Ethnic Minority Business in the UK: A Review of Research and Policy Developments

A report prepared for emda

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Paper 1

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Summary

In recent years, there have been important academic and policy-related developments in the field of ethnic minority entrepreneurship in the UK. It is a subject marked by increasing theoretical sophistication and activity on the part of policy-makers and practitioners. This paper investigates the principal theoretical and policy developments in UK research and identifies issues for future investigation. It is presented in three sections.

The first section charts the major advances in conceptualising ethnic minority entrepreneurship. Attention is drawn to the contribution and limitations of approaches that emphasise ‘ethnic culture’ and community-specific ‘resources’. Key drawbacks include the tendency towards cultural determinism and a neglect of the context that shapes ethnic minority entrepreneurship. A ‘mixed embeddedness’ perspective, which recognises the economic, political and social context of ethnic minority businesses, holds greater promise.

The increasing activity in the policy arena is the focus of the second section. Although the number of initiatives directed at ethnic minority businesses is growing, their effectiveness in promoting ‘upward mobility’ is still open to question. Further attention needs to be accorded to the rationale and ultimate beneficiaries of such measures.

An agenda for future research is set out in the final section. It stresses the importance of locating ethnic minority entrepreneurship in its political and economic context and the necessity of drawing on a wider range of disciplines to study the phenomenon. New topics for research are identified, including the social contribution of ethnic minority entrepreneurship, ethnic minority women in self-employment and ‘new communities’. Finally, the promotion of a ‘policy learning’ culture is recommended.
1.0 Introduction

One manifestation of the contemporary notion of ‘superdiversity’ is the veritable outpouring of articles and edited collections on ‘ethnic minority’ and ‘immigrant’ entrepreneurship. Well-established journals like the *Journal of Ethnic and Migration Studies* (2001) *Entrepreneurship and Regional Development* (2003) and *International Migration Review* (2004) have recently devoted special editions to particular aspects of ethnic minority enterprise. Texts edited by Hilmann *et al.* (2005), Rath (2000; 2002), Kloosterman and Rath (2003) and Stiles and Galbraith (2004) have added to this burgeoning stock of knowledge. Further, current preoccupations with ‘multiculturalism’ (Vertovec, 2001), ‘integration’ (Castles *et al.*, 2002) and the state-sanctioned promotion of entrepreneurship (Armstrong, 2001) will surely prolong the gaze of academics and policy-makers for some time to come. The role of ethnic minorities in business is never far from the surface of these complementary discourses. Despite conceptual advances in US and European-based research, important gaps remain as scholars pursue this rapidly evolving field. Policy and practitioner initiatives multiply but the extent to which they are informed by the developing evidence base is open to question.

This paper assesses key theoretical and policy developments in UK research and presents an agenda for future research on ethnic minority enterprise. Its objectives are threefold. First, the theoretical journey from a largely-US inspired ‘ethnic resources’ model to the recent European perspective of mixed embeddedness is charted. The latter approach is increasingly influential in the UK, as evidenced by recent studies of ethnic minority businesses (EMBs) and employment relations (Edwards and Ram, 2006), the informal economy (Jones *et al.*, 2006) and market diversification (Ram *et al.*, 2003). Second, developments in policy relating to EMBs are presented. Such a focus is comparatively rare, despite the importance that is now accorded to the institutional context of ethnic minority enterprise (Rath, 2000). A particular concern here is with the purpose and ultimate beneficiaries of such business support. Finally, an agenda for future research is suggested. This agenda reflects the theoretical importance of the political-economic context in understanding ethnic minority businesses; neglected issues, including ethnic minority women in self-employment and ‘new communities’; and the promotion of a ‘policy learning’ culture.

2.0 The changing academic research agenda

From its inception in the 1980s, UK research on ethnic minority business tended to be heavily preoccupied with explaining the extraordinarily prominent business presence of ethnic communities originating in the Indian sub-continent. Even at a time of generally rapid self-employment growth, South Asian rates stood out far above the national average (Curran and Burrows, 1988), presenting a paradox of a national entrepreneurial renaissance ostensibly led by racialised and displaced ethnic minorities. (Ward 1986, 1987; Barrett *et al.*, 1996; Ram and Jones, 1998 for reviews). However, apparent weakness can turn out to be strength and according to American pioneers in EMB research, migrancy is historically correlated with inordinately high levels of entrepreneurial self-employment, both in the USA (Light, 1972; 1984) and elsewhere (Bonacich and Modell, 1980).
In the first instance, this can be attributed to the powerful communal solidarity characteristic of diasporic communities isolated in an alien new society. This is argued to be a source of entrepreneurial resources – pooled capital, cheap flexible labour, loyal customers – which are available only to group insiders by virtue of their shared identity. At the time, these privileged assets, available only to fellow-members of a social network, were known specifically on ethnic resources (Light and Bonacich, 1988; Waldinger, 1990), emphasising the importance of diasporic cultural identity as a basis for such resource mobilization networks. Originally, this ethnic resources model was applied to USA-based ethnic minority communities like Chinese and Japanese (Light, 1972; Bonacich and Modell, 1980), whose prominent presence in labour-intensive sectors like retailing, catering and clothing manufacture was seen to be connected to a superior availability (compared to other groups) of family and co-ethnic workers. Alongside this, these authors note the importance of what Light and Bonacich (1988) have called ‘acculturation lag’ – the retention of traditionalist values from the heritage culture. Often prominent here, of course, is the patriarchal extended kinship network, a traditional institution virtually designed as a means of delivering low–cost, dedicated and flexible labour power to the family-owned firm, especially advantageous in a modern society where such relationships are presumed to have withered away among the mainstream population. (See Ram and Jones’, 2002, review of the contemporary literature on the ethnic minority family).

Not unexpectedly, this ethnic resources logic was seen as closely applicable to British Asian business, with writers like Werbner (1980, 1984) noting the way that the rapidly proliferating Pakistani enterprise economy was underpinned by a) insider networks of exchange lubricated by the trust that comes from shared ethnicity; b) traditionalist family values, a built-in expectation that all members should contribute to the family business; c) religious values supportive of an entrepreneurial ethos of self-reliance, thrift, self-sacrifice and, above all, industriousness. Similar logic has also been applied to Punjabi Sikh (Helweg, 1986) and Gujerati Hindu (Lyon, 1973) entrepreneurialism and the general impression created is of South Asians as the very embodiment of the 1980s enterprise culture, with an inherent 'predilection' for business (Patel, 1991). Right through to the early 1990s, these claims were seemingly verified by remarkably high levels of self-employment, with Modood and Berthoud (1997) recording no less than one third of South Asian economically active males as self-employed. Occasionally, too, other highly self-employed minorities such as Chinese (Watson, 1977) and Turkish (Ladbury, 1984) were similarly noted but these entrepreneurial communities generally attracted scant attention from researchers.

At the same time curiosity was further whetted by the visible failure of certain other immigrant minorities to follow suit and the early research literature contains numerous lamentations on the paucity of Black Caribbean and African enterprise (Brooks, 1983; Kazuka, 1980). This perception of an enterprise gap between the two immigrant-origin populations was very much in tune with the notion propounded by influential commentators such as Patterson (1969), that Asians were destined for a ‘Jewish future’ via business and the professions, whereas African Caribbeans were on course for a decidedly working class ‘Irish future’. Following Rex’s (1982) argument that a history of slavery had destroyed African-Caribbean cultural heritage, writers tended to focus on a supposed absence of internal sources of capital, family labour, preferential custom and other ethnic resources (Soar, 1991; Ward, 1987). As we note
in the next section, this alleged entrepreneurial under-development was forced on to the public policy stage by the 1981 Brixton civil disorders and Scarman’s recommendation that enterprise be vigorously promoted as socio-economic salvation for under-employed, alienated African-Caribbeans (Scarman, 1986).

While its imaginative counter-intuitive approach is highly enlightening, this ethnic resources model has never held unchallenged sway. On the contrary, it has given rise to much disquiet on account of the divisive value-judgements and stereotypes implicit in its contrasting portrayals of Asians and African Caribbeans (Jones and McEvoy, 1986; Miles, 1982). Beyond this, there are two further objections, which we shall call a) the fallacy of ethnic exceptionalism and b) the absence of context. These have continued to occupy a central place in EMB debates right up to the present.

2.1 Ethnic exceptionalism

Many of the values and behaviour patterns presented as essentially and specifically products of South Asian ethnic cultures are actually better seen as products of a small business class culture (Bechofer and Elliott, 1978; Mulholland, 1997), shaped by the often onerous material demands of the occupation and having little to do with the ethnic identity of the entrepreneurs. Thus to take one example, Asian shopkeepers work far longer hours than white retailers but this is better explained with reference to their concentration in long hours trades like food retailing or newsagent stores rather than to some culturally sanctioned love of toil (Jones et al., 1994a). Tellingly, Asian retailers in relatively short hours trades like pharmacy work relatively short hours just like anyone else in their position (Jones et al. 1994a). From a narrower technical perspective, all of this also underlines the need to compare EMB alongside mainstream white-owned businesses, a method which demonstrates that class culture often trumps ethnic culture in influencing outcomes (Mulholland, 1997).

In a positive vein, it is interesting to note significant academic progress on this front with the recent adoption in EMBS studies of the concept of social capital (Barbieri, 2003; Flap et al., 2000). Representing an advance in thinking on several fronts, this concept recognises that enterprise is not, as postulated in traditional micro-economics, a process that takes place in some hermetically sealed ‘economic’ sphere but is decisively grounded in social relations. Networks of trusted individuals are the source of an array of resources, from concrete provisions like loans or work contributions to intangible but vital assets like information-sharing, recognition and role-modelling. Because exchanges are face-to-face, informal and based on trust rather than contracts or any other official legalistic arrangement, they are much more flexible and streamlined. This is of particular value in underlining that social capital is a universal rather than a particularistic ethnic institution.

Certainly, there are grounds for arguing that some ethnic minority communities like Asians in Britain can perhaps boast denser social networks than those of the mainstream population (Janjuha-Jivraj, 2003), as for example with Werbner’s (1999, 560) Pakistani clothing trade grounded in ‘extensive credit relations between traders’ resting on ‘a certain level of trust’. Even so, it seems appropriate to present ethnic social capital as a version of a universal theme (Ram and Jones forthcoming, Ram et al., 2000) rather than some kind of exotic phenomenon in its own right requiring an entirely separate mode of analysis. Even so, ethnic exceptionalism continues to
display remarkable resilience, as with Basu and Altinay’s (2002:373) feeling that ‘some ethnic groups may have a cultural propensity towards entrepreneurship’. Elsewhere, this is tempered by a recognition that ethnicity ‘does not completely determine’ outcomes (Basu and Altinay 2003:31), in itself evidence of movement on this front.

Evidently then, in relation to entrepreneurship, ethnicity is much more contingent than formerly recognised. Moreover, it is also a great deal more fluid, with the very notion of ethnic identity itself coming under increasing scrutiny (Hall, 1996; Gunaratnam, 2003). At the simplest level, there is a continual fraying of inter-group boundaries through inter-marriage and co-habitation. Numerous commentators are also pressing the idea of multiple identity, with ethnicity functioning as simply one dimension among many – gender, age, generation, sexuality, occupation, lifestyle – of the facets of selfhood (Gunaratnam, 2003; Modood and Berthoud, 1997). As Ram et al. (2006) have found, this complexity is now reflected in an increasing unwillingness among younger business owners to be ethnically pigeon-holed by the enterprise support system.

Closely related to all this, there is also evidence to support a view of EMB itself as a largely transitional state, part of the lengthy and arduous process of immigrant insertion into the adopted society, rather than a destination in its own right. Such a model has certainly been convincingly applied to the socio-economic trajectory of long-established entrepreneurial communities like the Chinese and Japanese in California, where Bonacich and Modell (1980) identify their entrepreneurial phase as effectively a launching pad into professional upward mobility for succeeding generations. Here the logic is that self-employment is initially necessary to counter labour market exclusion and the disadvantages of migrant displacement but becomes increasingly relevant as the group’s labour market position becomes ‘normalised’. This notion of EMB as more of an immigrant than an ethnic condition is supported in the UK by 2001 Census data showing both Indian and Chinese self-employment rates in decline (Mascarenhas-Keyes, 2006; McEvoy and Hafeez, 2006). When coupled with occupational and educational qualification data, this may suggest the beginnings of a trend similar to that of the Californian minorities (Jones and Ram, 2003).

2.2 External Context

Critics of the ethno-cultural approach have also expressed concern at its down-playing of the political-economic context in which EMB must operate, the external world of markets and other key institutions and actors (Aldrich et al., 1984; Jones and McEvoy, 1986; Jones et al., 1989; 1992; Nowikowski, 1984; Ram, 1992; 1994; Virdee, 2006). In a variety of ways, such accounts illustrate that the relative autonomy of ethnic minority entrepreneurs and their social capital is heavily, if not conclusively, constrained by such over-arching capitalist forces. Some progress towards rapprochement between opposed schools was achieved by Waldinger’s (1990) interactionist model, which presents EMB outcomes as resulting from an interplay between internal ethnic resources and the surrounding commercial environment or opportunity structure.

Even here however, there is further dispute over whether the late capitalist opportunity structure is positive or negative for EMBS. On the one hand, there are
strong grounds to believe that post-industrial urbanism with its hiving off of manufacturing and its unprecedented demand for personal services is a fertile environment for small enterprise of all kinds, EMBS in particular (Boissevain, 1984; Sassen, 1991; Ward, 1987; 1991). Such beliefs certainly seemed to set the tone for much British research of the 1980s, a welter of policy-driven projects sponsored by central and local government and enterprise agencies (CETA, 1987; McGoldrick and Reeve, 1989; Rafiq, 1985; Soni et al., 1987, Creed and Ward, 1987). Almost without exception these studies rested on uncritical assumptions about business ownership as the best available means of promoting enrichment, empowerment and social mobility among ethnic minority communities. Despite evidence to the contrary in both the US (Bates, 1997; Herring, 2004) and the UK (Blackburn and Ram, 2006; Virdee, 2006), this belief has proven to be remarkable resilient.

Against this, there is an accumulation of research evidence that key elements of the opportunity structure are systemically unfavorable. Several critical commentators have drawn attention to the problematic structural position of all small firms (irrespective of ethnicity) in markets dominated before by large corporate competitors (Rainnie, 1989; Barrett and Rainnie, 2002). Such general structural disadvantage is exacerbated by a host of obstacles that apply with a particular force to EMBS (Jones et al., 1992; Ram and Jones, 1998). Prominent here are barriers to obtaining credit, with numerous studies documenting the problems experienced by EMB owners in raising commercial loans and other forms of credit from the high street banks (Alexander-Moore, 1991; Barrett, 1999; Jones et al., 1989; 1994b; Ram et al., 2002; Ward and Reeves, 1980). The lack of financial capital – whether for start-up, working or expansion - is clearly one of EMBS’ most consistent and crucial handicaps, far outweighing any alleged advantages derived from ethnic social capital. In addition to capital constraints, there is also evidence of barriers to EMBS obtaining proper insurance cover (Patel, 1988) and of customer resistance on the part of whites (Jones et al., 1989, 1994a). Indeed, this often spills over beyond mere resistance into the realms of violence and criminality, with Chinese takeaway operators (Parker, 1994), South Asian restaurant staff (Jones et al., 1989; Ram et al., 2000) and Pakistani taxi drivers (Kalra, 2000) cited as especially vulnerable (see Ram and Jones, forthcoming, for a summary).

Powerfully reinforcing this, it should be noted that the period under review was one of deindustrialisation, rising unemployment and depressed local economies. Generally the hardest hit sectors were the very ones to which Asian and Caribbean migrants had been recruited (Brah, 1995; Virdee, 2006), creating a veritable reserve army of displaced ethnic minority workers turning to self-employment as an escape from the dole queue (Barrett et al., 1996). In Virdee’s (2006: 609-10) view, the rise of Asian business ownership ‘ought not to be viewed as an indication of economic advancement … but rather interpreted as working class accommodation to the ravages of a neo-liberal modernity’. Consequently, many EMBS have arisen from necessity rather than the positive choice assumed by culturalist writers and are thus disadvantaged from the very outset. The picture is one of extremely low earnings for long hours of work (Jones et al., 1994a) and an over-concentration in low order and often declining sectors like corner shop retailing. Further underlining the regressive nature of much Asian self-employment is the finding that 40 per cent of self-employed Pakistani males are taxi drivers, obliged to operate ‘for low wages under
constant threat of racist violence’ (Virdee, 2006: 611), not to mention the unspeakably unsocial hours (Kalra, 2000).

2.3 Mixed Embeddedness

More recently, fresh light has been cast on the interactionist model by international comparative research (see contributors to Rath, 2000, and Kloosterman and Rath, 2003). This has thrown up the notion of mixed embeddedness (Kloosterman et al., 2003) which continues to view EMBs as grounded in their own social capital but crucially shaped by a wider political economy in which a key element is the state regulatory regime (Esping Andersen, 1990). In practice, this perspective has proved helpful in explaining contrasts between the neo-liberal deregulated Anglo-Saxon countries of Britain and North America, with their rapidly multiplying swarms of firms and the highly regulated regimes of mainland western Europe, where EMB development is comparatively stunted, apparently stifled by restrictive immigration, labour and other legislation. Though this marks an emphatic and welcome further shift away from cultural determinism, its implied applause for deregulated capitalism stands in need of qualification. In their contribution to Kloosterman and Rath’s (2003) collection, Barrett et al. insist that while such a regime certainly favours vast quantities of EMBS, the quality of much of this, as demonstrated above, leaves much to be desired. Indeed these authors point out that specific acts of deregulation in the UK have had a deleterious impact on EMBs, one potent example being the lifting of restrictions on shop opening hours, to the huge advantage of the already dominant supermarket oligarchy and the further detriment of the thousands of small Asian-owned groceries and newsagents.

Springing out of this focus on state regulatory regimes is a growing concern with very high levels of regulatory evasion, with the informal (invisible, underground, undeclared) economy accounting for up to 7 per cent of GDP in some Western European countries (Williams, 2006). While this figure is lower in the UK, it is clear that many of UK EMBs are in breach of such regulations as the National Minimum Wage (NMW). As Jones et al. (2006) show from their studies of Asian-owned firms in hyper-competitive sectors like catering and clothing, where existence is precarious and returns can be dismally low, owners justify sub-NMW wage payments as a necessary means of cost-cutting. Coupled with this, owners are also faced with the unwillingness of young British-born Asians to work for such wages and conditions, a recruitment crisis in which illegal immigrant workers become an ever more attractive option (Jones et al., 2004). These authors are keen to stress that this is a highly morally ambiguous area in which even the state itself is torn between the need to eradicate such extra-legal practices and the need to preserve jobs and the cut-price goods and services created by the informal sector (Jones et al. 2004; 2006). Given that official policy is now shifting towards bringing these firms into the formal economy (Williams, 2006), there is potentially a constructive role for the business support community.

Shifting now to the opposite end of the spectrum, we note growing evidence that EMBs are beginning to move into higher value sectors and activities (Barclays Bank, 2005; LDA, 2005; Ram et al., 2003). As observed by various writers, the EMB
economy in Britain is very much a two-track affair (Brah 1995; Ram and Smallbone 2002; Ram and Jones, forthcoming; Virdee, 2006); but, promisingly, over the past decade the fast track has become much busier as new firms have begun to penetrate such leading edge sectors as computer manufacture and software design, IT consultancy, private health care, broadcasting, graphic design, financial services and fashion design (Deakins et al., 1997; Ram et al., 2003). Here, instead of working long, entrepreneurs are working smart (Jones et al., 1994a). While South Asians are not unexpectedly prominent here, it is telling that proportionally, Africans and African-Caribbeans appear even better represented in these innovative lines (Ram et al., 2003). Once again, this highlights the need for academics and policy-makers to distinguish between quality and quantity and suggests that would-be entrepreneurs from these communities, far from displaying anti-entrepreneurial, culturally-determined preferences, have simply been less willing to settle for routine labour-intensive entrapment in the stereotypically ‘ethnic’ corners of the economy (Ram and Jones, forthcoming).

Even as we welcome these possible harbingers of a better future for EMBs, we have to recognise that they are still little more than a comparatively small minority of firms. As ever, we need to caution that the rationale of these better rewarded activities depends on the substitution of labour by capital, in the form of financial investment or as human capital i.e. qualifications and expertise. Both these forms of capital are, by their very nature, severely rationed especially for racialised minorities and this is the main reason why even the most recent surveys find the pattern of EMBs still heavily skewed towards marginal labour intensive activities (Mascarenhas-Keyes, 2006; Virdee, 2006).

At the same time, on the human capital front some kind of break-through is clearly occurring and Jones and Ram (2003) argue that impressively high educational qualification levels among Indian and Chinese in particular are beginning to make themselves felt on the enterprise front. Perhaps their most important effect is, as argued in an earlier section, to divert increasing numbers of Asian school-leavers away from business ownership, thus leaving the field less over-crowded for those who do continue to opt for it and shifting the balance away from entrepreneurs of necessity to entrepreneurs of opportunity. Clearly however, this process is lagging in other communities and Mascarenhas-Keyes (2006) draws attention to the continuing problematic condition of much Pakistani business. Moreover, this unevenness is not purely a matter of ethnicity and urgent attention needs to be paid to the issue of self-employment for ethnic minority women (Mascarenhas-Keyes, 2006), whose participation rates are so low as to suggest serious blockages to their free choice and an undoubted waste of human potential.

3.0 Supporting Ethnic Minority Businesses

Publicly funded initiatives to support EMBs have been a feature of the small firm policy agenda since the Brixton disturbances in the early 1980s. As noted in the previous section, Lord Scarman’s report on the implications of this civil unrest identified a key role for the promotion of ‘entrepreneurship’ as a means of tackling disadvantage and maintaining urban social harmony. Commitment to this policy
objective has undoubtedly waxed and waned. The burst of enthusiasm for the revitalising qualities of ethnic minority entrepreneurship led to the establishment of five black-led enterprise agencies in areas of high African-Caribbean population (EMBI, 1991). Within a short space of time these agencies had proliferated and established themselves as a means of facilitating the economic regeneration of those communities disproportionately affected by unemployment. In effect, the encouragement of ethnic minority enterprise had been ‘routinised’, buttressed by years of central and local state funding (Keith, 1995). However, the transient and inherently unstable nature of many of these agencies became manifestly evident in the early 1990s. Without the stimulus of inner-city unrest, government interest appeared to dissipate, prompting one commentator to note, ‘in the market-place of institutional fashions the notion of ‘ethnic enterprise’ is in government circles now about as avant-garde as yesterday’s breakfast’ (Keith, 1995, p.361). In apparent confirmation, a survey of local authorities found that the ‘the outstanding feature ... is the absence [emphasis in original] of policies and facilities targeted at the needs of ethnic minority businesses’ (Thomas and Krishnarayan, 1993:262).

The present government’s agenda to promote ‘enterprise for all’ seems to indicate a swinging of the pendulum. Considerable attention is now being accorded to developing relationships with ethnic minorities that may have been under-represented among Business Link clients in the past. Recent reviews (Blackburn et al., 2006; Deakins et al., 2003; Ram and Smallbone, 2003) of UK business support initiatives aimed at EMBs suggest that there has been a flurry of activity in recent years. Deakins et al., (2003) investigated business support provision for EMBs in five cities: Birmingham, Leicester, London, Glasgow and Edinburgh. Although the authors identified a number of areas for concern, they nonetheless concluded that, ‘The restructuring of the business support system … appears to be associated with a new commitment to the inclusion of all groups of entrepreneurs, including those from ethnic minorities’ (Deakins et al., 2003:856). This has been complemented by considerable growth in the ethnic minority based community organisations; one estimate suggests that there are 5,500 such bodies in England and Wales (cited in Blackburn et al., 2006).

The landscape of support for ethnic minority businesses in the UK has been assessed in some detail in a number of recent studies (Blackburn and Odamtten, 2004; Blackburn et al., 2006; Deakins et al., 2003; Ram and Smallbone, 2002, 2003; Ram and Jones, forthcoming). Overall, a complex and uneven picture emerges in which examples of good practice (reviewed by Ram and Smallbone, 2003) exist within a system that is often characterised by a lack of coherence, instability, and fragmentation. The studies cited above consider these matters to varying degrees but it is worth emphasising and developing two points that are perhaps neglected in these discussions: the rationale for supporting ethnic minority businesses and the ultimate beneficiaries of enterprise policy in this context.

3.1 Rationale

Promoting self-employment in ethnic minority communities has fitted neatly with successive government agendas to tackle disadvantage within inner-city areas
(Keith, 1995) and occupies a prominent position in New Labour’s ostensible commitment to combating social exclusion more broadly (Blackburn and Ram, 2006). However, studies that have examined the actual operation of the ethnic minority-specific enterprise agencies and initiatives often charged with encouraging sustainable self-employment in minority ethnic communities (Deakins et al., 2003; Ram, 1998; Ram et al., 1999; Ram et al., forthcoming) have identified a number of problematic issues. First, despite the rhetoric of enterprise that often accompanies such initiatives, they are probably more effective in achieving ‘social’ objectives than the goals of job generation and business competitiveness (Parker, 2006; Storey, 1994). Ram (1998) and Deakins et al.’s (2003) studies of agencies supporting EMBs showed that they were beset by confusing and conflicting objectives, particularly in relation to social inclusion and competitiveness goals.

Second, how effective is the prescription of self-employment in addressing disadvantage amongst ethnic minority communities? It is undoubtedly the case that entrepreneurship has constituted a very important ladder of opportunity for some ethnic minority groups. For example, Werbner (1984), Gidoomal (1987) and Janjuha-Jivraj (2003) provide telling accounts of the entrepreneurial success in the South Asian community. Min Zhou (2004) returns the compliment in the case of the Chinese in New York and other parts of the USA. However, the ‘motor’ for much of this self-employment is the intensive utilisation (or exploitation) of group specific social capital rather than support from public sector interventions. Furthermore, although some ethnic groups have much higher than average levels of self-employment, this should not be seen as an unqualified indicator of ‘upward mobility’. For instance, evidence indicates that many Asian small business owners are stuck in highly competitive and precarious market niches (notably, lower-order retailing); are under capitalised; work long hours, intensively utilising familial and co-ethnic labour and are struggling to survive in hostile inner-city environments (see Curran and Blackburn, 1993; Ram and Jones, forthcoming, for review of this evidence). Macarenhas-Keyes (2006), drawing on a number government surveys, provides a flavour of the often marginal nature of small enterprise activity undertaken by ethnic minority groups. She reports that ethnic minority sole traders are three times as likely (37%) than non-EMBs (12%) to have a turnover of less than £56k. About a quarter of EMBs have a turnover of less than £25k compared to a tenth of non-EMBs; this is even higher among Pakistani businesses where two fifths have a turnover of less than £25k.

Isn’t there a point to be made here or somewhere else that government interventions should focus not just on getting unrepresented Ems into enterprise (as it is with its specific PSA targets) but this should also take account of the quality of enterprise that they help them to start up/maintain. In other words, it is not just a question of access to enterprise but access to what kind of enterprise? There is a parallel argument in higher education policies of widening participation to HE—it should not just be a question of getting under-represented groups into HE but into institutions and subjects which provide a greater individual return on the investment otherwise inequalities continue to be perpetuated despite attempts to ‘help’ deprived groups.

Finally, it is by no means axiomatic that ethnic minority enterprise agencies and initiatives will necessarily prove attractive to ethnic minority firms. The low propensity of EMBs to utilise ‘mainstream’ business support intermediaries such as Business Link and enterprise agencies is well documented (Deakins et al, 2003;
Fadahunsi et al., 2000). However, it does not necessarily follow that ethnic minority firms will be any more favourably disposed towards dedicated ethnic minority business support agencies. Ram et al.’s (2002) survey of nearly 900 EMBs (and a White control group) confirmed the low level of public sector business support; only 7% of EMBs compared to 11% of White-owned businesses used public or quasi-public agencies for start-up advice.

**TABLE 1 Sources of External Advice at Start-Up (Baseline Survey, 2000)**

<table>
<thead>
<tr>
<th>Source</th>
<th>ACB</th>
<th>Pakistani</th>
<th>Indian</th>
<th>Bangladeshi</th>
<th>Chinese</th>
<th>All EMB</th>
<th>White-owned sample</th>
<th>All firms</th>
</tr>
</thead>
<tbody>
<tr>
<td>Family</td>
<td>16%</td>
<td>8%</td>
<td>9%</td>
<td>16%</td>
<td>53%</td>
<td>20%</td>
<td>7%</td>
<td>17%</td>
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<tr>
<td>Bank</td>
<td>8%</td>
<td>2%</td>
<td>1%</td>
<td>3%</td>
<td>40%</td>
<td>11%</td>
<td>6%</td>
<td>10%</td>
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<tr>
<td>Accountant</td>
<td>10%</td>
<td>2%</td>
<td>1%</td>
<td>2%</td>
<td>23%</td>
<td>7%</td>
<td>12%</td>
<td>10%</td>
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<tr>
<td>Business Link</td>
<td>16%</td>
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<td>4%</td>
<td>5%</td>
<td>9%</td>
<td>6%</td>
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<tr>
<td>Enterprise agency</td>
<td>5%</td>
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<td>1%</td>
<td>2%</td>
<td>2%</td>
<td>2%</td>
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<tr>
<td>Ethnic Bus. Association</td>
<td>5%</td>
<td>1%</td>
<td>1%</td>
<td>1%</td>
<td>12%</td>
<td>4%</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other ethnic Organisation</td>
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<td>1%</td>
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<tr>
<td>Other</td>
<td>6%</td>
<td>1%</td>
<td>1%</td>
<td>1%</td>
<td>2%</td>
<td>2%</td>
<td>4%</td>
<td>3%</td>
</tr>
<tr>
<td>At least one</td>
<td>41%</td>
<td>12%</td>
<td>16%</td>
<td>19%</td>
<td>58%</td>
<td>29%</td>
<td>27%</td>
<td>29%</td>
</tr>
<tr>
<td>No of respondents</td>
<td>174</td>
<td>169</td>
<td>183</td>
<td>129</td>
<td>164</td>
<td>819</td>
<td>246</td>
<td>1065</td>
</tr>
</tbody>
</table>

Notes: (i) % figures are column percentages and refer to all respondents.
(ii) ‘Family’ refers to family & friends; BL refers to Business Link; EA to enterprise agency/trust; EBA refers to ethnic business associations; E/CO to other ethnic or community based organisations.

Tellingly, table 1 illustrates that ethnic business associations and other ethnic and community based organisations were not a major source of start-up advice for EMBs in any group. Consequently, ‘ethnic matching’ approaches to business support are not sufficient in themselves in reaching EMBs (Ram et al., 1999).

This brief assessment of the rationale for supporting EMBs throws into sharp relief the tensions that operate at the intersection of research and policy. Evidence from the US (Bates, 1997; Herring, 2004) and the UK (Blackburn and Ram, 2006; Storey, 1994; Parker, 2006) point to the limited potential of public sector measures to boost self-employment amongst under-represented ethnic minority groups. Yet ‘it is now largely through enterprise ideology that policy makers and their executives apprehend the publics and institutions with which they take it to be their duty to engage’ (Armstrong, 2001:593). Advances in the conceptualization of ethnic minority
entrepreneurship suggest the need for a more integrated approach that recognizes the myriad economic and social relationships in which EMBs are embedded. The de-emphasis of ethnicity that such an approach implies appears at odds with the apparent proliferation of initiatives targeting discrete ethnic minority groups. To be sure, owners of businesses from different ethnic minority groups appear to have little in common with such managerialist interventions (Ram et al., 2006).

3.2 Who benefits?

Despite the caveats entered above, the mushrooming of initiatives in this field have enabled elements of ‘good practice’ to be identified, for example in relation to the monitoring of EMB data; the promotion of sectoral diversity; integrating diversity within mainstream provision and evaluation (Deakins et al., 2003; Ram and Smallbone, 2003). However it is still comparatively rare for these accounts of practice to be complemented by an assessment of the conditions that facilitate or constrain the actual operation of particular initiatives. This, of course, operates with the grain of realist approaches which aim to understand how policy mechanisms operate in different contextual circumstances to change outcomes. ‘Good practice’ in respect of EMB policy cannot simply be reduced to a mechanical set of operations. Rather, to understand ‘what works’ requires an explication of conditions, complexities and character of the context in which the programme is to operate. Policy-makers need to be apprised of the nature of these conditions and how they interact in order to produce particular outcomes. In this way, the ultimate beneficiaries of such initiatives can be identified. Some potentially illuminating examples are set out below.

3.2.1 Engagement

The notion of engagement figures prominently in discourses on enterprise support and EMBs. Although possible elements of engagement strategies have been set out in recent studies (Deakins et al., 2003; Ram and Smallbone, 2003), the dynamics of how the process might operate in practice is rarely considered. Ram et al.’s (forthcoming) study attempted to illuminate just such a process. The researchers were commissioned by a ‘mainstream’ business support provider, referred to as ‘EntSup’ to draw up a business support strategy for ethnic minority firms, paying special attention to improving ‘engagement with the EMB sector’. A variety of methods were utilised, including interviews with Entsup officers and interrogation of its business plan; interviews with intermediaries representing different ethnic minority groups in business; focus groups with business owners from different groups and workshops with different stakeholders to the project.

It transpired that one of the criteria that EntSup was being judged upon was its capacity to attract ethnic minority clients. However, reflecting a wider picture (Deakins et al., 2003), it was hampered by the partial and uneven recording of information on ethnic minority businesses. Furthermore, initiatives targeted at EMBs appeared to be separated from its core activities. The ethnic ‘brokers’ interviewed often reproduced essentialist ethnic categories. For example, the leader of a group representing South Asian businesses claimed that mainstream providers ‘fail terribly’ to meet the ‘needs’ of Asian businesses, largely due to ‘not being able to understand the perspective [Asian business] is coming from’. He claimed that his organization was the ‘exclusive’ and ‘authentic’ voice of the Asian business community. However,
this was undermined by the fact that another predominantly Asian business intermediary group had recently been set up largely because of the ‘unrepresentativeness’ of existing groups. The focus groups with business owners revealed considerable disenchantment with all business support intermediaries, both ‘mainstream’ and specialist. They had little affinity for the term ‘ethnic minority’ ‘Asian’, ‘Black’ or Chinese as a prefix before business.

The case demonstrates that whatever the intentions of such initiatives, their effectiveness is always socially mediated. In terms of the realist commitment of ascertaining ‘what works, for whom and under what conditions’, it appeared that EntSup and the comparatively narrow group of individuals that ran established groups/agencies were the principal beneficiaries of the ‘engagement’ strategy that was being developed. They were complicit in sustaining a discourse that presented the ‘culture’ of different ethnic groups in business as ‘natural’ or ‘given’. Hence issues relating to gender, the representativeness of these bodies, and the relative invisibility of some ethnic groups (notably, the Chinese) in these structures were effectively ignored.

3.2.2 Supplier Diversity and Ethnic Minority Businesses

The role that supplier diversity initiatives in the public and private sector can play in promoting the break-out of ethnic minority businesses is attracting interest from policy-makers. Ram and Smallbone (2003) have reviewed a number of attempts by local authorities to improve the flow of procurement opportunities to ethnic minority firms (within the existing legislative constraints).

Despite little UK (or European) research on engaging the corporate sector in supplier diversity initiatives, there has been much speculation about the value of emulating US practice in this sphere. Some (for example, Migration Policy Group, 2002) see the role of a US-intermediary organisation like the National Minority Supplier Diversity Council (NMSDC) – which essentially facilitates contact between corporations and ethnic minority businesses - as a useful model. Ram et al. (2005) deployed an action research approach to evaluate the implementation of such an initiative. The initiative, entitled ‘Supplier Development East Midlands’ (SDEM) drew on features of the corporate-led NMSDC. But in transferring the programme to the UK through the vehicle of SDEM, it was clear that the potency of triggers such as law and demography (that is, the growing significance of the ethnic minority population) – which facilitated the development of the NMSDC – were much diminished. Different sources of legitimacy had to be drawn upon, including the relationship with the NMSDC, SDEM’s academic status and growing awareness in policy and practitioner circles of the potential role of supplier diversity in promoting ethnic minority business development. Although SDEM has just completed its first year, the results are encouraging. Corporate membership has more than doubled; contracts have been exchanged, which in terms of value, are in excess of five times the cost of the initiative and there have been instances of EMBs combining to bid for corporate sector contracts. The success of the initiative has been such that it has now evolved into a private, not-for-profit company (Minority Supplier Development UK Ltd) fully under the control of the corporate sector.
Although initial results are encouraging, it is important to bear in mind a number of challenges relating to the durability of this and related initiatives. First, many of the corporate participants stressed the importance of the ‘business case’ in explaining the reasons for joining the initiative. However as the broader literature on diversity highlights, ‘business case’ arguments can work against, rather than for, an equalities agenda (Dickens, 1999). For some (Dickens, 1999), the business case should constitute one element of a ‘three-pronged’ approach to equality issues; the other two requirements are stronger legislation and closer working with trade unions. Second, supplying large organisations can be very challenging for small firms and involve the ceding of control over their operations in important areas (Rainnie, 1989; Scarbrough, 2000). Many small firm owners might not wish (or have the capacity) to be a part of supply chain relationship characterised by such an imbalance in power. Finally, following from the previous point, comparatively few EMBs will be able to fulfil the often demanding criteria necessary to supply organisations in the corporate (and indeed public) sector. Those that might qualify will probably not be those targeted by public sector support initiatives that, implicitly or explicitly, aim to ameliorate disadvantage.

3.2.3 Reaching out to ethnic minority businesses

A recurring theme in the policy-oriented literature on ethnic minority businesses is the tendency to utilise public sector business support to a lesser degree than the wider small business population (Deakins et al., 2003). The reasons for this apparent gap include a lack of awareness of business support initiatives; a perceived lack of relevance of business support products; language barriers; an absence of trust between ethnic minority businesses and providers and cultural differences. In this regard, the REFLEX (Regenerating Enterprise through Local Economic Exchange) project is worthy of note. REFLEX was a local partnership led by the London Borough of Islington; it aimed to complement the networking and cultural linkages of community organisation by building their capacity to deliver enterprise support to business owners within their clientele. REFLEX enabled community organisations to employ business advisers and to develop their own capacity to support enterprises and entrepreneurs. Over the lifetime of the project (2001-2005), more than 1,000 ethnic minority business owners were assisted by this community-based vehicle of enterprise support.

The project contained a number of interesting features. First, it was targeted at newly arrived immigrants, based in London. There has been little research on, or policy dialogue with, such groups, despite the fact they constitute much of the new ‘super-diversity’ noted by some commentators (Kyambi, 2005). Second, there were a number of linked stages to the initiative, including the capacity-building of community groups; the provision of training and mentoring packages for business advisers and the delivery of business support to actual and potential business owners from the networks of the community based organisations. Finally, the initiative was accompanied by a programme of research, which comprised a survey and some case studies of community organisations (Blackburn and Odamtten, 2003; 2004); interviews with business owners who had been assisted by the programme (Blackburn et al., 2005) and an assessment of the wider implications of the REFLEX model (Blackburn et al., 2006).
The focus on neglected communities and the ‘knowledge transfer’ element of the REFLEX project render it an interesting addition to the stock of initiatives on minority enterprise. However, as the researchers tracking the project acknowledge, ‘mainstreaming’ the initiative is important to enhance its sustainability; they question the extent to which community groups are a priority for mainstream providers. A further challenge might be to distinguish such provision from the array of specialist business support agencies targeting ethnic minority communities.

4.0 Future research agenda

One immediate lesson to be taken from the above review of research and policy is that the latter needs to pay closer attention to the former, while the former itself might benefit from paying more careful attention to its selection of priorities and sense of balance. Unarguably, there is much admirable work in progress in the field which increasingly recognises the complex, contingent and changing nature of ethnic minority entrepreneurship. Even so, the overall balance has occasionally been undermined by an over-enthusiasm for panacea-style interpretations. Here we point in particular to the uncritical entrepreneurial ‘boosterism’ evinced by some of the 1980s policy-oriented projects and the distorted over-emphasis on ethnic culture, bordering as it does dangerously close to cultural determinism. We now sketch out some proposed future directions; they relate to a suggested approach to the subject matter that emphasises the importance of context, emerging issues yet to be addressed in existing studies, and the promotion of a ‘policy learning’ culture.

4.1 Acknowledging context

The importance of context is a key theme emerging from this review and is suggested as an over-arching guiding principle for future research. An obvious area in which this approach is urgently needed is the crucial but vexed question of how to treat ethnic culture. The critique of cultural determinism advanced earlier is not intended to deny any role for ethnic and religious values and institutions in business life. In particular, the existence of ethnic insider networks clearly has relevance to social capital formation; helpful explorations of the entrepreneurial role of ethnic social capital have recently been undertaken by Basu and Altinay (2003) and Janjuha-Jivraj (2003). Yet, to avoid the traps of ethnic exceptionalism, all this needs to be firmly grounded in at least three contextual spheres.

a) political-economic Ethnic community resource mobilisation does not take place in some insulated vacuum; explicit attention needs to be paid to continual change in consumer, financial and labour markets and in the sphere of state regulation, all of which impinge directly or indirectly and sometimes very deeply on EMBs. Local, national or international political-economic context will influence the trajectory of ethnic minority firms.

b) the non-ethnic minority mainstream There has been a tendency to attribute certain business practices – family labour, informal methods of recruitment, capital formation and marketing, heavy entrepreneurial workloads – specifically to ethnicity, when in truth they are universal to all small business. Where there are differences,
they appear to be of degree, not kind.

c) *mainstream literature* Following directly from this, future studies perhaps could take more advantage of a wider range of literatures and disciplines than hitherto has been the case. For example, an acquaintance with ‘classic’ accounts of the petty-bourgeois orientation of the small-scale business owner, notably Wright Mills (1957) and Bechofer and Elliott (1978), would have highlighted the universality of notions like deferred gratification and thrift. The generic importance of the household to small enterprise, rather than just EMBs, is a key finding of Baines and Wheelock (1998) and Mulholland (1997), as is their explication of the gendered nature of work in such settings. Informality, paternalistic work relations, and a disdain for external linkages characterize many SMEs (Arrowsmith et al., 2003), not just EMBs.

4.2 Emerging issues

At the most basic level the task here is simply one of keeping abreast of developments in what is a truly changeable terrain. While it is a commonplace banality that modern society is under constant change, such hyper-activity is all the more keenly felt in the EMB field, where relative newcomers to the UK scene are still engaged in the process of inserting themselves into the economic and social life of their adopted society. The very existence of EMB tests all manner of established institutions and boundaries and drives history along at a rapid pace and needs monitoring, recording and interpreting. Of central, present and likely future importance here are

4.2.1 *Assessing the economic and non-economic contribution of EMBs*

Research on the economic contribution of EMBs continues to be hampered by a lack of reliable information. The unevenness of data on the scale, dynamics and performance of ethnic minority firms remains a matter of concern. Deakins et al.’s (2003:857) five-city study of EMB support noted some improvement in data collection, but observed that:

… there is still a widespread lack of robust intelligence on the characteristics and needs of EMBs in most agency databases, which is a prerequisite for the development of support policies tuned to the specific needs of EMBs.

Clearly then there is considerable scope for developing more robust approaches to data-gathering on the economic role of EMBs. The experience of the US could be instructive in this regard; it appears to have a much more comprehensive approach to data collection that involves a regular census of minority-owned businesses. This has facilitated detailed investigations of, *inter alia*, the financial experiences of minority businesses (Bates, 1997) and the impact of public sector ‘set asides’ (Bates, 2001). However, it is equally apparent that despite the availability of more comprehensive data (and a longer research tradition), debates on the economic role of ethnic minority entrepreneurship have proved inconclusive. For example, there is no settled view on whether it is advantageous for minority entrepreneurs to work within or outwith the ethnic economy (see Light, 2004; Zhou, 2004, for review of evidence).
Rather than focusing solely on quantification, future research could fruitfully be directed at investigating ‘the substantive meaning and practical implications of ethnic entrepreneurship’ (Zhou, 2004: 15). The myriad roles that ethnic minority enterprise plays in local and indeed international communities, is little understood, particularly in a UK context. Extant studies allude to ‘cultural’ importance of ethnic minority entrepreneurship (Srinivasan, 1995), its capacity to serve as a role model for aspiring entrepreneurs (Allinson et al., 2003) and an informal training system for co-ethnic workers (Bailey, 1987). ‘But just through what mechanisms and under what conditions these non-economic effects are produced are unclear, leaving a substantial conceptual gap’ (Zhou, 2004: 15). Hence EMBs (and perhaps small firms per se) should be scrutinized, not in terms of their failure to conform to the conventional rules of capitalist success but more positively in terms of their social potential. There needs to be a systematic assessment of their hidden un-costed role as service-providers in otherwise under-serviced urban food deserts, an assessment which would have clear and probably counter-intuitive policy ramifications.

4.2.2 Relations with gatekeeper institutions

Here one of the most significant relationships is that with the banking and credit provision industry, hitherto a reportedly difficult affair, which arguably is regarded as one of the major constraints on the development of EMBs. Two major studies (Fraser 2006; Ram et al., 2002) have cast further light on this issue, demonstrating the extent of financial disadvantage faced by particular communities, notably African-Caribbeans and Bangladeshis. More focused investigation of EMBs (and a white control group) at the point where loan applications are made, could help refine even further our understanding of the financial experiences of different ethnic groups. However as Bates (1999:274), commenting on US studies, argues, ‘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’. The more important point is that substantial evidence now exists on the financial disparities faced by particular ethnic minority groups. Attention should now turn to pinning down the processes that produce such outcomes.

Alongside the bankers, we should not overlook further important inputs from such agents as insurance, property and local authority. All of these relationships have previously been noted as problematic; research enquiry can ascertain if and how they have progressed or regressed.

4.2.3 Diversification and ‘break-out’

Apart from under-capitalisation, a major constraint upon EMBs in Britain has always been inadequate markets, too many firms with too few customers. Such imbalance is at its most extreme in low order sectors like corner shop retailing, struggling to survive on the back of local neighbourhood trade, with often an over-dependence on a co-ethnic clientele. As we have seen, EMBs are beginning to liberate themselves from these stereotypical lines, shifting to much better rewarded sectors and locations. Far too little is known of this progressive trend and we need research to give a better coverage of what is happening and how and why. Crucially relevant here are the resource-mobilisation strategies employed by entrepreneurs to overcome the high
barriers to entering these much more capital-intensive fields. For instance, how far is it possible for EMB to substitute human capital for money capital? Generational issues are likely to be germane here. It will be important to consider what impact generational issues may have on the rate of entrepreneurship, as well as the survival of family firms.

Under this heading, we also note recent and highly promising research developments in the field of transnationalism. Here a significant potential research field is opening up into the way some far-sighted entrepreneurs are exploiting ongoing trading links with their countries of origin (McEwan et al., 2005). The US has witnessed a plethora of studies documenting the immigrant exploitation of transnational trade and business opportunities (see Gold, 2001; Light et al., 2001; Portes et al., 2002; Zhou, 2004, for review). This has shed light on the scale of transnational entrepreneurial activity, the nature of transnational networks, its unevenness amongst different ethnic groups and its impact on the home and sending country. Little of this discussion has filtered through to UK research on ethnic minority entrepreneurship. Yet it is recognized that cities like Birmingham utilise their ethnically diverse population to promote a form of ‘globalization from below’ (McEwan et al., 2005). The London Development Agency (2005) suggests that many of the capital’s South Asian entrepreneurs extended their production and development networks into their countries of origin. Such processes need systematic examination. Implications for extant theories (which are largely country-specific) and policy (for example, how to harness the competitive asset of cultural competence in two or more countries) require further investigation.

4.2.4 Gender

The foregrounding of the role of women in ethnic minority enterprise has been a welcome feature of recent studies (Dhaliwal, 2000; Dawe and Fielden, 2005; Hilmann, 1999). Of course, it has long been recognized that women often play a pivotal role in family-owned firms (Ram, 1992) and that their contribution to the enterprise is often unacknowledged (Phizacklea, 1990). This recognition has not generated many, or indeed any, large-scale systematic studies of ethnic minority businesses that are owned and run by women. Some useful insights into the challenges faced by such women have been provided by isolated small-scale studies (Dhaliwal, 2000; Dawe and Fielden, 2005). But these are few and far between, and are not of a scale that is likely to provide an accurate profile of female entrepreneurship in ethnic minority communities. The need for such information is pressing in the light of current government interest in boosting entrepreneurship amongst women.

4.2.5 New communities

Despite public and policy concern about immigration (both legal and illegal), there is little documented evidence in the UK on the role that entrepreneurship may play in this process. This is an important area for future research. Quantitatively, there seems no end to the list of predisposing conditions for migration from the Third World and ex-Soviet bloc to the advanced capitalist realm. These include widening international economic inequality, population pressure, ethnic and civil wars, cheaper and easier international communication and travel and the presence of well-established diasporic
4.3 Promoting a ‘policy learning’ culture

A number of recent calls have been made for the evaluation of EMB support initiatives (Allinson et al., 2004; Deakins et al., 2003; Ram and Smallbone, 2003,). There is still a dearth of knowledge on what constitutes ‘good practice’; a lack of systematic dissemination of key developments and very little independent evaluation. Further progress clearly needs to be made on these fronts but following the key themes covered in this review, approaches to evaluation need to probe into the purpose of initiatives, demonstrate sensitivity and produce explanation rather than prescription. This is consistent with a ‘policy learning’ approach, which involves “a socially-conditioned discursive or argumentative process of development of cognitive schemes or frames which questions the goals and assumptions of polices” (Sanderson (2002: 7). Grounded in a realist philosophy, such an approach requires an explication of conditions, complexities and character of the context into which programme transferred is attempted. Policy-makers need to be apprised of the nature of these conditions and how they interact to produce particular outcomes. Policy-making and evaluation thus becomes an expression of ‘practical reason’ (Sanderson 2002, p. 19) rather than simply a technical exercise. This has the virtue of explaining what is distinctive about a particular programme, thereby strengthening evaluation as an explanatory enterprise.

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