), the variable on ethnicity in all data sets is standardised. The same is done on faith (religious) groups wherever the faith variable is used. The outcome variables on employment status, industrial sector, class, hours worked, education, size of the work force etc are also constructed in a way that follows standard practice (see, for example, White 2002; Li 2006; Li and March 2007). The analysis is conducted mainly for respondents resident in Great Britain as ethnic and faith group variables for Northern Ireland cannot be standardised with those for Britain. For the HOCS data, the analysis is only applicable to England and Wales as Scotland is not included in the survey. In reporting findings from the HOCS data, we sometimes call it Britain in order to avoid repeating England and Wales each time (see Goldthorpe, 1987, for a similar practice). The analysis is in most part limited to men aged 16-64 and women aged 16-59 with full-time students dropped, as young people from minority ethnic groups are more likely to stay in education than the British White counterparts.⁹

⁸ For an analysis of (trade union) organisational and earnings status using the WERS 2004, see Li and Pollert 2006.

It is also noted here that a range of EMB-specific datasets as collected by the DTI (ASBS 2003, 2004, 2005; Household Survey 2005 and GEM 2004, 2005) were explored but they came rather late, leaving insufficient time for any detailed analysis. The use of GEM (Global Enterprise Monitor) data was also agreed in principle (for non-public use only) but it also came too late (13th Nov. 2006). An attempt was made to derive a standardised ethnicity variable combining the respondent's and the business owner's ethnic identities. Owing to the inconsistency between the two kinds of identity resulting in some discrepancies in the derived ethnic variable, and to the difficulty in finding meaningful outcome variables that may be standardised across the BSBS, Household Survey and the GEM datasets, the derived ethnic variable was agreed to be of little practical value. Thus, upon advice from Professor Mark Hart at Kingston University and after discussion with Dr Julian Shaw at the DTI/SBS, it was decided that the derived ethnic variable was not reported here. I would like to acknowledge my gratitude to Professor Hart, Dr Shaw and Dr Stella Mascarenhas-Keyes for their suggestions in this regard.

⁹ An analysis using the 3% SAR from the 2001 Census shows that for people aged 16-29, 18.1% of men and 17.2% of women were students. Yet, the differences between ethnic groups are staggering. The ranking order for men is: Chinese (55.0%), Black African (37.6%), Other (32.7%), Indian (30.9%), Pakistani/Bangladeshi (28.9%), White Other (29.7%), Black Caribbean

4 Analysis

Having discussed theoretical and operational matters relating to research on minority ethnic self-employment/entrepreneurship, this section will present the findings. As all the tables and figures are presented in as clearly and concisely a way as possible, only the most important findings will be highlighted and discussed below.

4.1 Gender, ethnicity and self-employment: 1972-2005

The data in Figures 1 and 2 are from the pooled GHS/LFS with a total sample size of nearly five million including a sub-sample of around 450 thousand for minority ethnic groups. The data show the proportions of different ethnic groups found in self-employment for men and women separately for a consecutive 34-year period from 1972 to 2005. This is the most authoritative data ever compiled for analysing patterns and trends of self-employment. The data show that much of existing literature on ethnic self-employment/entrepreneurship may need revision as most of the studies are based on a snapshot of time, or on small sample sizes or on incomplete data.

(Figures 1 and 2 about here)

What is most striking is that, throughout the period covered, White British men and women were never the most likely to be in self-employment. In every single year, there were around three to four other groups who were more likely to be in self-employment. The second noticeable feature is that, as expected, for almost all ethnic groups alike, men were much more likely to find themselves in self employment than women, actually about twice as likely, throughout the period covered. Thirdly, the differences amongst different minority ethnic groups increased sharply from the earlier (1972-1983) to the later period (1984-2005). This is most evidently the case for men but is also noticeable for women. Fourthly, for both men and women, the Chinese, Pakistani/Bangladeshi, Indian, White Irish groups were more likely to be in self-employment whereas Black Caribbean and Black African groups were less likely to be so. White Other men followed

(21.7%), White Irish (19.8%), and White British (15.7%). The ranking order for women is almost the same: Chinese (48.6%), Black African (34.0%), Other (29.5%), Indian (26.4%), White Other (24.8%), Pakistani/Bangladeshi (22.0%), Black Caribbean (21.4%), White Irish (18.9%), and White British (15.2%).

White British men quite closely (slightly less so) in terms of their propensity for self-employment while White Other women were slightly more likely to be engaged in self-employment than their White British counterpart. Finally, since around 2000, men of Pakistani/Bangladeshi origins remained highly likely to be in self-employment and their rates actually surpassed those of the Chinese men whereas the rates of the men of Indian heritage decreased sharply. Further analysis (not presented in the figures) shows that the overall employment rates for the Indian men remained constant in the years covered, which were around 20 percentage points higher than those of the Pakistani/Bangladeshi men. The reason for this (divergence in the propensity for self-employment between Indian and Pakistani/Bangladeshi men) awaits further exploration.¹⁰ One possible reason is that the perception of racial discrimination in the wider labour market might have led the Pakistani/Bangladeshi men to seek self-employment as an ‘escape strategy’ whereas the greater educational attainment (see below) might have led more Indian men to seek mainstream employment as a way of upward social mobility.

4.2 Time of arrival and geographic distribution of minority ethnic groups

As is well documented, different ethnic groups in Britain have different histories of immigration and live in different regions of the country (Small and Solomon 2006; Heath and Yu 2004), which is closely related to their experience of ‘acculturation’, levels of English, knowledge of the local labour market, and social connections both with their co-ethnic members and with the wider community. All this, again, will affect labour market participation in general and entrepreneurship in particular. Thus, in this subsection, we shall have a brief look at the time of arrival in Britain and the geographic distribution of the different ethnic groups, which will help us gain a better understanding of their self-employment profiles.

(Figures 3 and 4 about here)

In Figure 3, we divided the arrival time into periods on account of the political and economic situations in the period covered. The first period was up to 1971, roughly the post-war boom (Goldthorpe 1987). The period between 1972 and 1980 saw the recession.

¹⁰ One possible data set that could help in this regard is the BSAS (British Social Attitudes Surveys) although the sample sizes in the yearly datasets might require pooling the data from 2000 to 2005 together for effective analysis on perceptions of labour market opportunities by the different minority ethnic groups.

The next period (1981-1996) was under the Conservative government and witnessed two unemployment peaks (in the mid 1980s and in the early 1990s). The last period saw New Labour in government.¹¹

As shown in Figure 3, most people of White Irish origin came to Britain before 1971, as did around half of White Other people. Around half of people from Black Caribbean heritage were born in Britain, hence being second generation; most of the remainder in the group came to Britain in the 1950s and 1960s. People of Black African origin had a vastly different immigration history from that of Black Caribbeans. Nearly half of Black Africans came between 1981 and 1996, which might explain their higher unemployment rates during the two peaks of unemployment, in the mid 1980s and in the early 1990s (data not provided but are available on request, see Li and Heath 2006). Of people from Indian and Pakistani/Bangladeshi origins, their proportion of second-generation was similar, around 25 per cent. A notably larger proportion of Indians came before 1971 than did Pakistani/Bangladeshi people and a much larger proportion of the latter came between 1981 and 1996 (many of the people of Indian heritage who came in the earlier period came from Africa after the revolutions in the African countries, see Heath and Cheung 2006). It is interesting to note that, with the exception of White Irish and White Other groups, the Chinese were the least likely to be second generation. Although a large number of poorly-qualified peasants from the New Territories of Hong Kong came in the 1950s and early 1960s who usually worked in the take-away shops or restaurants (Cheng, 1994), a significant number came in the 1990s before the 'Hand-Over' of Hong Kong to China. It is also noted that a large number of people came from mainland China after China opened its doors to the outside world. Of the last group, many if not most were already highly educated in China and they came to seek further education: a large proportion decided to stay in the country after graduation. Finally, we should note that for statistical analysis purposes, all other groups were combined under the category of Other, including White and Black Mixed, White and Asian Mixed, and people from other non-white origins. Half of the 'Other' group were born in Britain, most probably of White and Black Mixed origin.

¹¹ I am very grateful to Professor Anthony Heath, Department of Sociology, Oxford University, for advice in dividing the period. As a matter of fact, the first three figures used in this paper are part of the findings from an ESRC project *Socio-economic position and political support of the BMEs in Britain (1971-2004)* (RES-163-25-0003) where I am the Principal Investigator and Professor Heath is the co-applicant. I am also very grateful to the ESRC for the kind support.

It would be possible to study in detail the geographic distribution of the nine ethnic groups by year for each of the 34 years covered but that would take a lot of space. The data in Figure 4 only shows a rough picture as the SAR does not allow us to look at the city level. However, we already know that two thirds of the minority ethnic groups live in the six cities: London, Birmingham, Manchester, Bradford, Leeds, and Leicester (NEP, 2005). What differentiates this figure from the NEP findings is that here we are only concerned with the self-employed, with the data further limited to the age groups as earlier noted and with students omitted. From the figure we can see that self-employed people of Indian origin were most likely to live in Outer London whereas those in the White Other group were most concentrated in Inner London. The Chinese were evenly distributed in all regions, which is related to the particular type of self-employment in which they find themselves, namely, in catering, as we are going to see shortly.

4.3 Employment status by ethnic and faith groups and by gender

Having discussed the historical development of minority ethnic self employment, and time of arrival and geographic distribution of minority ethnic groups in some detail, we now explore the employment status by ethnic and faith groups. We differentiate five employment groups: employee, self-employed with employees (entrepreneurs), self-employed without employees (sole-traders), unemployed and inactive. The reason for including unemployment and economic inactivity here is that, since we are looking at the working age group with the full-time students dropped from analysis, we would not have a full appreciation of patterns of minority ethnic self employment without at the same time considering their plights in terms of unemployment and inactivity. Many of the inactive were discouraged workers who took early retirement or who had obtained disability benefits.

(Table 1 about here)

With regard to employment status by male ethnic groups, we find (Table 1) that the overall figure, as pertaining to 2001, was 66.5 per cent being employees, 5 per cent self-employed with employees, 8.7 per cent self-employed without employees, 5.6 per cent unemployed and 14.2 per cent inactive. This is shown in the row for 'All'. As we can expect, there are differences amongst the different ethnic groups. White British men were

most likely to be employees (67.3 per cent) whilst men of Pakistani/Bangladeshi origins were the least likely (50 per cent). With regard to being employers, Chinese men took the lead (15.6 per cent), followed by Indians (9 per cent) and Pakistanis/Bangladeshis (8 per cent), with the two Black groups being the least likely (3 to 4 per cent).¹² The three White groups and the two South Asian groups were most likely to be sole-traders, with the Chinese men following closely behind. It seems that differences among minority ethnic men were much less pronounced with regard to being self-employed without than with employees.

While being in employee and self-employed statuses denotes gainful employment, the categories for unemployment and inactivity would be a better indicator of labour market disadvantage. Here we find that the Black groups and Pakistani/Bangladeshi men were around two to three times as likely to be unemployed as the White British men. The Census, hence the SAR, does not contain information on the length of unemployment. Using the combined GHS/LFS for 2001, we find that, as compared with the 2.8 per cent for overall male unemployment lasting three months or more, 7.7 per cent of Pakistani/Bangladeshi men and nearly 6 per cent of Black Caribbean and Black African men were in long-term unemployment as defined. Black women were also much more likely to experience long-term unemployment (4 to 5 per cent) as compared with an overall figure of 1.6 per cent for women.

As regards economic inactivity, we find that over 20 per cent of men of White Irish and Pakistani/Bangladeshi origins, and over 17 per cent of men Black Caribbean heritage were out of the labour market. This might have to do partly with their health conditions and partly to do with what is called the ‘discouraged worker’ effect (Gallie and Vogler, 1994). The SAR also contains data on health and long-term limiting illness. Further analysis shows that, as compared with an overall figure of 8.5 per cent having ‘Not good’ (poor) health, 13.4 per cent of the White Irish and 10.8 per cent of Pakistani/Bangladeshi men reported poor health; and as compared with an overall figure of 15.1 per cent having long-term limiting illness, 20.7 per cent of White Irish and 17.2 per cent of

¹² The reasons for the lower rates of self-employment by the Black groups as shown here or in Figure 1 might have to do with their long history of colonialism and poverty, which might have undermined their distinct culture, itself an important component for self-employment as seen in Indian or Chinese catering industry in Britain.

Pakistani/Bangladeshi men reported having such illness. It is also notable in this regard that the Black men were not more likely to have poor health or long-term limiting illness and yet their greater rates of economic inactivity might well have to do with the 'discouraged worker' effect.

The employment status of female ethnic groups in the table also shows much inter-ethnic difference. The three White groups and Black Caribbean women were much more likely to be employees than the rest, with the Pakistani/Bangladeshi women being the least likely, at half of the national average rate. Women were on the whole less likely to be in self-employment and yet we find that, just as their male counterpart, Chinese women were most likely to be employers (7.6 per cent), four times the national average. With regard to labour market disadvantages as measured by unemployment and inactivity, we find that Black African women, just like their male co-ethnics, were the most likely to be unemployed (12 per cent). What is most striking is the fact that nearly two thirds of Pakistani/Bangladeshi women were inactive. Other research has shown that 75 per cent of Bangladeshi women do not speak English (NEP, 2005). Other factors that can be investigated using the SAR concern the number of dependant children in the household, and of household members with poor health and long-term limiting illness. Further analysis of the SAR indeed shows that Pakistani/Bangladeshi women were most likely to live in households with more dependent children than other groups (77 per cent for this group as compared with 53 per cent of the national average), and were most likely to have household members with poor health (30 per cent for the group as compared with 15 per cent of the national average) and with long-term limiting illness (45 per cent for the group as against 27 per cent for the national average). Given the practical difficulties in the household and the time needed to spend on caring, it is perhaps not precise or practical to say, as some reports tend to suggest, that their economic inactivity is due to their culture and tradition, and is hence a waste of talent. The more important thing to do would be to tackle the root cause of their inactivity by improving the socio-economic conditions of their household members as a whole and by providing child-care facilities in the community or at the workplaces.

Turning to the association between faith groups and employment status, we need, first of all, to note that for several ethnic groups, ethnicity and faith are very closely related. For instance, in the data used, 93 per cent of Pakistani/Bangladeshi people are Muslims, 60

per cent of the Chinese have no stated religion, and 12 per cent of people of Indian origin are also Muslims (46 per cent being Hindu and 29 per cent being Sikh). Most of the White and Black groups are Christians, with around one fourth reporting no religion. It is also noted here that 8.2 per cent of White Other and 17.7 per cent of Black African groups reported being Muslims.

With this in mind, it is fairly straightforward to explain the patterns of employment status associated with faith groups. Men of Jewish faith were most likely to be in self-employment (30 per cent), with 14 per cent being employers and 16 per cent being sole-traders. This compares them very well with the average figure of 13.7 per cent in self-employment. Jewish women were also much more likely to be self-employed (13 per cent) as compared with the 5 per cent for the national average. Unsurprisingly, Muslim women were largely out of gainful employment (68 per cent), as against the 29 per cent for the national average.

4.4 Ethnic self-employment by education, generation and gender

We have looked at the ethnic/faith groups' employment status in general in the above and will now focus on self-employment in terms of educational and generational effects. We have also looked at the time of arrival of the different ethnic groups in Britain as a proxy for generation status (nativity effects). It would be a good idea to have a brief look at the educational status of the different ethnic groups before embarking upon an assessment of educational effects on self-employment. To save space, the data are not presented in tables but are summarised here.

For men, Black Africans were the best qualified, with 51 per cent having a first degree or above, followed by the White Other (48 per cent) and the Chinese (42 per cent), with Pakistani/Bangladeshi (23 per cent), White British (22) and Black Caribbean (17 per cent) being least qualified. With regard to women having degrees or above, the ranking order is the White Other (50 per cent), Black African (41 per cent), Chinese (41 per cent) and White Irish (35 per cent), with White British (21 per cent) and Pakistani/Bangladeshi (16 per cent) being the least qualified. Thus, with the exception of Pakistanis/Bangladeshis and Black Caribbean men, all other minority ethnic groups were better qualified than the charter White British population. How, then, does education affect self-employment?

(Table 2 about here)

The patterns in Table 2 show clearly that amongst the poorly qualified (having only primary or no formal education, see definition in Note 2 of the table), it is the Chinese men (34 per cent) and women (21 per cent) who were most likely to be self-employed. Amongst the best qualified, namely, those having a first degree or above, it is the Indian (17 per cent) and Pakistani/Bangladeshi (16 per cent) men, and White Other (9 per cent), Indian and White British (7 per cent each) women who were most likely to be self-employed. At each qualification level, it is the Black Caribbean and Black African men and women who were least likely to find themselves in self-employment.

(Table 3 about here)

The data on generational status, as indicated by whether a person was born in the UK or abroad, show a fairly clear pattern (see Table 3). Amongst the men, the White groups born in the UK were the most likely to be self-employed, followed by Asians, including men of Indian, Pakistani/Bangladeshi and Chinese origins. Of those born outside the UK, the Chinese, Pakistani/Bangladeshi, Indian and Irish men were most likely to be self-employed. The Black men, whether born in the UK or abroad, were not likely to be in self employment. For women, it is the Chinese and White Other amongst the native born, and the two groups plus Indians amongst the foreign born, who were more likely to be in self-employment. Again, it is the two Black groups who were least likely to find themselves in self-employment, whether UK or foreign born.

4.5 Workforce size, class, industrial sector and work hours of the self-employed

Whilst the above has dealt with the educational and generational effects on self-employment, no information was shown on the social (class) position or the work situation of the self-employed. Academic or government discussion tends to associate self-employment with small businesses with precarious income streams and poor working conditions, which may be true but may also conceal a great deal of differences amongst the self-employed. Indeed, there may be more differences among the self-employed than among the employees. In this subsection, we shall again focus on the self-employed and look at the differences between ethnic groups in terms of workforce sizes (for the

employers only as self-employed with no employees do not apply here), whether assuming professional or managerial duties, industrial sector, and hours of work.

(Table 4 about here)

We noticed in Table 1 that Chinese men and women were most likely to be employers, yet that does not tell us whether they were big or small employers. The data in Table 4 show the detailed information. As further analysis reveals similar patterns between men and women in the different ethnic groups in terms of workforce size (data not presented but available on request), we have combined data for men and women in this table. Overall, two thirds of all employers are micro employers, employing 1 to 9 people. Yet, most of the Chinese were such micro employers (92 per cent). We also noticed in Table 1 that Black African people were less than average to be employers. However, for those among the group who did employ, they tended to be big employers, as 15 per cent of them employed between 10 and 24 people and 25 per cent of them employed more than 25 people. The biggest employers were found among this group (4.6 per cent), too. By comparison, the Chinese were the least likely to be such big employers. White Irish employers also tended to employ a large number of people, as over 30 per cent among the self-employed employed more than 10 people. Thus, taking all self-employment and number of employees into consideration, it is largely the case that whilst the Chinese tend to cluster at the lowest rungs of the entrepreneurial hierarchy, the Black Africans tend to find themselves more widely spread across the spectrum.

(Table 5 about here)

It is a natural step to move from workforce size to class location, as it is generally the case that the size of the business would entail commensurate managerial loads: the bigger the businesses, the more the managerial layers, hence the more the managerial positions, especially for employers in non-traditional sectors. Many self-employed people are engaged in the professional type of jobs, such as pharmacy or personal/health care (Hakim 1998). Table 5 contains information on professional and managerial positions for each of the ethnic groups found in self-employment. Managerial (Mgr) and professional (Prof) positions were first separately listed and then combined (M+P) for easier comparison.

The data in Table 5 show that for the self-employed men, it is the Black Africans who were most likely to find themselves in managerial (8.7 per cent) and professional (40.5), thus nearly half being located in what is called the ‘service class’ in sociology literature (Goldthorpe 1987), that is, a class of professionals and managers. The second most advantaged group in terms of being located in the service class was the White Other men. Note that this term is not to be confused with the lay-public’s term for ‘service workers’ which simply means people working in the tertiary, namely, service, sector. In contrast, self-employed men from Chinese and Pakistani/Bangladeshi origins were the least likely to find themselves in the service class. The pattern for women in self-employment is fairly similar: the Chinese women were only half (13.6 per cent) of the national average (27.7 per cent) in the service class, even half the likelihood as compared with Pakistani/Bangladeshi women (25.6 per cent) who are often assumed to be badly disadvantaged in the labour market research. White Other, Black African and White Irish self-employed women were well above the national average to be situated in the service class (46, 41 and 38 per cent respectively). The data here show considerable differences in terms of social stratification for the self-employed amongst the various ethnic groups.

(Table 6 about here)

Table 6 contains information on employment sector for the self-employed. For men and women alike, we find that around 60 per cent of the Chinese were engaged in hotel/restaurant (mainly catering) businesses, as compared with a national average of 4.2 and 8.6 per cent for the two sexes. Indeed, catering seems to be a Chinese ‘preserve’. If catering typifies long and unsocial hours (Ram and Jones 2006) and poor working conditions, then it is the case that the self-employed Chinese men and women bore the brunt. White British were, unsurprisingly, most likely to be engaged in ‘extractive’ or primary, types of business, such as agriculture, hunting, fishing, mining and quarrying. With the exception of the Chinese, self-employment in manufacturing/construction and wholesale/retail did not differ very much, particularly amongst men. If a knowledge-based rather than labour-intensive sector could be identified, it would be in the ‘Other’ sector, comprising financial intermediary, public administration, education, health and social services, other community work, etc., as detailed in Note 2 in the table. Here we find that Chinese men and women, Pakistani/Bangladeshi men and, to some extent,

women, were least likely to be found in this sector. Particularly for women, it is the White and Black groups who were predominantly found in this sector.

(Table 7 about here)

Finally in this subsection, we have a look at the hours worked per week. We present data for all employees, all self-employed, all self-employed with, and without, employees, all self-employed in professional/managerial (service-class) jobs, and all self-employed not in the service class, by ethnicity and by sex. Our discussion above, particular with regard to sector, already contains some indication as to which groups might work longer hours.

Four features manifest themselves. First, as expected, the self-employed, particularly those with employees, tend to work longer hours than employees, and this is the case for men and for women alike. Secondly, amongst the employees, White men tend to work longer hours than the other ethnic groups, but the differences are smaller for women. Thirdly, among self-employed men in each category, Indians tend to work longest hours, followed by Chinese, and then by the White groups. Fourthly, for self-employed women, only Indians and Chinese work conspicuously long hours. The patterns here form a confirmatory extension to those based on the 1991 SAR (Hakim 1998).

4.6 Relative effects on self-employment

We have, in the above, discussed various aspects of self-employment in terms of descriptive analysis. The advantage of using this kind of analysis is that it is easy to understand. The disadvantage is that it does not allow us to discern the relative effects. As we have seen, for various groups, faith and ethnicity is entangled. In this section, we use logistic regression techniques to model the propensity for self-employment. Here self-employment is further differentiated into three subsets: self-employed versus other (that is, people not in self-employment); self-employed with employees versus other (that is, people not 'self-employed with employees'); and self-employed without employees versus other (that is, people not 'self-employed without employees'). Thus three logistic regression models are constructed for men and, similarly, three for women. Technically, we coded self-employed = 1 and other = 0, and similarly for the other two models.

The explanatory (independent) variables used are those we have been discussing, mainly, ethnicity, religion, region, country of birth and education. The results as contained in Table 8 pertain to odds ratios, namely, a comparison of probabilities between two groups in terms of being in self-employment rather than not in self-employment. The reference groups have an odds ratio set as 1. Thus with all other variables in the models controlled for, figures (coefficients) lower than 1 would mean smaller, and coefficients higher than 1 would mean greater, likelihood of being in the kind of self-employment in question. Take for example the figure 1.54 for Chinese under the heading ‘All self-employed’ for men. This figure indicates that, as compared with the White British who are set as the reference group with a coefficient of 1, and holding constant all other factors in the model such as faith, region, nativity and education, the Chinese men were around 54 per cent *more* likely to be self-employed (rather than not in self-employment). By comparison, the two Black groups were only slightly over half as likely as the White British men to be in self-employment (rather than not in self-employment). The differences are significant at the 0.001 level, meaning that the chances of this kind of differences (in terms of the magnitude of coefficients) being due to sampling error are very slight indeed (less than in 1 out of 1000 samples). By the same token, we find that, other things being equal, White Irish, Indian and Pakistani/Bangladeshi men were not significantly less likely than the White British men to be in self-employment.

(Table 8 about here)

Proceeding from this, we find that the Black groups were consistently less likely to be self-employed in each of the three categories, that the Jewish and the Chinese men were the most likely to be in self-employment in general and to be employers in particular, that regional differences were as expected, that people born outside the UK were more likely to be self-employed or to be employers, and that men with higher education tend to be less likely to undertake self-employment, although more likely to be self-employed with employees.

The patterns for women were similar to those of men. The differences are manifested in three aspects. Firstly, controlling for all other factors in the models, women from Pakistani/Bangladeshi origins were significantly less likely to be in self-employment in each of the three respects, in sharp contrast to their male counterparts. Secondly, White

Other women were not significantly different from White British women in self-employment whilst their male counterparts were less likely to be self-employed. Thirdly, education helps women to be self-employed, a pattern not generally seen for men.¹³

4.7 Perceptions of injustice

We have, in the above, discussed the ‘behavioural’ aspects of self-employment using various data sets. In this subsection, we shall have a brief look at the ‘attitudinal’ aspects, that is, the perceptions of social/institutional injustices by various ethnic/faith groups.

(Table 9 about here)

The data in Table 9 show the proportion of ethnic/faith groups who believe that ‘I would be treated worse than other races’ in using services from a bank/building society or from an insurance company as a member of the public. The data come from the 2001 HOCS survey. It is a pity that this question was not repeated in the 2005 HOCS so we cannot find the trends of change over time. For each, we analysed the responses from all respondents (All) and from self-employed (SE).

¹³ Note that we are not comparing the propensity for self-employment between men and women in this model, but rather within the male and the female groups. As shown in Table 2 above, at each educational level, women are less likely to be in self-employment than men at a similar educational level. On the other hand, as also shown in the table, women with higher educational qualifications were more likely to be in self-employment than their less educated counterparts whereas men of different educational qualifications showed a similar propensity to be in self-employment. We also carried out further analysis comparing men and women directly controlling for all other variables in Table 8. The data (not shown here due to their complexity but available on request) show that White Other and Chinese women were, other things being equal, significantly more likely to be in self-employment than their male peers (with odds ratios being 1.385 and 1.329 respectively, both significant at the 0.001 level), that Chinese women were significantly more likely than Chinese men to be employers (with an odds ratio of 1.284, significant at the 0.016 level), and that White Other and Chinese women were also significantly more likely to be self-employed with no employees than their male peers (with odds ratios being 1.563 and 1.549 respectively, both significantly at the 0.001 level). It would have been interesting to relate this to their parents’ propensity for self-employment but, as noted above, we do not have data on parental employment status that are of a sufficient standard for this purpose. I am grateful to Professor Ram for alerting me to this channel of research.

The data show that people from Black African and Black Caribbean origins tend to feel that they would be treated worse in using services from banks/building societies as a member of the public, whether or not they were self-employed. With regard to faith groups, it is the Sikhs and Muslims who were more likely to have this kind of perception (where the marginal Ns are small, the figures are shown in italics). As regards using services from insurance companies, Black Africans, Chinese, Muslims and Sikhs tend to feel worse treated.

The HOCS 2001 and 2005 also asked the respondents to say whether, as compared with the situation in Britain today, there was more (or less or about the same levels of) racial prejudice 5 years ago or there will be more (or less or about the same levels of) racial prejudice in 5 years' time. Responses in the two data sets on 'more' racial prejudice are presented in Table 10, again by ethnicity and faith groups, and for all respondents (All) and for self-employed (SE) separately presented.

(Table 10 about here)

With regard to perception on more racial prejudice in 2001 and 2005, whether as compared with 5 years ago or in projected 5 years' time, it is actually the White British and White Irish who tend to perceive that there is or will be greater racial prejudice. As they tend to be Christians, it is not surprising to find that the Christians tend to report greater likelihood of racial prejudice. The Chinese were the least likely to report such perceptions in 2001, which might have to do with their typical inarticulateness. We also find that Black Africans were also less likely to report more racial prejudice in 2001. It is noted in this regard that in 2005, Black Africans became less likely than the Chinese to report racial prejudice either in comparison with 5 years ago or in projected 5 years' time.

The reason for this is not clear. With regard to faith groups, we notice that the Jewish respondents were the most likely to report, in 2005, that there would be more racial prejudice as compared with 5 years ago (62.5 per cent) and the Sikh self-employed were also highly likely (62.6 per cent) to report so.

(Table 11 about here)

In order to have a more precise and comprehensive view, we present, in Table 11, results of logistic regression analysis coding 'more racial prejudice' = 1 and other responses = 0. We show analysis for 2001 and 2005 separately. For each year, we analyse the responses on perceptions in comparison with 5 years ago and on the projected 5 years' time. The explanatory variables are ethnicity, faith, sex, employment status, local socio-economic deprivation/ethnic diversity index. This deprivation index comes in the form of 'acorn' with 55 categories where the first category refers to 'wealthy suburbs, large detached houses' and the last to 'multi-ethnic, high unemployment, over-crowding houses'. The variable is used as a continuous covariate in the models.¹⁴ We also included an interaction term for Muslims from India.

The patterns in Table 11 are quite clear. The Chinese, Black Africans, Black Caribbeans, Indians were consistently less likely to report 'more racial prejudice' as were Muslims in all four models. Women tend to report more prejudice in Britain today (whether this today means 2001 or 2005) than men but seem more optimistic with regard to the future. The self-employed consistently reported more prejudice. The local deprivation variable is also significant. We need to note that as this is used as a continuous covariate, it would

¹⁴ I am most grateful to Andrew Phelps in the BMRB International for supplying the acorn data for HOCS 2001, and Jenny King in the HOCS team and Kevin Pickering from the National Centre for Social Research for supplying me with the acorn data for HOCS 2005.

mean that as compared with people in the most advantaged areas, people in the most deprived areas would, other things being equal, be around 50 per cent more likely to report more racial prejudice whether compared with 5 years ago or in 5 years' time, in 2001 as 2005. This is evidence of strong effects of local area socio-economic deprivation / ethnic diversity. As most minority ethnic groups tend to live in a few major cities and in some concentrated areas in those cities, and as those areas tend to have poor housing and overcrowding, this has significant implication for the government regeneration/social cohesion policies/programmes.

5 Future work on minority ethnic entrepreneurial research

This paper is aimed at addressing the information needs and gaps with regard to research on minority ethnic self-employment/entrepreneurship. We have, in the above, conducted a fairly systematic research on the behaviours and attitudes of the various ethnic/faith and gender groups. This analysis is done for two considerations. Firstly, insofar as the literature review of the academic and government research on minority ethnic self-employment is concerned, it was found that little systematic research of this kind has been conducted and that various data sets are now publicly available which allows such an analysis. Thus it is hoped that this analysis fills in an important 'gap' in existing knowledge. Secondly, and related to the first point, one would not have a clear view of what needs and gaps would be unless we know what is available. Although more research could be conducted, the present analysis has achieved the primary purposes, as we have used a large number of datasets and have adopted a systematic approach to addressing issues in minority ethnic self-employment whilst simultaneously taking into account other structural factors such as faith communities, gender, education, nativity and local deprivation. The following is concerned with some suggestions on future work.

5.1 Future data collection and analysis

Given the importance of the minority ethnic self-employment/entrepreneurship for the socio-economic well-being of members of the minority ethnic groups and for the future socio-economic development and prosperity of the country, a well-structured programme for studying minority ethnic entrepreneurship is seen as being of paramount importance. The ESRC has recently commissioned research on the possibility of the UK Longitudinal Household Study (UKLHS) and the Longitudinal Survey of Ethnic Minorities (LSEM) (Buck et al 2006; Lynn et al 2006; Martin et al 2006; Nazroo 2005, 2006). Here we would strongly recommend that a similar UK Minority Ethnic Entrepreneurship Longitudinal Survey (UKMEELS) be conducted.

The main reason for this proposed UKMEELS is that over years, the panel data will provide a very powerful instrument for studying the causal relationships among a variety of issues of interest (see below). In this regard, the success story of the BHPS is a good example. All current DTI's ASBS, Household Survey and GEM are cross-sectional in nature, which might be retained although the newly planned (incorporated) Integrated Household Survey (IHS)¹⁵, UKLHS, LSEM will, from around 2009, be able to provide a lot of general information on self-employment and entrepreneurship by minority ethnic groups. In this context, the proposed UKMEELS would serve as a unique instrument for EMB research and as a vital complement to the other newly planned surveys.

With regard to the sample size, we would believe that a similar size to that as proposed in the LSEM would be sufficient on the technical ground. That is, we would aim to have around 10,000 sample size (effective size) comprising 2000 for the White British (to

¹⁵ Full information is available at <http://www.esds.ac.uk/government/cps/>

serve as reference group), 750 for each of the main groups such as White Irish, White Other, Black Caribbean, Black African, Indian, Pakistani, Bangladeshi and Chinese (750 x 8 = 6,000); and the remainder (2,000) allocated to some four special groups such as Black and White Mixed, Black and Asian Mixed, Travellers and Gipsy groups (500 x 4 = 2000). The technical part of sampling can be solved by DTI experts and/or in consultation with specialists in the ISER/NatCen.

Conceptually, the new survey, if approved, could be theoretically guided and empirically testable as shown in the diagram (Figure 5). Both Paper 1 and Paper 3 (Ram and Jones 2006; Law 2006) have stressed the importance of linking human, social and economic capital approaches to studying minority ethnic entrepreneurship. There is a large number of sporadic research emphasizing one or another of such 'capitals' in affecting minority ethnic businesses (see references to the three papers, and many more in such journals as *Ethnic and Racial Studies*, *Ethnicity*).

(Figure 5 about here)

From this diagram, it could be seen that at the personal level, human, social and economic capitals would affect minority ethnic groups' (MEG) entrepreneurship at each stage: setting up, running and growing. There are many datasets which contain examples on collecting information on human, social and economic capital. For instance, the BHPS has whole suites of questions on parental employment and occupational status; personal educational attainment and work-life history; the ASBS surveys has many questions on business knowledge and entrepreneurial history, aspirations, barriers, experiences, uses of services etc. With regard to social capital, existing research has identified bonding, bridging and linking types of social capital. In the UK, existing datasets do not contain

such questions. The newly proposed LSEM has some suggestions (Nazroo 2005: pp. 8-9). In the US, the newly conducted *Civic America 2006* sets an example on social capital questionnaire design. Given the different circumstances between the US and the UK particularly pertaining to ethnic and faith communities, questions from the survey may not be directly ‘borrowed’ but the study under discussion (*Civic Britain*, likely to be conducted by researchers at Institute for Social Change, Manchester University) might offer some help.

(Figure 6 about here)

With regard to information on financial capital, as well as on government laws/policies and EMB initiatives, use of public/private services such as provided by banks, insurance companies or EMB agencies, and support from local and wider community, existing ASBS questionnaires could well be used, along with some specialist designs (Fraser). One suggestion that might be made in this regard concerns what is called the Position Generator approach. This is a powerful, and at the same time very economic, instrument for collecting data (Lin 2001; Li et al 2006). An illustration is provided in Figure 6.

5.2 In-depth interviews/ethnographic research

Although quantitative data are very powerful means at depicting patterns and trends, qualitative in-depth interviews such as focus-groups or ethnographic research is also of great importance in gaining insights into particular phenomena hard to discern in analysis using large-scale surveys. Linehan and Sosna have, for example, provided good examples of how this kind of research can illuminate policy making. It is thus envisioned that future work on minority ethnic entrepreneurship will be based on more systematic (and accessible) quantitative data and better-designed qualitative data and that insights from

both sources would complement each other to enhance our understanding and to better inform policy-making.¹⁶

¹⁶ Quantitative and qualitative research serves the same purposes even though they tend to employ different methods. However, prejudices abound, usually in both directions but sometimes more from the qualitative quarter. For instance, Bates (1999: 274, cited from Ram and Jones 2006: 18) argues that 'survey data will never give us perfect data, nor will prevailing research methodology permit all interested parties to reach perfect agreement on the precise nature and magnitude of Black/White credit access issue'. This statement seems to suggest that qualitative research can 'give us perfect data' and 'permit all interested parties to reach perfect agreement'.

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Appendix Figures and Tables

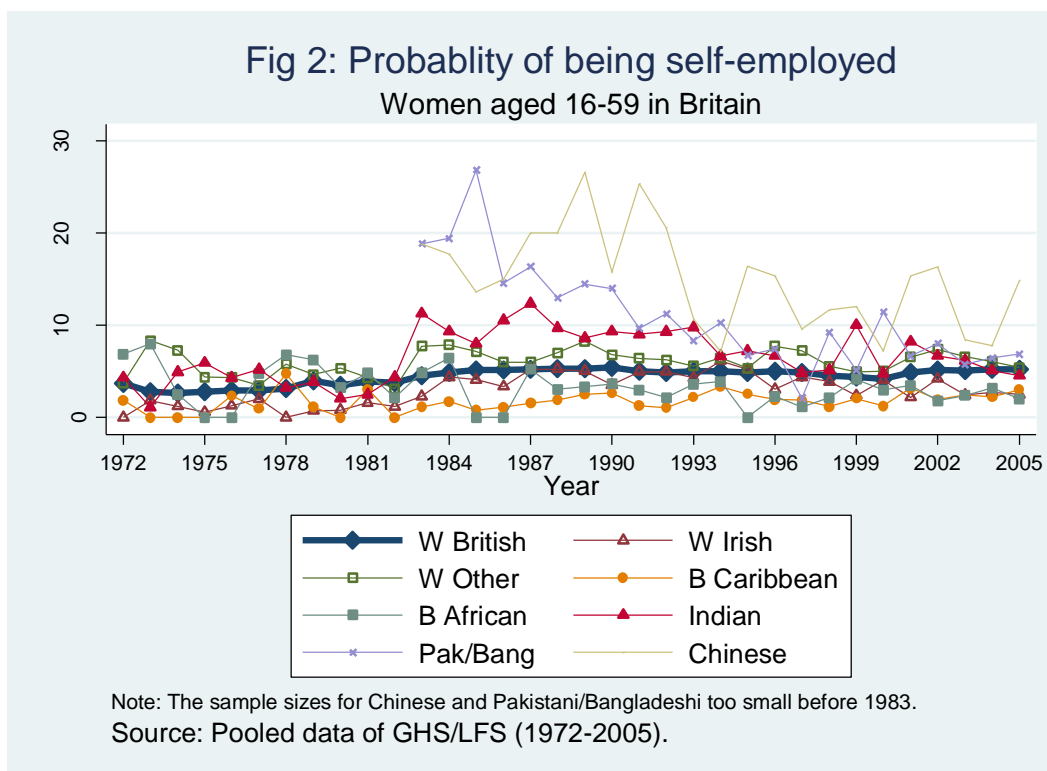
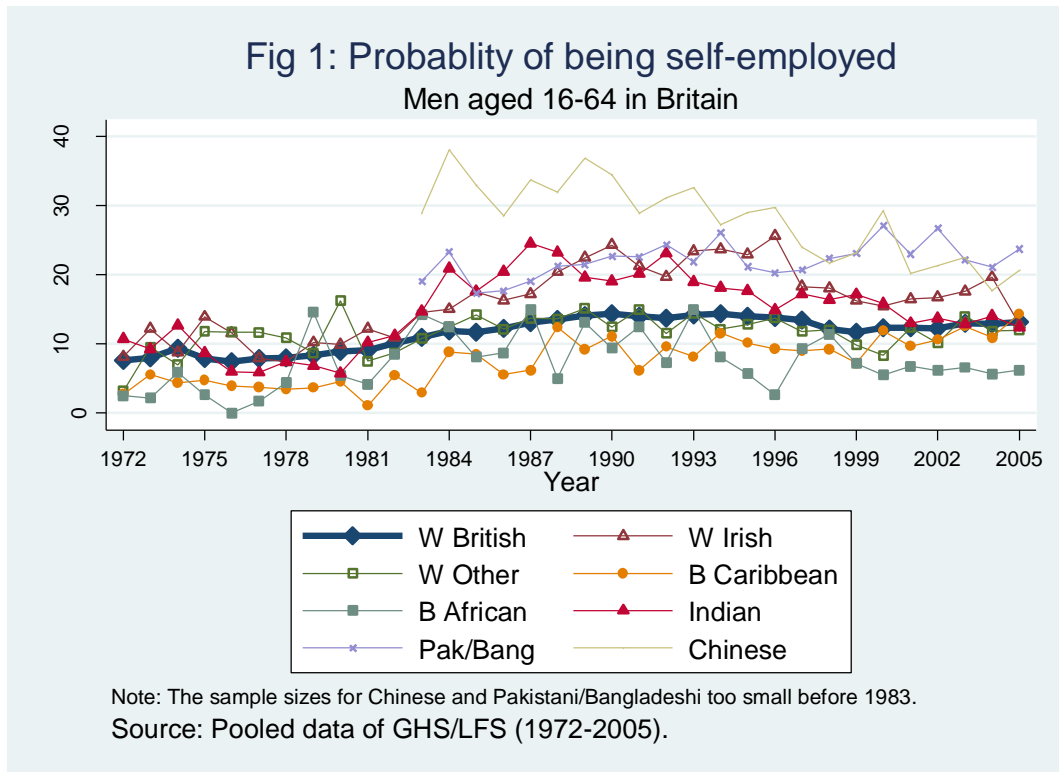
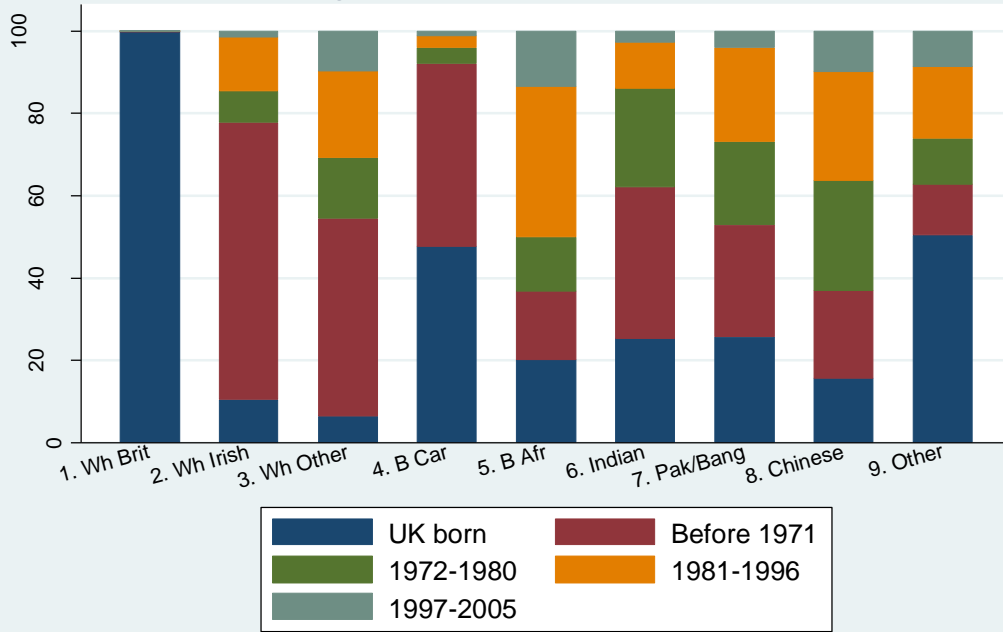
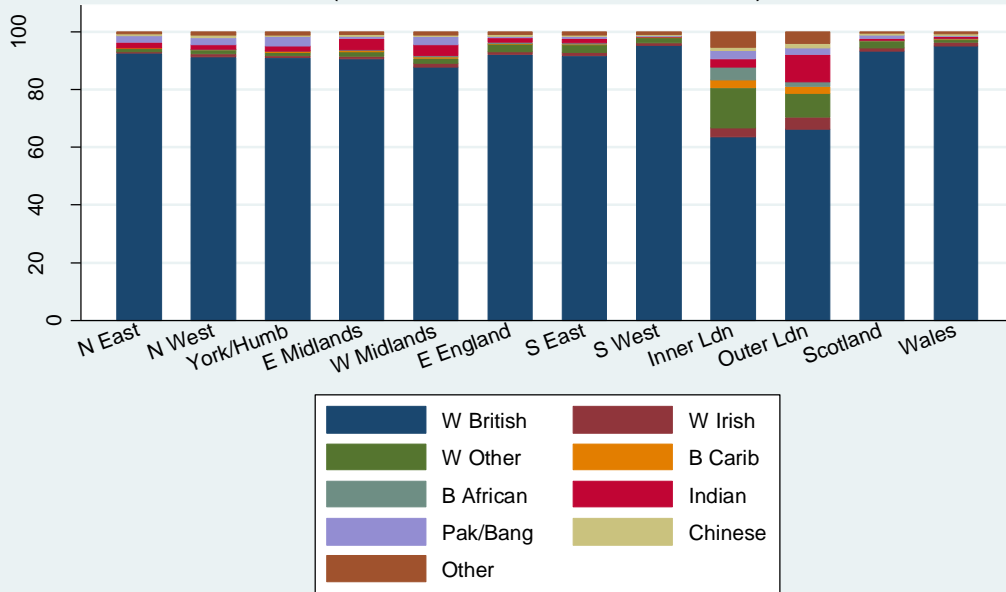


Fig 3: Time of arrival to Britain



Source: Pooled data of GHS/LFS (1972-2005).

Fig 4: Geographic distribution of the self-employed in GB (Full-time students are excluded.)



Source: 3% SAR from the 2001 Census.

Table 1 Employment status by ethnic and faith groups

| | Employee | SE with employees | SE no employee | Unemployed | Inactive | N |
|-----------------------|----------|-------------------|----------------|------------|----------|---------|
| Men | | | | | | |
| White British | 67.3 | 4.8 | 8.8 | 5.1 | 14.0 | 472,344 |
| White Irish | 58.0 | 5.9 | 10.0 | 5.4 | 20.7 | 6,878 |
| White Other | 66.0 | 5.8 | 8.9 | 6.0 | 13.3 | 13,596 |
| Black Caribbean | 60.0 | 2.9 | 6.1 | 13.9 | 17.2 | 5,034 |
| Black African | 61.8 | 3.9 | 5.7 | 14.9 | 13.7 | 4,020 |
| Indian | 63.4 | 9.0 | 8.3 | 6.9 | 12.5 | 9,931 |
| Pakistani/Bangladeshi | 49.9 | 8.1 | 8.2 | 13.6 | 20.3 | 8,327 |
| Chinese | 59.5 | 15.6 | 7.3 | 6.5 | 11.0 | 2,022 |
| Other | 60.1 | 5.5 | 6.2 | 11.1 | 16.6 | 9,193 |
| All | 66.5 | 5.0 | 8.7 | 5.6 | 14.2 | 531,345 |
| Women | | | | | | |
| White British | 67.2 | 1.8 | 3.4 | 3.3 | 24.3 | 437,530 |
| White Irish | 64.8 | 2.0 | 3.4 | 3.6 | 26.2 | 6,200 |
| White Other | 61.1 | 2.2 | 5.5 | 4.7 | 26.6 | 15,152 |
| Black Caribbean | 68.8 | 0.9 | 1.4 | 7.2 | 21.7 | 5,833 |
| Black African | 57.3 | 1.0 | 1.7 | 12.1 | 27.9 | 4,333 |
| Indian | 59.0 | 3.5 | 3.3 | 5.1 | 29.1 | 9,810 |
| Pakistani/Bangladeshi | 25.2 | 1.4 | 1.1 | 6.6 | 65.7 | 8,222 |
| Chinese | 55.0 | 7.6 | 4.7 | 5.8 | 26.9 | 2,278 |
| Other | 56.2 | 1.6 | 2.8 | 7.1 | 32.3 | 9,645 |
| All | 65.8 | 1.8 | 3.5 | 3.6 | 25.4 | 499,003 |
| Men | | | | | | |
| Christian | 66.9 | 5.1 | 8.6 | 4.8 | 14.7 | 357,871 |
| Buddhist | 60.4 | 6.1 | 10.2 | 8.2 | 15.1 | 1,678 |
| Hindu | 65.3 | 9.3 | 7.9 | 5.8 | 11.7 | 5,651 |
| Jewish | 55.7 | 13.9 | 16.3 | 4.1 | 10.0 | 2,244 |
| Muslim | 49.6 | 7.7 | 7.5 | 13.6 | 21.6 | 13,593 |
| Sikh | 59.9 | 9.5 | 8.7 | 7.8 | 14.2 | 3,142 |
| Other | 71.7 | 3.9 | 8.7 | 7.5 | 8.2 | 9,586 |
| None/Not Stated | 67.3 | 4.3 | 8.9 | 6.6 | 12.8 | 137,580 |
| All | 66.5 | 5.0 | 8.7 | 5.6 | 14.2 | 531,345 |
| Women | | | | | | |
| Christian | 67.4 | 1.8 | 3.3 | 3.1 | 24.5 | 362,507 |
| Buddhist | 51.5 | 3.9 | 5.8 | 6.1 | 32.8 | 1,650 |
| Hindu | 61.0 | 4.0 | 3.8 | 5.0 | 26.3 | 5,190 |
| Jewish | 56.8 | 3.6 | 9.5 | 3.2 | 26.9 | 2,144 |
| Muslim | 28.4 | 1.6 | 1.5 | 7.0 | 61.4 | 12,488 |
| Sikh | 61.9 | 3.2 | 2.4 | 5.6 | 26.9 | 3,121 |
| Other | 66.1 | 2.1 | 5.9 | 6.0 | 20.0 | 4,758 |
| None/Not Stated | 65.8 | 1.7 | 3.6 | 4.7 | 24.3 | 107,145 |
| All | 65.8 | 1.8 | 3.4 | 3.6 | 25.4 | 499,003 |

Notes: For men aged 16-64 and women aged 16-59 in Great Britain, excluding full time students.

Source: The 2001 3% SAR (Samples of Anonymised Records from the 2001 Census).

Table 2 Education, ethnicity and self-employment (% self-employed)

| | Men | | | Women | | |
|-----------------------|--------------|--------------|---------|--------------|--------------|---------|
| | Primary/None | Intermediate | Degree+ | Primary/None | Intermediate | Degree+ |
| Ethnicity | | | | | | |
| White British | 13.4 | 12.0 | 13.3 | 4.1 | 5.2 | 7.0 |
| White Irish | 14.3 | 15.2 | 14.7 | 4.6 | 5.7 | 6.2 |
| White Other | 15.9 | 13.9 | 13.6 | 5.6 | 6.8 | 9.0 |
| Black Caribbean | 7.9 | 8.9 | 9.1 | 1.5 | 2.5 | 3.3 |
| Black African | 6.9 | 6.8 | 12.2 | 1.6 | 2.9 | 3.3 |
| Indian | 17.7 | 15.6 | 17.2 | 6.9 | 5.7 | 7.1 |
| Pakistani/Bangladeshi | 16.4 | 15.2 | 16.0 | 1.7 | 2.5 | 5.3 |
| Chinese | 33.5 | 17.3 | 13.8 | 20.6 | 7.5 | 6.5 |
| Other | 10.1 | 10.4 | 13.8 | 3.1 | 3.9 | 6.0 |
| All | 13.7 | 12.1 | 13.4 | 4.1 | 5.1 | 7.0 |

Notes:

1. For men aged 16-64 and women aged 16-59 in Great Britain, excluding full time students.
2. Education is coded: Primary/none = No qualifications or Level 1 in England and Wales, No qualifications or Group 1 in Scotland; Intermediate = Levels 2 and 3 in England and Wales, Groups 2&3 in Scotland; Degree+ = Levels 4&5 in England and Wales, Group 4 in Scotland. For explanations of the categories, see <http://www.ccsr.ac.uk/SAR/2001/indiv/variables/qualvwn/#morenotes> <http://www.ccsr.ac.uk/SAR/2001/indiv/variables/qualvs/#morenotes>

Source: The 2001 3% SAR (Samples of Anonymised Records from the 2001 Census).

Table 3 Country of birth, ethnicity and self-employment (% self-employed)

| | Men | | Women | |
|-----------------------|---------|--------------|---------|--------------|
| | UK born | Foreign born | UK born | Foreign born |
| Ethnicity | | | | |
| White British | 13.6 | 14.9 | 5.1 | 7.3 |
| White Irish | 13.8 | 17.2 | 5.3 | 5.5 |
| White Other | 15.9 | 14.4 | 8.0 | 7.6 |
| Black Caribbean | 7.6 | 10.8 | 2.2 | 2.5 |
| Black African | 8.7 | 9.8 | 2.5 | 2.8 |
| Indian | 10.9 | 19.9 | 3.7 | 8.2 |
| Pakistani/Bangladeshi | 11.2 | 18.0 | 2.5 | 2.5 |
| Chinese | 11.5 | 25.6 | 7.7 | 13.2 |
| Other | 9.3 | 13.3 | 4.0 | 4.7 |
| All | 13.5 | 15.7 | 5.1 | 6.2 |

Notes: For men aged 16-64 and women aged 16-59 in Great Britain, excluding full time students.

Source: The 2001 3% SAR (Samples of Anonymised Records from the 2001 Census).

Table 4 Size of workforce by ethnicity (for self-employed with employees)

| | Size of workforce | | | | N |
|-----------------------|-------------------|-------|--------|------|--------|
| | 1-9 | 10-24 | 25-499 | 500+ | |
| Ethnicity | | | | | |
| White British | 76.0 | 13.3 | 9.2 | 1.5 | 30,701 |
| White Irish | 69.6 | 15.7 | 12.9 | 1.9 | 529 |
| White Other | 75.6 | 12.1 | 9.4 | 2.9 | 1,123 |
| Black Caribbean | 72.6 | 12.9 | 11.0 | 3.5 | 201 |
| Black African | 59.4 | 15.4 | 20.8 | 4.6 | 202 |
| Indian | 79.6 | 11.9 | 6.7 | 1.8 | 1,231 |
| Pakistani/Bangladeshi | 78.1 | 12.7 | 7.9 | 1.2 | 787 |
| Chinese | 91.6 | 6.7 | 1.4 | 0.2 | 490 |
| Other | 72.1 | 15.8 | 10.1 | 2.1 | 666 |
| All | 76.1 | 13.2 | 9.2 | 1.6 | 35,930 |

Notes:

1. For men aged 16-64 and women aged 16-59 combined in Great Britain, excluding full time students.
2. See Question 26 at <http://www.statistics.gov.uk/census2001/pdfs/H1.pdf> or <http://www.statistics.gov.uk/census2001/pdfs/H2.pdf> for England and Wales, and Question 28 for Scotland at <http://www.ccsr.ac.uk/SAR/guide/forms/scothhd2001.pdf> for definitions of the workforce.

Source: The 2001 3% SAR (Samples of Anonymised Records from the 2001 Census).

Table 5 Percentage in professional/managerial positions amongst the self-employed by ethnicity (for self-employed only)

| Ethnicity | Men | | | | Women | | | |
|-----------------|-----|------|------|--------|-------|------|------|--------|
| | Mgr | Prof | M+P | N | Mgr | Prof | M+P | N |
| White British | 2.8 | 21.3 | 24.1 | 64,190 | 2.6 | 24.0 | 26.6 | 22,372 |
| White Irish | 4.6 | 26.0 | 30.6 | 1,090 | 3.6 | 34.3 | 38.0 | 332 |
| White Other | 3.6 | 34.6 | 38.2 | 1,971 | 2.1 | 44.0 | 46.2 | 1,124 |
| Black Caribbean | 4.3 | 18.8 | 23.0 | 447 | 6.0 | 31.6 | 37.6 | 133 |
| Black African | 8.7 | 40.5 | 49.2 | 380 | 7.2 | 34.2 | 41.4 | 111 |
| Indian | 3.4 | 27.3 | 30.7 | 1,694 | 3.3 | 25.2 | 28.5 | 659 |
| Pakistani/Bangl | 5.2 | 11.1 | 16.2 | 1,339 | 4.4 | 21.2 | 25.6 | 203 |
| Chinese | 1.3 | 15.8 | 17.1 | 461 | 0.4 | 13.2 | 13.6 | 273 |
| Other | 5.7 | 28.1 | 33.8 | 1,053 | 4.3 | 30.1 | 34.5 | 416 |
| All | 3.0 | 21.9 | 24.9 | 72,625 | 2.7 | 25.1 | 27.7 | 25,623 |

Notes:

1. For men aged 16-64 and women aged 16-59 combined in Great Britain, excluding full time students.
2. Class positions are coded from the NSSEC (National Statistics for Social Economic Classification): Managers (Mgr) = Large employers, higher managers, lower managers, higher supervisors (nssec 1, 2, 11, 12); Professionals (Prof) = Higher and lower professionals, higher technicians (nssec 3-10). M+P means the sum of managerial and professional positions.

Source: The 2001 3% SAR (Samples of Anonymised Records from the 2001 Census).

Table 6 Industrial sector of the self-employed by ethnicity

| | Extractive | Manufacturing /construction | Wholesale / Retail | Hotel / Restaurant | Other | N |
|-----------------------|------------|--------------------------------|-----------------------|-----------------------|-------|--------|
| Men | | | | | | |
| White British | 7.7 | 44.4 | 31.8 | 3.2 | 13.0 | 64,466 |
| White Irish | 1.9 | 49.1 | 27.4 | 4.5 | 17.1 | 1,094 |
| White Other | 2.1 | 26.7 | 36.7 | 11.8 | 22.8 | 1,994 |
| Black Caribbean | 0.0 | 47.1 | 32.7 | 2.4 | 17.7 | 452 |
| Black African | 1.0 | 33.2 | 41.5 | 2.1 | 22.3 | 386 |
| Indian | 0.2 | 24.7 | 53.7 | 5.1 | 16.4 | 1,711 |
| Pakistani/Bangladeshi | 0.3 | 40.6 | 35.2 | 16.3 | 7.6 | 1,351 |
| Chinese | 0.2 | 9.5 | 21.6 | 60.6 | 8.2 | 464 |
| Other | 0.6 | 31.4 | 36.1 | 11.4 | 20.6 | 1,075 |
| All | 6.9 | 43.0 | 32.5 | 4.2 | 13.4 | 72,993 |
| Women | | | | | | |
| White British | 5.0 | 12.8 | 32.3 | 8.2 | 41.8 | 22,554 |
| White Irish | 1.8 | 13.4 | 31.3 | 8.4 | 45.1 | 335 |
| White Other | 2.0 | 11.6 | 37.4 | 7.0 | 42.0 | 1,166 |
| Black Caribbean | 0.0 | 8.1 | 25.7 | 1.5 | 64.7 | 136 |
| Black African | 0.0 | 14.5 | 38.5 | 2.6 | 44.4 | 117 |
| Indian | 0.0 | 11.9 | 58.4 | 5.0 | 24.8 | 666 |
| Pakistani/Bangladeshi | 0.0 | 12.2 | 54.6 | 7.3 | 25.9 | 205 |
| Chinese | 0.7 | 4.3 | 21.8 | 59.6 | 13.6 | 280 |
| Other | 1.2 | 9.9 | 36.9 | 11.0 | 41.1 | 426 |
| All | 4.5 | 12.5 | 33.1 | 8.6 | 41.1 | 25,885 |

Notes:

1. For men aged 16-64 and women aged 16-59 in Great Britain who are self-employed, excluding full time students.
2. 'Extractive' includes agriculture, hunting, fishing, mining and quarrying; 'Manufacturing/Construction/Transport' includes manufacturing, electricity, gas and water, construction, transportation and storage; 'Wholesale and retail' includes wholesale, retail, real estate, renting; 'Hotel/Restaurant' is a single category; and 'Other' includes financial intermediary, public administration, education, health and social services, other community work, private household work and extra-territorial work. Only 0.02% of the sample members are in the category of 'not-classifiable' who are dropped from the analysis.

Source: The 2001 3% SAR (Samples of Anonymised Records from the 2001 Census).

Table 7 Mean hours worked per week by ethnicity

| | All employees | All self-employed (SE) | All SE with employees | All SE without employees | All SE in Prof /Mgr jobs | All SE in non-Prof /Mgr jobs |
|-----------------------|---------------|------------------------|-----------------------|--------------------------|--------------------------|------------------------------|
| Men | | | | | | |
| White British | 41.8 | 45.9 | 50.1 | 43.5 | 43.6 | 46.6 |
| White Irish | 43.1 | 46.7 | 49.9 | 44.7 | 45.2 | 47.3 |
| White Other | 42.7 | 45.1 | 49.8 | 42.1 | 42.7 | 46.5 |
| Black Caribbean | 39.4 | 42.9 | 44.7 | 42.1 | 44.7 | 42.4 |
| Black African | 37.7 | 42.8 | 45.6 | 40.9 | 42.7 | 42.9 |
| Indian | 39.9 | 50.0 | 51.8 | 48.1 | 45.9 | 51.8 |
| Pakistani/Bangladeshi | 36.1 | 43.3 | 45.6 | 40.9 | 42.4 | 43.6 |
| Chinese | 38.9 | 48.5 | 50.5 | 44.0 | 43.1 | 49.5 |
| Other | 39.4 | 44.1 | 47.4 | 41.2 | 41.0 | 45.5 |
| All | 41.6 | 45.9 | 50.0 | 43.5 | 43.6 | 46.6 |
| Women | | | | | | |
| White British | 31.2 | 33.7 | 39.4 | 30.8 | 31.4 | 34.6 |
| White Irish | 33.5 | 35.1 | 40.2 | 32.2 | 35.7 | 34.7 |
| White Other | 35.1 | 33.5 | 37.9 | 31.6 | 32.5 | 34.2 |
| Black Caribbean | 33.6 | 35.0 | 38.3 | 32.8 | 33.9 | 35.6 |
| Black African | 33.1 | 33.9 | 36.2 | 32.5 | 35.5 | 32.9 |
| Indian | 33.2 | 42.9 | 45.1 | 40.5 | 37.7 | 44.9 |
| Pakistani/Bangladeshi | 29.9 | 33.8 | 36.4 | 30.6 | 32.5 | 34.2 |
| Chinese | 33.8 | 43.2 | 46.6 | 37.4 | 37.0 | 44.1 |
| Other | 32.9 | 34.4 | 40.1 | 30.9 | 32.9 | 35.1 |
| All | 31.4 | 34.1 | 39.6 | 31.1 | 31.8 | 35.0 |

Notes:

1. For men aged 16-64 and women aged 16-59 in Great Britain, excluding full time students.

Source: The 2001 3% SAR (Samples of Anonymised Records from the 2001 Census).

Table 8 Logistic regression models on self-employment

| | Men | | | Women | | |
|-------------------------|-------------------|------------------------------|----------------------------|-------------------|------------------------------|----------------------------|
| | All self-employed | Self-employed with employees | Self-employed no employees | All self-employed | Self-employed with employees | Self-employed no employees |
| Ethnicity | | | | | | |
| White British (ref) | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| White Irish | 0.97 | 0.98 | 0.98 | 0.86* | 1.01 | 0.79** |
| White Other | 0.86*** | 0.85*** | 0.88** | 1.01 | 1.04 | 0.99 |
| Black Caribbean | 0.52*** | 0.53*** | 0.54*** | 0.36*** | 0.57*** | 0.29*** |
| Black African | 0.55*** | 0.59*** | 0.57*** | 0.35*** | 0.53*** | 0.30*** |
| Indian | 0.96 | 1.12 | 0.85* | 0.97 | 1.25 | 0.82 |
| Pakistani/Bangladeshi | 1.01 | 1.07 | 0.98 | 0.49*** | 0.66** | 0.37*** |
| Chinese | 1.54*** | 3.02*** | 0.70*** | 1.78*** | 3.90*** | 0.87 |
| Other | 0.68*** | 0.87* | 0.60*** | 0.64*** | 0.77** | 0.59*** |
| Religion | | | | | | |
| Christian (ref) | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Buddhist | 1.12 | 0.78* | 1.39*** | 1.41*** | 1.19 | 1.53*** |
| Hindu | 1.18** | 1.39*** | 0.99 | 1.36*** | 1.74*** | 1.11 |
| Jewish | 2.61*** | 3.01*** | 1.94*** | 2.39*** | 2.10*** | 2.37*** |
| Muslim | 1.08 | 1.32*** | 0.89* | 0.85* | 1.13 | 0.69*** |
| Sikh | 1.29*** | 1.49*** | 1.10 | 1.09 | 1.45* | 0.81 |
| Other | 0.91** | 0.73*** | 1.04 | 1.35*** | 1.08 | 1.47*** |
| None/Not Stated | 0.97** | 0.81*** | 1.08*** | 0.98 | 0.87*** | 1.04 |
| Region | | | | | | |
| North East (ref) | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| North West | 1.35*** | 1.22*** | 1.40*** | 1.25*** | 1.08 | 1.39*** |
| Yorkshire & Humber | 1.40*** | 1.26*** | 1.46*** | 1.38*** | 1.21** | 1.51*** |
| East Midlands | 1.44*** | 1.27*** | 1.52*** | 1.43*** | 1.20** | 1.60*** |
| West Midlands | 1.44*** | 1.25*** | 1.53*** | 1.32*** | 1.01 | 1.57*** |
| East of England | 1.81*** | 1.43*** | 1.99*** | 1.58*** | 1.06 | 2.00*** |
| South East | 1.84*** | 1.41*** | 2.06*** | 1.69*** | 1.12 | 2.15*** |
| South West | 1.94*** | 1.52*** | 2.13*** | 1.96*** | 1.43*** | 2.36*** |
| Inner London | 1.74*** | 1.13* | 2.11** | 2.02*** | 0.94 | 2.95** |
| Outer London | 1.83*** | 1.23*** | 2.22*** | 1.36*** | 0.77*** | 1.89*** |
| Scotland | 1.30*** | 1.31*** | 1.27*** | 1.21*** | 1.12 | 1.29*** |
| Wales | 1.53*** | 1.33*** | 1.61*** | 1.38*** | 1.17* | 1.55*** |
| Country of birth | | | | | | |
| UK born (ref) | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Foreign born | 1.22*** | 1.38*** | 1.09*** | 1.25*** | 1.29*** | 1.21*** |
| South West | | | | | | |
| Education | | | | | | |
| Primary/none (ref) | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Intermediate | 0.85*** | 0.97 | 0.80*** | 1.22*** | 1.10*** | 1.28*** |
| Degree+ | 0.94*** | 1.20*** | 0.80*** | 1.63*** | 1.36*** | 1.76*** |
| N | 487,799 | 487,799 | 487,799 | 478,550 | 478,550 | 478,550 |

Notes

1. * p<0.05, ** p<0.01, *** p<0.001 (same below in modelling tables).

Source: The 2001 3% SAR (Samples of Anonymised Records from the 2001 Census).

Table 9 Perceptions of using financial organisations as a member of the public (% answering 'I would be treated worse than other races')

| | Bank/building society | | Insurance company | |
|-----------------------|-----------------------|-------------|-------------------|------|
| | All | SE | All | SE |
| Ethnicity | | | | |
| White British (ref) | 1.4 | 1.2 | 1.7 | 1.2 |
| White Irish | 2.6 | 0.0 | 5.3 | 0.0 |
| White Other | 7.4 | 2.3 | 5.8 | 4.7 |
| Black Caribbean | 8.9 | 8.2 | 5.5 | 6.1 |
| Black African | 12.4 | <i>13.9</i> | 9.9 | 3.1 |
| Indian | 3.0 | 7.8 | 4.1 | 7.4 |
| Pakistani/Bangladeshi | 2.7 | 1.2 | 4.7 | 3.9 |
| Chinese | 4.5 | 2.1 | 7.1 | 10.5 |
| Other | 5.0 | 2.0 | 7.3 | 9.1 |
| All | 1.9 | 1.5 | 2.2 | 1.6 |
| Religion | | | | |
| Christian (ref) | 2.0 | 0.9 | 2.1 | 0.7 |
| Buddhist | 3.4 | 0.9 | 3.6 | 3.9 |
| Hindu | 1.3 | 2.1 | 3.5 | 1.9 |
| Jewish | 2.4 | 9.6 | 3.0 | 12.1 |
| Muslim | 3.2 | 0.9 | 6.6 | 5.9 |
| Sikh | 5.6 | 22.8 | 5.5 | 21.1 |
| Other | 1.9 | 1.9 | 2.5 | 0.0 |
| None/Not Stated | 1.3 | 2.2 | 1.9 | 3.6 |
| All | 1.9 | 1.5 | 2.2 | 1.6 |

Notes

1. For men aged 16-64 and women aged 16-59 and resident in England and Wales at the time of interview.
2. The question refers to R4 in Home Office Citizenship Survey of 2001. Details of the survey, including the questionnaire, coding and weighting schemes, can be found at <http://www.data-archive.ac.uk/doc/4754/mrdoc/pdf/4754userguide1.pdf>. This question is found at p. 171 of the document.
3. The data under the column All refer to the percentage of respondents in the particular ethnic/faith groups who thought that they would be treated worse than others in using the services as a member of the public whereas data under SE refer to the percentages in the groups who were in self-employment. Italicised data should be treated with caution as the marginal totals are less than 30.
4. Weighted data are used.

Source: The Home Office Citizenship Surveys of 2001.

Table 10 Perceptions of *more racial prejudice* (%) as compared with 5 years ago or in 5 years' time by ethnic/faith groups in general and those in self-employment

| | 2001 | | | | 2005 | | | |
|------------------|------------------|-------------|---------------|-------------|------------------|-------------|---------------|-------------|
| | Versus 5 yrs ago | | In 5 yrs time | | Versus 5 yrs ago | | In 5 yrs time | |
| | All | SE | All | SE | All | SE | All | SE |
| Ethnicity | | | | | | | | |
| White British | 41.1 | 43.5 | 41.8 | 46.5 | 51.3 | 57.4 | 42.3 | 48.9 |
| White Irish | 42.0 | 52.5 | 41.8 | 52.5 | 59.3 | 44.3 | 44.8 | 78.3 |
| White Other | 35.4 | 42.3 | 35.8 | 33.5 | 53.1 | 56.2 | 28.6 | 11.1 |
| Black Caribb | 27.3 | 39.8 | 30.2 | 25.1 | 27.9 | 32.2 | 30.7 | 34.8 |
| Black African | 20.8 | 19.2 | 20.1 | 15.4 | 22.2 | 29.9 | 15.6 | 26.9 |
| Indian | 30.9 | 34.4 | 31.9 | 39.3 | 40.5 | 44.1 | 28.2 | 38.3 |
| Pakistani/Bang | 36.9 | 33.7 | 33.2 | 32.5 | 43.1 | 45.3 | 35.2 | 31.5 |
| Chinese | 15.6 | <i>16.8</i> | 18.0 | <i>9.1</i> | 39.0 | <i>52.0</i> | 16.9 | <i>16.0</i> |
| Other | 31.0 | 29.7 | 29.9 | 33.2 | 35.9 | 41.8 | 28.4 | 30.9 |
| All | 40.2 | 42.8 | 40.8 | 45.0 | 50.3 | 56.2 | 40.5 | 45.7 |
| Religion | | | | | | | | |
| Christian | 43.5 | 47.4 | 43.8 | 49.9 | 50.8 | 56.8 | 42.2 | 49.3 |
| Buddhist | 34.8 | <i>37.6</i> | 15.1 | <i>11.3</i> | 48.4 | <i>72.0</i> | 33.7 | 22.3 |
| Hindu | 28.4 | 30.8 | 27.7 | 37.5 | 34.0 | 26.5 | 25.7 | 30.4 |
| Jewish | 22.2 | <i>30.4</i> | 25.4 | <i>30.4</i> | 62.5 | <i>31.5</i> | 40.3 | 36.3 |
| Muslim | 33.4 | 28.1 | 31.0 | 28.1 | 44.5 | 45.9 | 30.6 | 23.9 |
| Sikh | 36.1 | 49.7 | 40.0 | 50.7 | 41.6 | 62.6 | 32.6 | 43.5 |
| Other | 30.4 | 35.2 | 29.8 | 33.0 | 57.7 | 50.6 | 44.4 | 39.5 |
| None/N Stated | 33.5 | 33.0 | 35.8 | 36.6 | 49.1 | 59.5 | 36.4 | 38.3 |
| All | 40.2 | 42.8 | 40.8 | 45.0 | 50.3 | 56.2 | 40.5 | 45.7 |

Notes

1. For men aged 16-64 and women aged 16-59 and resident in England and Wales at the time of interview.
2. The questions refer to R1 and R2 in Home Office Citizenship Survey of 2001, and Rprej1 and Rprej2 in Home Office Citizenship Survey of 2005, available at <http://www.data-archive.ac.uk/doc/4754/mrdoc/pdf/4754userguide1.pdf>, p. 171; and <http://www.data-archive.ac.uk/doc/5367/mrdoc/pdf/5367userguide.pdf> p. 164 and p. 166 respectively.
3. The data under the column All refer to the percentage of respondents in the particular ethnic/faith groups who thought that there was more racial prejudice in Britain today than 5 years ago, or there would be more racial prejudice in 5 years time. The figures under the column SE refer to the percentages in the groups who were in self-employment. Italicised data should be treated with caution as the marginal totals are less than 30.
4. Weighted data are used in both datasets.

Source: The Home Office Citizenship Surveys of 2001 and 2005.

Table 11 Logistic regression models on more racial prejudice as compared with 5 years ago or in 5 years' time by ethnic/faith groups

| | 2001 | | 2005 | |
|---------------------------|-----------------------|----------------------|-----------------------|----------------------|
| | More than 5 years ago | more in 5 years time | More than 5 years ago | more in 5 years time |
| Ethnicity | | | | |
| White British (ref) | 1.00 | 1.00 | 1.00 | 1.00 |
| White Irish | 0.99 | 0.97 | 1.16 | 0.97 |
| White Other | 0.81 | 0.79 | 0.65** | 0.58*** |
| Black Caribbean | 0.46*** | 0.53*** | 0.35*** | 0.58*** |
| Black African | 0.32*** | 0.31*** | 0.21*** | 0.24*** |
| Indian | 0.57** | 0.55** | 0.50*** | 0.47*** |
| Pakistani/Bangladeshi | 0.95 | 0.86 | 0.64*** | 1.11 |
| Chinese | 0.29*** | 0.41** | 0.43** | 0.36** |
| Other | 0.67*** | 0.65*** | 0.46** | 0.61** |
| Religion | | | | |
| Christian (ref) | 1.00 | 1.00 | 1.00 | 1.00 |
| Buddhist | 0.84 | 0.26** | 1.41 | 1.21 |
| Hindu | 0.81 | 0.79 | 0.75 | 0.99 |
| Jewish | 0.39 | 0.46 | 1.29 | 0.99 |
| Muslim | 0.66* | 0.61** | 0.91 | 0.55* |
| Sikh | 1.14 | 1.42 | 1.31 | 1.41 |
| Other | 0.57** | 0.53*** | 1.20 | 1.18 |
| None/Not Stated | 0.66*** | 0.71*** | 0.89 | 0.75*** |
| Sex | | | | |
| Men (ref) | 1.00 | 1.00 | 1.00 | 1.00 |
| Women | 1.12* | 0.86** | 1.14* | 0.78*** |
| Employment status | | | | |
| Not self-employed (ref) | 1.00 | 1.00 | 1.00 | 1.00 |
| Self-employed | 1.21* | 1.23* | 1.27** | 1.23* |
| Local deprivation | | | | |
| | 1.01*** | 1.01*** | 1.01*** | 1.01*** |
| Muslims from India | | | | |
| | 1.42 | 1.84* | 1.63 | 1.58 |
| N | 12,043 | 12,043 | 9,686 | 9,686 |

Notes

1. Local deprivation refers to the variable [acorn] denoting a combination of socio-economic deprivation and ethnic diversity in the local area. For instance, the first category refers to 'wealthy suburbs, large detached houses' and the last category to 'multi-ethnic, high unemployment, over-crowding houses'. There are 55 categories in the HOCS2001 and 57 categories in HOCS2005 acorn variables. The 'unclassified' are dropped from analysis, with Ns = 53 and 34 respectively.

Source: The Home Office Citizenship Surveys of 2001 and 2005.

Figure 5 A schematic framework of researching minority ethnic entrepreneurship

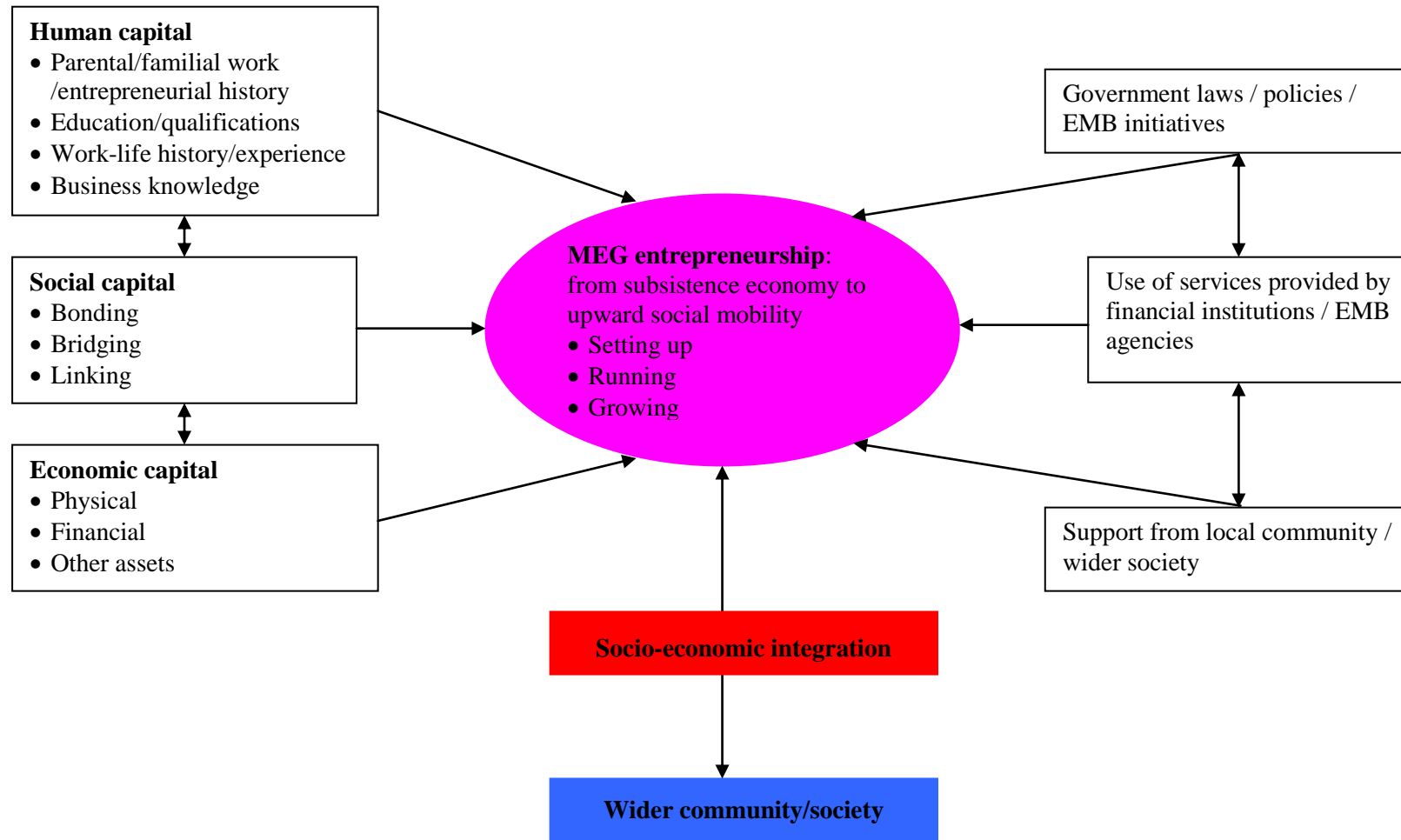


Figure 6 An example of the Position Generator instrument for social network research

| Of your relatives, friends and social associates, is there anyone who has the jobs listed below? What is your relationship to them? What is his/her ethnicity if not the same as yours? Does he or she give you help or advice? | | | | | | | |
|---|---|---|--|---|--|-------------------------------------|---|
| Occupation | Do you know people who have this job? Please answer all that applies. | What is his or her relationship to you? (Show card) | Is he or she of the same ethnicity as you? If not, what is his or her ethnicity? (Show card) | If you need help or advice in setting up or running your business, will you turn to him/her for help? | Do you sometimes talk with him or her about your business plans/worries? | How long have you known each other? | If you need a large sum of money, will you turn to him or her for help? |
| 1. Solicitor 2. Bank/building society manager 3. Accountant 4. Business person 5. Insurance manager 6. Gov business advisor 7. Sales manager 8. University lecturer 9. Real estate agent 10. Hotelier 11. Restaurant owner 12. Someone running a take-away 13. Pharmacist 14. Taxi driver 15. Retailer (shop or news agent) | | | | | | | |

Note: The original example of the instrument is found in Lin, 2000: p 124, Appendix 7.2.