Identity and Difference - Re-thinking UK South Asian Entrepreneurship

INTRODUCTION

Although Ethnic Minority Businesses (EMBs) old and new operate in an environment of structural opportunities underpinned by mixed embeddedness, many are often disadvantage as they struggle to survive against constraints, recession and racism - often in the same marketplace (Jones, Ram, Edwards, Kiselinchev and Muchenje, 2012). Nevertheless, the endeavours and hard work of EMBs contribute about £40 billion to the UK economy (Skellington 1996; Bank of England 1999, 2000; Jones and Ram, 2012; Small Business Survey 2012, 2014; ESRC, 2015). Literature on small and medium sized enterprises (SMEs (including micro businesses 0-9 employees)) and EMBs in the UK, suggest that for 2015 there were 5.4 million private sector UK SMEs; an increase of 146,000 since 2014 and 1.9 million more since 2000. Interestingly, this increase now accounts for approximately 99% of all businesses (White, 2015; Rhodes, 2015). Of these, 6.2 per cent are EMBs which equates to approximately 330,000 ethnic SMEs UK wide, with 24 percent situated within London alone (Small Business Survey, 2015; Carter, Mwaura, Ram, Trehan and Jones, 2015). In addition, over a third of the small firm population in cities like Birmingham, Leicester, and London are significant employers of workers from disadvantaged communities, and are becoming increasingly diversified (Jones and Ram, 2012).

Although the above places into context the scope of ethnic entrepreneurship, as Arcand (2012) notes, not only has the theme of immigrant entrepreneurs been the topic of much research and debate over the last few decades, it has for the main centred upon the experience of first-generation migrant entrepreneurs (Pio and Dana, 2014). However, there is now a growing body of literature with new lines of enquiry that focuses upon second-generation ethnic entrepreneurs, female entrepreneurship, as well as, the increasing new migrant communities (Jones and Ram, 2003; Jones and Ram, 2013; Carter *et al.,* 2015; Rhodes, 2015). Certainly, from this perspective Ram and Jones (2008) suggest while some first generation entrepreneurs established businesses out of necessity; very many others are pushed into entrepreneurship, and operate within traditional labour intensive low order value added service sectors – catering, corner shop retailing and the like. This is in stark contrast to British-born second generation ethnic entrepreneurs who are seen to be moving away from business sectors such as those noted above, and are chasing new horizons that espouse properly rewarded mainstream activities and innovative businesses (Jones, Mascarenhas-Keyes and Ram, 2012). So replacing informal communal/familial social capital with human capital as the key business resource (Ram and Jones, 2008; Jones *at el.*, 2012).

Yet despite the quality and number of studies available, very few have focused on the extent to which the ethno-cultural context informs or otherwise second-generation entrepreneurial identity. Authors such as, Berry (1980); Betancourt and Lopez (1993); Portes and Zhou (1993); Peñaloza (1994); Phinney (1996a); Webster (1994); Burton 2000; Waldinger and Feliciano 2004; Portes, Fernandez-Kelly and Haller (2005); Portes and Rumbaut (2005); argue with particular reference to second-generation migrant offspring, that as minorities experience the pull of 'two competing cultures', cultural background becomes a key determinant of ethnic identity or affiliation. However what is noteworthy, as Esptein and Heizel (2015) suggest, over the last few years economists have begun to explore cultural and ethnic segregation using psychology and sociology of identity theories. For example, in a seminal work, Akerlof and Kranton (2000) consider how identity and a person's sense of self, affects economic outcomes. Whereas, Esptein and Heizel (2015) offer a basic theoretical framework of ethnic identity based on the commitment of an immigrant to his/her home society vis-à-vis host society. Interestingly, these cultural effects may be found at two levels. The first concerns the group *(community, institutional, and governmental embedded values, norms and behaviours)* with its history, persistence, and cultural contacts, as the

nature of group conflict, and group adaptations achieved (Berry, 1980). The second relates to the individual's *(attitudinal)* exposure to other cultures, the interpersonal and intra-personal conflicts and crises experienced and the personal adaptations made in various situations (Berry, 1980). In addition, Yeh *et al* (2005) suggest that ethnicity (and race) play an important function in both identity development and the acculturation process. As the author's go on to note, the individual's experience of role conflicts, interpersonal relationships, contact between differing cultural orientations and adaptation strategies is essential in any understanding of acculturative change (Padilla, 1980). Phinney (1996a), however, warns that due to cultural blending and cultural change it may not be clear whether individuals actually reflect the culture they are thought to represent. Equally, there is considerable variation in cultural awareness and ethnic loyalty, not to mention cultural values and practices (Padilla, 1980; Phinney 1996a).

To this end, this paper addresses the notion of ethnic entrepreneurial identity as self-perceived and prescribed by London based first and second-generation male Sikh and Pakistani Muslim entrepreneurs (Jones and Ram, 2012). In doing so, the paper contributes to an emerging debate pertaining to ethnicity, culture and identity of second-generation UK born male ethnic entrepreneurs. In addition the paper (i) aids our understanding of this particular group because they sit within both an assumed traditional South Asian family up-bringing and the wider western (mainstream) environment; (ii) helps to differentiate the second-generation from their first-generation counterparts; (iii) highlights inter-ethnic group differences and similarities; finally (iv) adds towards developing an understanding of the economic activities and resources (namely, skill-sets, education, social status, and cultural attributes) that such entrepreneurs bring to self-employment.

A variable that will not be discussed within this paper is the issue of religion as it is well rehearsed throughout literature. The rationale points to work of Dana (2009). Here the author notes that religion and its associate beliefs influence entrepreneurship to varying degrees. For example, religion informs areas such as values, business specialisation, information and supply networks, credit and finance, workforce, and opportunities. Moreover, the Open Society Institute (2005) notes for Muslims, as an example, religious affiliation is considered a more important aspect of identity (second to family) than ethnicity. So much so, research in Scotland suggests that Muslim men identify themselves as Scottish Muslims rather than British Muslims and do not see a contradiction between being Scottish and being Muslim (Hopikins, 2004 cited in Open Society Institute, 2005). Conversely, for some Muslim males (with Pakistani males the most vehement), being Muslim is seen as a marker of 'masculinity' 'strength' and used in defence of male power against the notion of 'weak and passive Asians' and in 'contrast to white majority dominance (Open Society Institute, 2005). With this discussion in mind, and with regard to this paper, the respondents within are drawn from two religious groups, namely Sikhs and Pakistani Muslims. Consequently this study wishes to explore other ethnic and cultural issues as markers of identity and difference.

The paper is organised as follows. A literature review considers issues of ethnicity and culture as labels of identity, and the associated problems thereof. Next, Sikh and Pakistani Muslim Communities are contrasted in terms of identity and difference, and the second-generational dimension is addressed within. The phenomenological method is explained. Findings and conclusion follow.

LITERATURE REVIEW

Terminology Associated with Ethnic and Cultural Identity

Yeh, *et al* (2005) suggest, that ethnicity and culture play an important function in both identity development and the acculturation process. As the authors note, the individual's experience of role conflicts, interpersonal relationships, contact between differing cultural orientations and adaptation strategies is essential in any understanding of acculturative change (Padilla 1980). Phinney (1996), however, warns that due to cultural blending and cultural change it may not be clear whether individuals actually reflect the culture they are thought to represent. Equally, there is considerable variation in cultural awareness and ethnic loyalty, not to mention cultural values and practices. To understand this notion, it is important to consider the concept of group and individual identity (Phinney 1996). For example, it is noted that the cause of much debate throughout ethnic literature is what Peñaloza (1994) describes as the *'troublesome unity within the discourse as a result of in-group and out-group distinctions, affiliations, transference and exclusions.'* Evidence points also to problems with defining the terms 'ethnic identity' and 'cultural identity (see below).' It is here that literature suggests a clear distinction between the terms needs to be made, as they are not interchangeable and colloquial language serves only to confuse (Gilroy 1987; Roosens 1995).

Ethnicity
Ethnicity (taken from the Greek - ethnos) implies several dimensions which include a sense of common customs, language, religion, values, morality, and etiquette (Betancourt and Lopez, 1993; Webster, 1994; Gillespie 1995). In simple terms, ethnicity can be viewed as a characteristic of racial group membership on the basis of commonly shared features (Jamal and Chapman, 2000). Ethnic identity is seen as self-constructed, providing a sense of belonging to one's own group and continuity-in-being. It is reinvented and reinterpreted in each generation to become the product of a collective transformation. It may also be regarded as a symbolic force with the power to affirm identities and mobilise populations positively (Gillespie, 1995; Roosens, 1995). Certain group characteristics and cultural traits are often used to imply racial differences, cultural differences, social separation, distinguishing dress, religion, language barriers, spontaneous, and organised enmity (Gillespie 1995; Roosens 1995; Phinney 1996b; Jamal and Chapman 2000). Thus, as members of an ethnic group interact with each other, ethnicity becomes a means by which culture is transmitted (Betancourt and López 1993); as in the case where group affiliation is perceived as a condition of (i) privilege versus discrimination, or (ii) economic/political superiority versus inferiority (Betancourt and López 1993). As Jamal and Chapman (2000), and Phinney (1996b) argue, ethnicity is a process of self-identification whereby the individual defines himself/herself and others into specific groups using ethnic labels.

Cultural identity
Whilst there appears to be no general consensus as to the definition of culture per se' the experience of religion and society however may influence the development of one's cultural identity (Collins and Fakoussa, 2015). Thus, cultural identity espouses culture as the source of belonging and continuity. Some authors suggest that although a minimal amount of culture is required for ethnic identification, cultural identity is not necessarily intertwined with ethnic identity (Gillespie 1995; Roosens 1995; Jamal and Chapman 2000; Phinney 1996b). Roosens (1995) argues that the field of cultural identification may be much broader than that of ethnic identification. For instance, ethnic identification always implies excluding those who do not belong to the ethnic group (Nazroo and Karlsen, 2003). On the other hand, people who discuss their culture without direct reference to ethnicity tend to emphasise shared cultural traits with other peoples. Cultural identity, then, allows for cultural overlap, while ethnic identity does not (Nazroo and Karlsen 2003).

Interestingly, the more cultural traits and characteristics of a particular group diverge from those of the host society, the more discrimination the group will experience. Inwardly many minority groups may become stronger, simultaneously demanding the right to self-administration free from outside interference when dealing with cultural and religious matters (op. cit.). Typically however, the process of acculturation will tend to be slow and painful (Anwar, 1976). This partially explains the concentration of immigrants in specific locations, and the conflicting attitudes of different generations to integration. For example, the acceptance of a group by the majority while continuing to be identifiable and identified in the society in which they have settled (Anwar, 1976). Many Muslim communities within Western economies exemplify this.

The Problem with Defining Ethnicity and Culture

Implicit in the above is the notion that within many modern societies there can be found at least two cultures that overlap: host and immigrant. Within these societies, it is highly probable that some immigrants would retain a great many of their own culture's values, whilst others more readily adopt those of the dominant host culture. Alternatively, immigrants could to a varying degree, display a blend of the two (Khairullah, Tucker and Tankersley 1996). For this reason researchers are presented with a problem when attempting either to describe ethnic groups objectively or to assign ethnic categories and labels to a particular group, segment or individual (Phinney, 1996a). Moreover, wide variations exist in the cultural norms and values maintained by members of an ethnic group (Phinney, 1996a; 1996b). Thus, Islam seems to have obtained a special position in the formation of collective identities and social divisions that appear to dictate cultural values and practices (Brown, 2000). For instance, Shuja (1992) delivers a scathing attack on the term *"Asian identity."* On the one hand, she accepts that the blanket term *"Asian"* is used to identify a number of diverse communities originating from Pakistan, India, Bangladesh and Sri Lanka and who have settled in Britain. However, she claims Muslims are not *"Asian"* and that there is no such country *as "Asia"*, therefore *"Asian"* is a misnomer. As a consequence of the term *"Asian"* Shuja suggests, many young persons grow up without a sense of identity.

The crux of her argument, based on religious identity, suggests Muslims wish to maintain their identity; and any other form of identity that fails to signify and express their belonging to Islam, and solidarity with other Muslims is totally unacceptable to the *Muslim Ummah* - the global Islamic community of believers that supersedes nationality (Masud 1989; Saeed, Blain and Forbes 1999).

A Sense of Self

Two emerging themes that appear to be gaining momentum within the ethnic entrepreneurship literature finds a number of studies that lean toward either an economic or psychological perspective. For example, the notion of 'identity' is introduced as part of an individual's sense of 'self' and their 'utility function' that affects economic outcome (Akerlof and Kranton, 2000; Schuller, 2015; Tummala-Narra and Sathasivam-Rueckert, 2016). Thus identity is associated with different social categories and how people within ought to behave. Accordingly the authors note, identity affects economic behaviour on four levels: (i) identity changes payoffs from one's own actions; (ii) identity changes the payoff of others' actions; (iii) the choice of different identities or the lack thereof, affects an individual's economic behaviour. Finally, (v) the social categories and behaviour prescriptions can be changed, affecting identity-based preferences (Akerlof and Kranton, 2000).

The second theme explores an individuals' 'psychological development' and its impact on identity (Quintana, 2007). Included also, whether there are in fact long-term consequences of parental minority identity exploration and affirmation on the next generation's human

capital accumulation (Schuller, 2015; Iwamoto, Negi, Partiali and Creswell, 2013; Sabatier, 2008). Certainly, from the perspective of ethnic SMEs, it is this notion of human capital that the second-generation bring to entrepreneurship (Ram and Jones, 2008; Jones *at el.*, 2012). As Chaganti, Chaganti and Treichel (2007); Chaganti and Greene (2002) point out, ethnic entrepreneurs who attain human capital (via education) and the necessary skills, in the main target broader non-ethnic markets, as well as, rely less on ethnic networks. Exploring these notions further in relation to identity, Quintana (2007) noted that during early adolescence, encounters with discrimination stimulates and increases over time, a sense of minority racial-ethnic identification, exploration and development. Whereas, Sabatier (2008), in her study of 395 second-generation immigrant adolescents in France, noted that ethnic and national affirmations were found to be two independent orientations, as such, were not situated along a single bipolar axis. Moreover, Sabatier went on to suggest, sources of influence on 'identity-in-context' namely: social, peer relationships, perception of discrimination, family socialization, perception of family relationships, finally parental contribution; had, to varying degrees (some more than others) impacted on both national and ethnic identity. The implications thereof saw variations in ethnic and national identity affirmation and exploration. Equally, Schullar (2015), in her empirical study pertaining to the impact of immigrant parental identity on the educational attainment of their second-generation offspring in Germany, found a positive and significant role of both parental German identity (majority/host identity) and minority identity on levels of educational success. A similar situation was found by Iwamoto *et al* (2013), wherein they noted from their sample of Asian Indian Americans, discrimination, parental, and community factors play a salient role in influencing key development periods and turning points of second-generation ethnic identity.

To bring together these various lines of enquiry, Tummala-Narra and Sathasivam-Rueckert (2016) draw upon the work of Suárez-Orozco, (2000). Here the authors coin the term 'social mirroring' to describe the messages provided in interactions with those beyond their parents, such as relatives, siblings, peers, and the like. This social mirroring can either have a positive or negative effect on any perceived 'bicultural identity.' For instance messages from the external world that they, the second-generation, are valued members of society is thought to be an important factor in the negotiation of bicultural identity. In contrast, negotiating identity in an environment that is characterized by negative social mirroring can impose challenges to a positive sense of self (Suárez-Orozco, 2000 cited in Tummala-Narra and Sathasivam-Rueckert, 2016), Essentially, this underscores the importance that for any development of a bicultural identity in the psychological well-being of the second-generation, a positive connection with the heritage culture and the adoption of the new culture as to be maintained (Tummala-Narra and Sathasivam-Rueckert, 2016). As Phinney and Ong (2007) purport, both social psychological and developmental perspectives provide important insights into ethnic identity. And that such ethnic identity is multifaceted, consisting of things such as self-categorisation and labelling, exploration, ethnic behaviour, evaluation and in-group attitudes, values and beliefs, and ethnic identity and national identity (Phinney and Ong 2007).

Interestingly, Phinny and Ong (2007) suggest, these components serve as a starting point for exploring parallels between the constructs of ethnic and so called racial identity, as both identities differ widely in the ways they have been defined and studied. For instance, racial identity focuses on responses to racism predominantly outside of the group, but includes measures to assess experiences to internalise racism also. In contrast, ethnic identity refers to one's sense of belonging to an ethnic group defined by one's cultural heritage, values, traditions, language and the like.

The Issue of Altruistic Solidarity

According to Hiro (1992), South Asians exist within an environment of altruistic solidarity. This requires the life of an individual to be subordinate to that of the group, potentially as

small as a nuclear family or a large as a sub-caste (Hiro 1992), but it also requires that the individual maintains some form of cultural loyalty and heritage, demonstrating as Padilla (1980) noted earlier, a preference for one's own cultural *"artefacts and materials"* over those of another (Johnson 2004). To illustrate the point, Roosens (1995); Benda-Beckmann von and Verkuyten (1995) suggest that many first-generation South Asian immigrants still use their country of origin as their ultimate frame of reference, even after 20 or 30 years. These authors point out that whilst many cultural traits pertinent to South Asian migrants may have changed over time, some values, rites, roles and status attributes and practices remain intact, often better preserved than in the country of origin. Keeping these cultural traits demonstrates not only loyalty to one's own parents, family, religion and people, but also helps establish ethnic and cultural continuity. Such behaviour, therefore, provides the psychological and emotional bond that joins people and differentiates them from others (Roosens 1995; Benda-Beckmann von and Verkuyten 1995; Jamal and Chapman 2000).

In contrast, for the second-generation South Asian male offspring brought up within such an atmosphere of 'altruistic solidarity' equates to him being pressurised into prioritising education, handing over to his parents any wages earned from paid employment, as well as, accepting parentally guided marriages. Despite these circumstances 'honour', 'respect' and 'loyalty' to one's parents, family and community are very much part of everyday life (Roosens 1995; Benda-Beckmann von and Verkuyten 1995).

Interestingly, the 'cultural insulation' apparent within the two previous examples extends beyond the social/family setting, into that of business behaviour and practice. For instance, Srinivasan (1992; 1995) and Basu and Altinay (2002) note that South Asian business success is due to culturally transmitted skills and characteristics. Thus, value systems and cultural norms affect the acceptability and perceived utility of entrepreneurial activity (Dana 2000; Jamal 2005). Moreover, many South-Asian family run businesses reflect culturally defined hierarchical structures, as well as, subordinate working practices. Such expressions as 'loyalty to the family and community', 'respect', 'distrust of outsiders in business affairs', 'the concept of obligation' 'you can only rely on your own kind' 'it's tradition' are well rehearsed within these firms (Basu and Altinay 2002).

Altruistic Solidarity and its impact on the Second-Generation

In both home and business environments, cultural behaviours and notions are slowly being challenged by the second-generation (Fernandez-Kelly and Konczal 2005). There are deep divisions between parents and their children regarding the dangers of moving away from the so-called 'safe environment of the family and community with its emphasis on adherence', to a position of 'assimilation' within the wider mainstream society where 'individuality' is the mainstay (The Parekh Report 2000). These divisions stem from the fact that many second-generation South Asians have started to assert themselves due to the tensions that are known to exist between minority-majority cultures (Anwar 1982; Fernandez-Kelly and Konczal 2005). And from their desire not to be a part of what they perceive as 'parental culture' with noticeable out dated and old-fashioned ways of thinking and operating (Jamal and Chapman 2000; Portes *et al* 2005; Portes and Rumbaut 2005).

In contrast to the 'altruistic solidarity' model experienced by many second-generation South Asians within a home/community setting, once outside this environment, they become part of an alternative western model found within the education system (school/college/university), and alternative social/economic surroundings (Warikoo 2005; Yeh *et al* 2005). Such 'alternatives' represent an environment of 'egoistic solidarity', whereby the individual, through his/her free will is able to articulate their feelings, interests and desires and display varying levels of autonomy, individualism and ego to a wider non-Asian group. This means emulating outside group values, norms and behaviours (Hiro 1992).

This emergence from the minority community threshold to a wider cultural context underpins the dichotomy many second-generation offspring face (Metcalf, Modood and Virdee 1997). Many members of the second-generation want to feel more settled in the UK, leading them to challenge the establishment in their own communities and to reject certain aspects of their cultural heritage. This in turn, leads to conflict within both family and community (Anwar 1976). Another issue facing young Asians is that many have to cope and operate within the wider 'indigenous' environment, which displays varying degrees of discrimination and hostility towards them (Crewe and Fernando 2006). As Anwar (1976) notes, their own parents may have tolerated this hostility, but, unlike their parents, young Asians are not prepared to do so (Anwar 1976; Crewe and Fernando 2006).

Finally, for many second-generation migrants, communal identities would be expressed in terms of a desire to establish a religious rather than an ethnic or cultural identity and/or other forms of national belonging - British, Indian, Pakistani, Sikh, Bengali or otherwise (Raj 2000). As a consequence, an uneasy distinction between being religious and/or being ethnic would prevail. Such a situation would either stress religion and relegate ethnicity to a minor factor, or place greater emphasis on ethnicity with religion then becoming one aspect of many (Raj 2000; Hamilton, Dana and Benfell, 2008).

Identity and Difference amongst UK South Asians

It is important to understand issues of identity and difference between ethnic entrepreneurs generally and UK South Asians specially. The conventional 'Asian' terminology blurs critical distinctions between Bangladeshis, Gujaratis, Pakistanis, and Punjabis; between South Asian, East African Asians and Chinese; and between Punjabi Sikh, Hindu Punjabi, Indian Muslim, Pakistani Muslim, Hindu (The Parekh Report 2000; Nazroo and Karslen 2003). Moreover, South Asians vary significantly not only in terms of nationality, and religion, but also with regards to language, caste, class, and whether they are from urban or rural backgrounds (The Parekh Report 2000; Parekh 2001).

As far as identity is concerned factors such as cultural, religious, familial and extended kinship, personal and domestic traditions are critical in maintaining a sense of belonging. Although such traditions vary widely in practice, they reinforce independent religious and community based identities (Fry 2000; Kurien 2001; Yeh *et al* 2005). To illustrate the point, Indians as a whole, and particularly Gujarati Hindus are divided into castes. The social and cultural structure of the caste system revolves around functional specialisation, hierarchical relationships and a hierarchy of values. The system is based on a commitment to internal structural solidarity involving tolerance of the distinct life styles of other castes, the concept of fate or *karma* guiding one's station in life and the hereditary transmission of psychological traits (Sinha 1967; Berreman 1967; Ram and Holliday, 1993; Dana, 2000; Pio and Dana, 2015).

In contrast to the Hindus, officially no castes exist among Pakistani Muslims and to some extent, Punjabi Sikhs. However, numerous Hindus retained many values and norms associated with the caste system when they converted to Islam in a bid to escape inequality. For Sikhs, the caste system is renounced in the *Guru Granth Sahib* (Sikh holy-scriptures). In reality, however, a system based on occupation is firmly in place. For example Jat – landowners, Tarkhans - carpenters, Chure – sweepers, Chamar – landless labourers, and Ravidas - untouchables (Gillespie 1995). As in the Hindu case, both groups (Sikhs and Pakistani Muslims) exhibit greater differences depending on their area of origin and kin membership (Allen 1971).

Entrepreneurial activity amongst UK South Asians

Dana and Morris (2007) suggest that there are a common set of key variables that explain immigrant entrepreneurship, very many of which override ethnic and cultural differences. The author's synthesis these factors under the following headings:
- The immigrant
- Host country factors
- The venture
- Ethnic networks and enclaves
- Co-ethnic dependence over time: two intervening variable – (i) amount of learning and knowledge acquisition that occurs over time, (ii) the extent to which the core interests and needs of the venture coincide with the interests and resources of the
- ethnic network
- Outcomes

Although these key variable are insightful in terms of understanding immigrant entrepreneurship, consideration needs to be given to the fact ethnic minority businesses differ sharply from their mainstream counterparts due to some of the following Peters (2002); Jamal (2005):
- Identity: ethnic identity provides much of the social and business fabric of the ethnic community
- Inter-generational differences: evidence suggests such differences do impact on the approaches to business management and the entrepreneurial process
- Processes: ethnic entrepreneurs rely on surrogate modes of venture capital generation and ethnic supply sources to achieve strong horizontal co-operation among businesses that reflect ethnic cohesion, community solidarity and informal networks
- Competitive Stance: ethnic businesses compete on the basis of lowering prices, building long term relationships with consumers and by keeping turnover high
- Structure: decisions relating to business entry and location are based on prior experience of the community
- Workforce: they employ co-ethnic employees to promote prosperity and collective values within the community
- Role Models: they fuel entrepreneurial ambitions and activity, extend a helping hand to fellow ethnic members in terms of offering training and knowledge resources

(Source: Peters 2002; Jamal 2005).

Despite the above, ethnic groups only persist as significant units if they imply marked difference in behaviour, *i.e.*, persisting cultural difference (Dana and Morris, 2007). For instance, Jones *et al* (1994) point out that a number of key strengths found within South Asians SMEs particularly, centre upon the notion that the tight-knit communal and family solidarity provides a highly effective insider network for the mobilisation of capital, labour, markets, skills, experience inter-firm linkages, and other competitive assets. In addition, given a noticeable absence of the acknowledged role played by female family members, there is a preference to employ males from the wider extended family.

South Asian family businesses do differ from other firms in that family members are considered an important element within the management process of the business. Consequently, it is noted that in such firms:
- Employing family members is perceived to be the only way to ease the problem of managerial control, trust and delegation. Thus, there is a strong reluctance amongst first-generation South Asian employers to tolerate 'outsiders' in management positions. Moreover, many of these employers claim that they [outsiders] are 'not interested' and cannot be 'trusted.'

- The use of family labour is cheap as relatives are prepared to work long hours; are easier to control and manage; are flexible; and can be relied upon to help out.
- Internal paternalistic managerial style, values, rigidity and closed minds of the founder member(s) causes the firm to become bound in culture and traditional attitudes, as there is a reluctance to upset practices already established. Any attempt to change may be interpreted as a lack of respect for earlier generations. Not to mention the image of the family as a whole.

(Source: Stoy Hayward 1989, 1990; Mintzberg and Quinn 1992; Ram and Holliday 1993; Ram 1994; Cromie et al 1995; Westhead and Cowling 1997; Janjuha and Dickson 1998, 1998a; Ram et al 1998).

This approach therefore implies (i) a lack of trust in non-family members or even the reliance on professional managers from outside both the nuclear and extended family to safe guard the family's wealth, (ii) a fear of losing overall family control and power, and (iii) the dilution of shareholding (Mintzberg and Quinn 1992).

Interestingly, these differences present a number of businesses challenges. For instance, recruitment, extensive use of family labour, management and control, employee development although not unique, do leave EMBs vulnerable to some failings. Fundamental weaknesses and constraints imposed on EMBs are found. With reference to South Asian SMEs:
- There is a preference to employ males from a wider extended family.
- There is the noticeable absence of the acknowledged role played by female family members.
- Family members tend to occupy key managerial and supervisory positions, usually without appropriate training and development.
- The founder [first-generation migrant] is more likely to employ a family member, an employee's family member and/or family friends regardless of their ability. Equally, s/he will pay either above or below market rates, again in some instances regardless of employee ability and market conditions.
- There is the founder's [first-generation migrant] inability to actually control family members from taking liberties; deal with members who appear incompetent; and to resolve the problem of inconsistency in terms of wages and salaries. This is in contrast to market conditions and employee performance, that determine levels of salary.

A very similar situation, supporting the discussion above, was found by Hamilton, Dana and Benfell, (2009). In their longitudinal study of migrant 1,205 South Asian and Chinese entrepreneurs in Manchester UK with network links to Singapore, the author's noted:

> *"With almost 80% of these businesses in retail or the service sectors, the entrepreneurs in Manchester have quite clearly built their businesses to exploit their ethnic and cultural credibility with like people."*

Interestingly, they went onto suggest:

> *"The fact that these businesses also employ a high proportion of their own family members can be interpreted as a key resource that adds to the credibility of the businesses."*

To sum up, the issue of 'identity' is central to understanding the position of the second-generation. Identity, as Christiansen (1998) observes, is evasive, and yet a well-established concept. Ethnic identity among second-generation south Asians in the UK simultaneously reflects and influences their modes of social interaction. In addition, ethnic identity manifests itself in how second-generation South Asians deal with each other and with those beyond

their immediate circle, relating to changing behavioural patterns and diverse embodiments of 'Asian-ness' (Christiansen 1998).

RESEARCH METHODOLOGY

As suggested earlier, literature notes that we are now witnessing, particularly within the South Asian community, the emergence of a new breed of second-generation entrepreneur with a new way of thinking. Here the approach held by such entrepreneurs is to work smarter and not harder (Discussion Paper and Evaluation Report 1997). This attitude challenges not only the traditional views of ethnic entrepreneurs in general, but also many of the embedded factors associated with ethnic entrepreneurship (Discussion Paper and Evaluation Report 1997; Basu A. and Goswami 1998; Peters 2002). For example, second-generation entrepreneurs are seen to be moving away from traditional clothing and food retailing sectors into the services and professions with their emphasis on quick returns and prestige (Discussion Paper and Evaluation Report 1997; Tann 1998; Ram 1999; Ram and Cater 2001; McCarthy 2002; Barrett *et al* 2002; Smallbone, *et al* 2003; McPherson 2004).

Similarities can be found in the fact that both communities, due to their geographical and social surroundings within the UK, are caught between an assumed traditional South Asian environment of family and community, and Western influences of the wider indigenous population and educational background. As Peñaloza (1994) notes, the thinking and attitudes of ethnic minority groups are shaped by the surroundings in which they live, especially if the individual has spent most of his/her natural life within the UK.

Aim of the Research

The main aim of this paper is to explore the extent to which ethnicity and/or culture impact on entrepreneurial identity at a personal and professional level of first- and second-generation Sikh and Pakistani Muslim entrepreneurs. To achieve the above aim, the following methodology was employed.

The Research Design

Investigation for this study was conducted within a phenomenological paradigm and exploratory in nature. Thus, Hussey and Hussey (1997) consider phenomenology and positivism paradigms as two extremes with a continuum of core ontological assumptions that underline the notion of reality and being. A phenomenological paradigm, involves itself not only with exploring the relationship between variables being studied, but the context of the setting also. This allows much more complicated situations to be examined (Remenyi 1995). Moreover, it helps unravel the complexities of social and cultural change in order to understand how personal and professional factors impact on the identity of ethnic minority entrepreneurs (Chan and Lin-Pang 1998).

Sample Size

The sample consisted of key informants (unit of analysis) selected from a variety of industrial sectors situated within the Greater London area (Jones and Ram, 2012). In total 42 male first- and second-generation Sikh and Pakistani Muslims (PM) entrepreneurs from both family and non-family owned businesses were interviewed (representing 39 firms) using a semi-structured approach (with accompanying prompts). The rationale for the inclusion of first- and second-generation Sikh and Pakistani Muslim entrepreneurs from both family and non-family backgrounds was to understand whether 'family/parental' and/or ethnicity and/or culture informed identity adopted by the said entrepreneurs.

Given the nature of the study, access to the various respondents had been negotiated via a combination of purposive sampling, snowballing sampling, referrals and/or some form of exchange process. Each respondent was identified with the use of individual respondent code. In terms of business sectors, the first-generation (*n* = 8), operated within low order catering and retailing. The second-generation (*n* = 34) were found operating businesses across a number of sectors, for example, traditional - low order catering and retailing (CTNs, clothes, specialist outlets – computers sales, electrical goods/services), and emergent - professional services (employment agencies, and business and management consultancies), and IT/High Technical Services. The rationale for the inclusion of business sector was to understand whether this also informed identity adopted by the entrepreneurs.

Data Collection and Analysis

The research instrument (questions and the interview schedule) was developed, tested (during the pilot study) and re-assessed before being used for the main research frame (Casey and Dustmann, 2010). To analyse data pertaining to identity, the paper employed a technique known as 'key-words-in–context (KWIC).' Ryan and Barnard (2000) note, KWIC finds all the places in a text where a particular word or phrase appears, then prints it out in the context of some number of words before and after it (ibid.). At the heart of this technique is 'coding' - tags or labels for assigning units of meaning to the descriptive or inferential information compiled during the study (Miles and Huberman 1994). Therefore, as this paper wished to retain as much detail as possible (Malhotra 1996), codes were attached to 'text of varying sizes' to connect key words or phrases within specific settings/context.

Limitations of the Study

Given the opportunity structures and socio-economic environment of the study area, namely Greater London, findings may not be generalisable to other parts of the UK. This may be of concern particularly in areas that yield low propensity for business activity for established ethnic communities, and where such areas inform identity.

FINDINGS

Identity and Difference - Impact of Ethnicity and Culture

An issues that will be dealt with before discussing the issue of ethnicity and culture, will be the notion of religion. The rationale for this as a starting pointing (the topic will not be revisited here) as evidence suggests, there is little perceived difference in attitude between both generations when dealing with the issue of religion. Therefore, honesty, hard work, helping others, trust, and not selling products/services that compromise religious beliefs are characteristics[1] to which all within the research frame subscribed, and inform the style of management and ethos of the business. Religious identity is also perceived to influence how others view respondents. For example, trust, honesty and friendliness started, and remain to date, indicators of business credibility and societal acceptance particularly when dealing with wider non-Asian clients and customers:

> *'Religion is a personal thing, as long as I am a fair person, work hard, help others then I am happy.'*

> *'The only effect religion would have on me in running my business is that it would make me honest, I don't feel like I can lie to people.'*

---

[1] Such characteristics stem from the belief that for the Muslims the Prophet Mohammed was a businessman himself. Equally for the Sikhs Guru Nanak Ji was a businessman also.

However, the issue of ethnicity and cultural, identity and difference raised interesting responses, with the strongest reactions to questions of identity echoed by the second-generation. Pulling together the key strands from the findings, figure 1 (identity and difference) highlights the extent to which the notion of identity is characterised by issues particular to both generations. As the paper notes, the second-generation are more likely to be identified using hyphenated labels, whilst at the same time distancing themselves from the ethnic tag. Exploring further the following became evident.

--------- Insert Figure 1 here -------------

Identity and Difference – The First-Generation

Findings note that the first-generation respondents (*n = 8*), unlike their second-generation counterparts (*n = 34*), do not suffer from shifts in identity or even conflicts with identity (where own ethnic culture meets mainstream/host culture). However, respondents suggest that during their early years in the UK they appear to have experienced problems of overt racism from the wider non-Asian community. Responding to such abuse, respondents state that they would attempt to remain dignified, and not be drawn into further confrontation with the said agitators. Although respondents still experience some covert racism (particularly within traditional sectors), they no longer see themselves as outsiders looking in. Instead, findings suggest respondents (*n = 8*) consider the UK to be *'home'* - a place in which to live, work and make money:

> *'I have spent more time in my life here (UK) than anywhere else' 'I have lived here (UK) a long time, something like 25 years.'*

Moreover, respondents (*n = 8*) acknowledge that they would never truly be accepted as 'British'. As one respondent noted (echoing the views of his peers):

> *'You cannot change the colour of your skin, you know who you are, but you can change how you deal with these people (the English).'*

Consequently, seven respondents do not use the identity label 'British.' Instead, these respondents have developed a strong sense of ethnic identity. Thus, respondents exude a sense of pride in being Sikh, Indian, Muslim, or Pakistani.

In essence, three distinctive categories became evident when questions on identity were put to all first-generation respondents. Five first-generation respondents stated either (i) Sikh or (ii) Pakistani Muslim, and then proceeded to qualify their identity. For example,

> '*I see a Sikh, I see myself as a Sikh with a business and I earn my living.'*

For the remaining three respondents (iii) 'a normal businessman' was the preferred first choice of description. As one respondent stated quite fervently
> *'First and foremost I would see myself as a businessman in this country and a citizen of this country so I run a business like any other person.'*

When the issue of racism and identity was explored with respondents, despite what was noted earlier, generally many did not appear to have much of a problem with the wider non-Asian community. Respondents suggest instead given their time in England, they had seen many changes. Moreover, due to the nature of previous employment, they had grown accustomed to interacting with the wider non-Asian community on both a personal and professional level. Interestingly, this live and let live attitude displayed by the first-generation is in contrast to the second-generation.

Identity and Difference – The Second-Generation

When the same issues/questions were explored with the second-generation, a number of developments emerged. For instance, the second-generation, like their first-generation counterparts, held fixed notions of what constitutes identity acceptance on both a personal and professional level. Where the two generations differ is the extent to which second-generation respondents are able to deal with conflicting identities as well as justify shifts in identity – experienced particularly by those born overseas, but now resident in the UK. Thus paper demonstrates just how readily respondents use hyphenated identity labels such as British Punjabi, or British Pakistani as markers of difference and acceptance within the wider society. Therefore, findings reveal three self-subscribed identities: (i) hyphenated British identities, (ii) a normal businessman, and (iii) a true entrepreneur.

Interestingly, all 34 respondents are caught between 'two cultures'. For example, a number of respondents (i) *stress* their ethnicity via hyphenated British identities consider to be indicative of their 'British-ness – (*n=10*).' Whereas, other respondents (ii) *hide* their ethnicity by emphasising their role as a 'businessman (*n=16*).' Here respondents feel the issue of ethnicity and business should be separated as the former impacts on the latter. Finally, a number of respondents appear to be (iii) *opportunists (n=8),* and by using their ethnic identity as a resource (as part of their entrepreneurial toolkit), are able to shift between points (i) and (ii) should the occasion rise. Here such respondents see themselves as true entrepreneurs. Looking at each in turn:

(i) Hyphenated British Identities – Stressing Identity
Of the 34 second-generation respondents questioned, 10 (8 of whom are Pakistani Muslims) were born overseas, and came to the UK before the age of 12 years old. Interestingly, of these 10, 6 (5 Pakistani Muslims and 1 Sikh) display evidence of a shift in identity, thus all 6 respondents comment on the fact they:
- Arrived in the UK as young children
- Have spiritual and emotional roots that still remain with India or Pakistan
- Have married a female from the same religious background – either UK or overseas born
- Speak one if not a number of languages – Urdu, Hindi and Punjabi

However, these ten respondents identify themselves via an assortment of hyphenated identity labels such as British Sikh or British Pakistani or British Asian – thus, British first, Sikh/Pakistani/Asian second. As one respondent noted:

> *'I am British through and through with a Pakistani background.'*

The reason for this shift in identity has more to do with the fact that these particular respondents do not consider themselves ethnic. Instead they believe they are more English than some English people. Therefore, these respondents have an economic and social bond with the UK, but a spiritual and emotional bond with their country of origin. This is further reinforced by the attitude that because these respondents arrived in the UK as young dependents, they consider England to be their home; as one respondent went onto remark,

> *'I don't think I have much of an accent; it's quite English I think.'*

In contrast to these 6, the remaining 4 respondents identify with their respective country of origin so using the terms Indian or Pakistani as the initial marker. Five second-generation respondents born in the UK also use hyphenated British identities, with British being the initial marker. These particular respondents describe themselves as a *'British Muslim entrepreneur'*, or a *'British Asian entrepreneur.'* Interestingly, these respondents appear to

be the most sensitive of all 34 respondents in terms of not only how they wish to be perceived by others, but also overcoming the notion of being outsiders looking in. For instance,

> *'I see myself as a British Sikh entrepreneur and not some ethnic minority person begging for handouts.'*

Equally,

> *'I'm not an import, or a Pindu (a person born and living in a Punjabi/Indian village)[2], I was born here.'*

Again, this mind-set sends a strong signal that reinforces national and cultural identity, and one that helps differentiate the respondent from his co-ethnic peers born overseas. These respondents within this category were found across all business sectors, with retailing/catering being the most dominant.

(ii) A Normal Businessman – Hiding Identity
16 respondents (*n* = 34) do not use any form of ethnic or national identity labels beyond that of a businessman. Thus:

> *'I am Asian but I don't see myself as an Asian businessman,'*

Equally,

> *'Just a normal businessman trying to earn a living.'*

Typically, these 16 respondents display a number of contradictory characteristics and attitudes. For instance:
- Businesses are not established on the basis of their ethnicity. Thus, respondents attempt to move away from such leanings. As one respondent remarked *'Ethnicity, religion and colour should not be used as tools to create a business.'*
- Respondents feel that any form of ethnic or even religious identity seriously undermines them in the eyes of the wider community. Therefore, respondents do not want themselves and business to be *'pigeon holed as ethnic.'*
- Contrary to the points noted thus far, respondents tend to be situated within sectors such as low order retail/wholesale and catering, so servicing co-ethnic clients. As one respondent admitted: *'Now 80% of my contacts are Asian and so to try and get away from that is very difficult to do.'*
- Respondents display a mix of emotions - positive and negative - towards the UK, India and Pakistan
- Respondents espouse the effective and efficient use of one's business skills and prior experience, and not an ethnic tag, as a marker of professionalism and business identity
- Ethnicity and colour are perceived to have little to do with the way one conducts business. As far as these respondents are concerned, *'the only colour businesses recognise is green – the colour of money.'* Therefore, *'money talks, it opens doors and gives you a sense of power.'* In essence, for these respondents to transcend all forms of ethnic boundaries, money becomes another factor within the overall marker of professional identity, and by implication, respondents feel they are able to buy their way out of - and into -situations.

---

[2] Two particular terms used by UK born young Asians to describe their peers born overseas, but now being brought-up, living and educated in the UK.

Although evidence notes a shift in the perception of identity from British Asian to normal businessman, what is clear from various discussions is that no matter what label one assigns oneself, respondents (like their first-generation counterparts) acknowledge skin colour will always be a deciding factor in terms of acceptance or rejection by the wider community - hence the attitude towards money. In essence, the discussion is summed up thus:

> *'Being Asian and obviously with my background, where I live as well, impacts on the type of customer contacts I make, how that person perceives me and how I interact with that person.'*

Caught Between Two Cultures' Scenario

What is striking about respondents (*n = 26*) in both hyphenated British identities and normal businessman category is that they appear to share an issue of identity conflict – so supporting the need for shifting identities. Therefore, been brought up within the Asian community has undoubtedly allowed respondents to migrate between two cultures. Consequently, their attitude towards identity labels, culture of origin, and/or mainstream culture are shaped by interactions with family, co-ethnic community, and the wider society – both personally and professionally. For instance:

- Family: doing the right thing

All 26 Respondents point to the fact that relationships between themselves and their parents are at times sources of conflict. Such problems centre on the notion of *'doing the right thing,'* wherein pressure is placed on the respondent *to 'get married, to become a doctor or an accountant the usual things like that.'* So like many of their peers faced with a similar situation, respondents follow the *'Western way'* thereby rejecting some traditional Asian values.

- Co-ethnic community

Here, all 26 respondents express their concern, if not anger at the level of '*undue and unfounded moral arrogance that exists with all Asian communities.'* Whether Sikh, Hindu, Muslim or Gujarati, *'they all seem to have a moral superiority'* which many respondents feel is quite contrary to their own personal belief and values system. Respondents illustrate examples of narrow-minded mentalities, hypocrisy and contradictions amongst the various Asian communities that in one way or another have had a detrimental effect on them as individuals, and their own perceived notion of identity specifically.

- Dealing with co-ethnic customers

Here a number of respondents (*n = 15*) talk of their frustration (and dislike) when dealing with UK and/or overseas (the Indian sub-continent) based co-ethnic clients - wholesalers, retailers, or the general public. The problem stems from a number of scenarios. For instance, (i) co-ethnic clients/customers within the distribution chain (or even daily face-to-face transactions) not honouring distribution/pricing agreements, or (ii) *'playing off my business (the respondent) against competitors,'* or (iii) using emotional blackmail, namely the *'ethnic-community/family card'* to obtain favourable payment terms, or (iv) overseas customers increasing cost of goods and raw materials purely by the fact that the respondent is conducting business from the UK. As one respondent pointed out *'Asians really don't have any loyalty. The English stick to what they've said and do what they say they're going to do.'*

- Interactions with the wider society

Although evidence suggests a minority of respondents (*n =5*) appeared not to have experienced racism or prejudice, a majority of respondents did experience varying

levels of racial abuse, despite them having the advantage of language and a better understanding of mainstream culture than the first-generation. Consequently, many respondents believe *'being ethnic is a constraint'* and to support such a statement, respondents reflect on their upbringing, especially as children growing up in London and/or the Home Counties. Here respondents recall negative experiences during their interactions with the wider society, such as *'hatred directed at the Asians'* and the fact *'white people being one way and black people being another way.'*

These examples of hostility towards respondents provoke a reaction that for many led to the adoption of a particular mind-set. For instance, some respondents refused to change their attitude, therefore resisted the temptation to *'go Western.'* Equally, others found living within neighbourhoods hostile towards them, and dealing with co-ethnic people that are just as unrelenting in their attitude, quite unsettling. Consequently, respondents have developed personal and professional strategies that allow them to cope with, and move between respective communities dependent upon the given situation.

(iii) A True Entrepreneur – Opportunists
This final category sits between both hyphenated British identities and a 'normal businessman. Essentially, this category contains eight second-generation respondents (*n*=34), dominated mainly by Sikhs and Pakistani Muslims from NFBs/emergent sectors. As such they:
- Are multilingual
- Use prior experience, management skills, qualifications to endorse their professional ability
- Are open-minded. Thus, respondents are always looking for new ways in which to make money, exploring new business opportunities in home/international markets, having ideas for establishing additional business ventures, and/or exploiting new technologies
- Are serial/portfolio entrepreneurs
- Place greater emphasis on networking. Therefore, respondents have no restrictions – cultural, religious, national, age, gender or otherwise - in terms of people with whom to conduct business. Consequently, respondents surround themselves with key people or develop key partnerships/relations. Essentially, respondents deal only with *'those who are in the know, and move the quickest.'*
- Consider themselves not like *'other people with their cautious approach to business.'* Instead, these respondents remark they are *'willing to take risks'*– a characteristic they feel quite proud to possess
- Hold a strong economic and social bond with the UK, but display a remote spiritual tie with India or Pakistan
- Are aware of the importance of overcoming the *ethnic tag* levied at them and their respective businesses. This they attempt to do via the seven points mentioned above

What is noteworthy about this particular group of respondents is the fact that their integration into UK society, their command of English, and education levels allows them access to information and provides them with knowledge as to the way *'things are done.'* Consequently, respondents are able to, or more importantly, are willing to navigate their way in and around their own and mainstream culture with relative ease. These respondents view ethnicity and ultimately identity as a resource that can be either commercially exploited or suppressed - depending upon the given situation. Moreover, although skin colour is acknowledged as an inhibitor, this provides the impetus to succeed against adversity.

On closer exploration, it is found such an attitude derives from the fact respondents genuinely feel that for them there are no conflicts of interest in terms of identity, and go on to qualify this belief with the suggestion that they have had a balanced upbringing, and such a balance is the product of three key areas: family, employment and wider issues. For example:

- The role of the family
Respondents point to a family environment wherein can be found a harmonious balance of western and traditional values. For instance, respondents claim to have received a good education, obtained a professional career, and have married and started a family. All of which are perceived important indicators in the eyes of the co-ethnic community (as to the way parents have raised their children).

- Impact of prior employment on entrepreneurship
Here it is suggested by respondents that throughout their careers they have not experienced any negative intensions towards them from former (and existing) work colleagues. As one respondent remarked, *'I've worked with English people, so I just treat everybody the same.'* Consequently, when the respondent made a decision to start his business, he noted that not only were the family supportive, but peers and former work colleagues were also pushing him on to succeed. In essence, as far as the respondents are concerned, the whole process of entrepreneurship has been very positive. Further, because of the positive encouragement experienced, respondents felt establishing their own businesses were natural and progressive steps rather than backward steps.

- Wider influences
These respondents take comfort in the fact that people in the UK are mostly educated about various beliefs and practices of other cultures. Therefore, these respondents claim that they themselves do not look at culture [and religion] as issues, but look at the person as an individual. Again such a mind-set, as respondents note, stems from (i) the interactions of the respondent with wider society, (ii) being open-minded as to whether or not generalisations pertaining to differences between UK and Asian culture are true. Finally (iii) respondents tend not to worry as long as the opportunity is there to make the business work.

To sum up, implied throughout this paper, is that the various connotations of ethnic and cultural labels have different perceived meanings, either positively or negatively, for members (and non-members) of a particular group (Shuja 1992; Nazroo and Karslen 2003). Furthermore, these labels change overtime depending upon the circumstances and situation (political, economical, religious, ethnic or social choice/association) of the individual and/or group, conveying a particular sense of identity and status (Phinney 1996a; Nazroo and Karslen 2003).

Conclusions

The first-generation respondents unlike their second-generation counterparts do not suffer from shifts in identity or even conflicts with identity. This is due in the main to their many years embedded within the UK, as well as, strong linkages/bonds to home nation and own ethnic community. Therefore over time, first-generation respondents have moved from being outsiders looking in to a position of credible and acceptable insiders. This is reflected in issues and strategies to deal with situations such as racism, exclusion et cetera. Here it is noted that respondents have developed dignified responses rather than confrontational rebuffs, as well as, demonstrating their willingness to work hard and advance both socially and economically against such adverse conditions. Typically, being first-generation, these respondents follow similar patterns of entrepreneurial pull experienced many immigrant entrepreneurs within a majority/host society, in that the first generation rely more on ethnic networks, community and extend family as a pool from which to draw its resources.

In contrast to this, the issue of 'identity' is central to understanding the position of the second-generation. Identity, as Christiansen (1998) observes, is evasive, and yet a well-established concept. Therefore, identity among second-generation (and the first-generation) South Asians in the UK simultaneously reflects and influences their modes of social interaction. In addition, identity manifests itself in how second-generation South Asians deal with each other and with those beyond their immediate circle, relating to changing behavioural patterns and diverse embodiments of 'Asian-ness/British-ness' (Christiansen 1998). However, although these respondents are capable of presenting themselves as British should the occasion warrant it, they are aware that their skin colour means that some within mainstream society will never accept them as truly British (op. cit.).

In such situations, the second-generation learn how to navigate their way through their particular environment, which consists of their own culture and the culture of the host society. This navigation demonstrates certain behaviours, such as learning, reinforcement, and social interaction as ways in which certain acculturation agents (e.g. education, religion, values, family, friends, community, and work environment) are aligned with the culture of origin, whilst other agents are associated with the dominant culture (Penaloza 1994; Korgaonkar, Karson and Lund 2000). As thinking and attitude of the second-generation are shaped by their surroundings Peñaloza (1994), such 'behaviours' represent an environment of 'egoistic solidarity', whereby the individual, through his/her free will is able to articulate his/her feelings, interests and desire's and display varying levels of autonomy, individualism and ego to both a wider non-Asian and Asian group (Hiro 1992). This is evident within the three self-subscribed identities: (i) hyphenated British identities, (ii) a normal businessman, and (iii) a true entrepreneur.

Directions for Future Research

This paper has challenged perceptions appertaining to the impact of identity on ethnic entrepreneurs generally and the second-generation experience specifically. Moreover, the paper has highlighted gaps within knowledge and suggests a need to further understand identity/difference from a second-generation perspective. Therefore, new directions in terms of a research agenda by policy makers, researchers and support agencies ought to be forthcoming. Such agenda should focus on identity and difference, particularly the notion of Asian-ness versus British-ness. Equally, this debate should not be the sole domain of the 'South Asian' experience. Rather merit would be gained should debate extend to other ethnic communities, as an example Somalian's, Albanian's, African's, Turkish second-generation vis-à-vis both the entrepreneurial experience and issues of 'British-ness.' This change in direction would reflect changes to their current situation/business needs. Finally, research should now question the whole notion of 'ethnic entrepreneurship and ethnic SMEs' and the extent to which they converge with mainstream (host) businesses and (non-ethnic) markets/customers. Discussion therefore should move away from definitions based upon ethnic/religious background, skin colour and English language ability, to a position that addresses whether such terms are relevant still given the longevity and embedded nature of various ethnic communities within the UK, which it must be added, very many of whom are well into their second if not third generation.

REFERENCES

Ajmani, Singh, D. (1999), *A report on the perception of the British Sikhs regarding the present mode of delivery of Sikh faith and its promotion: An agenda for improvement.* Published by EK-Onkar Research Group, Crawley, England. November 1999.

Akerlof, G.A and Kranton, R.E. (2000), Economics and Identity, *The Quarterly Journal of Economics,* Vol. CXV, No, 3, pp 715 - 753.

Alibhai-Brown, Y. (1998), Islam and Euro-identity. *Proceedings of IPPR Seminar. Demos Collection* 13/1998 March.

Allen, S. (1971), *New minorities, old conflicts: Asian and West Indians in Britain* Published by Random House, New York, USA.

Anwar, M. (1976), *Between two cultures: A study of relationships between generations in the Asian community in Britain.* Published by Community Relations Commission, London England.

Anwar, M. (1979), *The myth of return: Pakistanis in Britain.* Published by Heinemann, London, England.

Anwar, M. (1982), *Young Muslims in a multi-cultural society - their educational needs and policy implications: The British Case.* Published by The Islamic Foundation, Leicester, England.

Anwar, M. (1994), *Young Muslims in Britain: Attitudes, educational needs and policy implications.* Published by The Islamic Foundation, Leicester, England

Arcand, S. (2012), Transmission of entrepreneurial spirit from first to second generation ethnic minorities in Montreal: Opening paths for further researches. *Journal of Enterprising Communities: People and Places in the Global Economy.* Vol.6, No.1, pp 39 – 56.

Ballard, R and Ballard C. (1977), The Sikhs: The development of South Asian settlements in Britain in *Between Two Cultures: Migrants and Minorities in Britain.* Watson, J (Ed). Published by Blackwell, Oxford England. Chapter 2, pp 21- 56.

Bank of England. (1999), *The financing of ethnic minority firms in the United Kingdom: A Special Report,* May 1999

Bank of England. (2000), *Finance for the small business in deprived communities*

Basu, A and Altinay E. (2002), The interaction between cultures and entrepreneurship in London's immigrant businesses. *International Small Business Journal.* Vol. 20, No.4, pp 371 -393.

Benda-Beckmann von, K and Verkuyten, M. (1995), Introduction: Cultural identity, and development in Europe in *Nationalism, ethnicity and cultural identity in Europe.* Benda-Beckmann von, K and Verkuyten, M (Eds) Published by ERCOMER, The Netherlands.

Berreman, G.D. (1967), Stratification, pluralism and interaction: A comparative analysis of caste in *Caste and Race: A comparative approach.* de Reuck, A and Knight, J (Eds). Published by The CIBA Foundation. Chapter 5, pp 45 – 71.

Berry, J. (1980), Acculturation as varieties of adaptation in *Acculturation: Theory, Models and Some New Findings.* Padilla, A (Ed). Published by Westview Press, Colorado, USA.

Betancourt, H and López, S.R. (1993), The study of culture, ethnicity and race in American psychology. *American Psychology.* Vol. No 6, pp 629-637.

Brown, M. S. (2000), Religion and economic activity in the South Asian population. *Ethnic and Racial Studies.* Vol. 23, No.6, pp 1035 -1061.

Burton, D. (2000), Ethnicity, identity and marketing: A critical review. *Journal of Marketing Management.* Vol. 16, No.8, pp 853-877.

Cabinet Office. (2003), *Ethnic Minorities and the Labour Market* – Final Report

Carter, S., Mwaura, S., Ram, M., Trehan, K. and Jones, T. (2015), Barriers to ethnic minority and women's enterprise: Existing evidence, policy tensions and unsettled questions, *International Small Business Journal*, Vol.33, No.1, pp. 49-69.

Casey T and Dustmann, C. (2010) Immigrants' identity, economic outcomes and the

transmission of identity across generations. *Economic Journal,* Vol. 120 , pp F31-F51

Cashmore, E and Troyna B. (1990), *Introduction to race relations 2/edition.* Published by The Falmer Press, Basingstoke, England.

Chaganti, R and Greene, P.G. (2002), Who are ethnic entrepreneurs? A study of entrepreneurs' ethnic involvement and business characteristics. *Journal of Small Business Management.* Vol. 40, No. 2, pp 126 -143.

Chaganti, R, Chaganti, R and Treichel, M. (2007), Does ethnicity matter? A study of strategy intent of Internet ventures founded by ethnic and non-ethnic entrepreneurs, pp 309-320 in *Handbook of Research on Ethnic Minority Entrepreneurs, (2007),* edited by Dana, L-P. Published by Edward Elgar, Cheltenham.

Chan, S and Lin Pang, C. (1998), *Entrepreneurial culture of the second-generation European Chinese.* 21st ISBA National Small Firms Conference, pp 1332-1350.

Crewe, E and Fernando, P. (2006), The elephant in the room: Racism in representations, relationships and rituals. *Progress in Development Studies.* Vol. 6, No.1, pp 40 –54.

Christiansen, F. (1998), Chinese identity in Europe in *The Chinese in Europe.* Benton, G And Pieke, F (Eds). Published by MacMillan Press Ltd.

Cromie, S., Stephenson, B and Monteith, D. (1995), The management of family firms: An empirical investigation. *International Small Business Journal.* Vol. 13, No.4, pp 11-32.

Collins, A.L and Fakoussa. (2015), Ethnic minority entrepreneurship: Am examination of Pakistani entrepreneurs in the UK. *Journal of Innovation and Entrepreneurship.* Vol 4, No.2.

Dana, L.P. (2000), Creating entrepreneurs in India. *Journal of Small Business Management.* Vol. 38, No.1, pp 86-91.

Dana, L-P and Morris, M. (2007), Towards a synthesis: a model of immigrant and ethnic entrepreneurship, in *Handbook of Research on Ethnic Minority Entrepreneurs, (2007),* edited by Dana, L-P. Published by Edward Elgar, Cheltenham.

Easterby-Smith, M., Thorpe, R and Lowe, A. (1991), *Management research: An introduction.* Published by Sage Publications.

Epstein, G.S and Heizler (Cohen), O. (2015), Ethnic identity: A theoretical framework. *Journal of Migration,* Vol 4, No.9.

ESRC - The Economic and Social Research Council (2015), Evidence Briefing: Supporting ethnic minority and female entrepreneurs. February 2015.

Fernandez-Kelly, P and Konczal, L. (2005), Murdering the alphabet identity and entrepreneurship among second-generation Cubams, West Indians and Central Americans. *Ethnic and Racial Studies.* Vol. 28, No.6, pp 1153 – 1181.

Fry, A. (2000), Missing a trick in a vibrant market. *Marketing.* July 20, pp 27-28.

Gill, J and Johnson P. (1991), *Research methods for managers.* Published by Paul Chapman Publishing Ltd, London, England.

Gillespie, M. (1995), *Television, ethnicity and cultural change.* Published by Routledge

Gilroy, P. (1987), *There ain't no Black in the Union Jack.* Published by Hutchinson, London England.

Hamilton, R., Dana, L-P and Benfell, C. (2008), Changing cultures: An international study of migrant entrepreneurs. *Journal of Enterprising Cultures.* Vol. 16, No. 1, pp 89-105.

Hiro, D. (1992), *Black British White British: A history of race relations in Britain.* Published by Paladin, London, England.

Hopkins, P (2004), *Young Muslim men in Scotland: inclusions and exclusion,* Children's Geographies, 2:2, pp 257–272.

Hussey, J and Hussey, R. (1997), *Business Research: A practical guide for undergraduate and postgraduate students.* Published by Macmillan Press Ltd.

Iwamoto, D.R; Negi, N.J; Partiali, R.N, and Creswell, J.W. (2013), The Racial and Ethnic Identity Formation Process of Second-Generation Asian Indian Americans: A phenomenological Study. Journal of Multicultural Counseling and Development. Vol. 41, pp 224-239.

Jacobson, J. (1997), Religion and ethnicity: dual and alternative sources of identity among young British Pakistanis. *Ethnic and Racial Studies.* Vol. 20, No.2, pp 238-256.

Janjuha, S and Dickson, K. (1998), Transitional challenges within South Asian family businesses. *Proceedings of the Ethnic Minority Entrepreneurship Seminar.* 22-23 September 1998, University of Central England, Birmingham, pp 112–117.

Janjuha, S and Dickson, K. (1998a), The ties that bind and explanation of succession within South Asian family firms in Britain. *Proceedings of the 21st ISBA National Small Firms Conference*, 13 – 15 November, 13 -15 pp 309-321.

Jamal, A, (2005), Playing to win: an explorative study of marketing strategies of small ethnic retail entrepreneurs in the UK. *Journal of Retailing and Consumer Services.* Vol. 12, pp 1-13.

Jamal, A and Chapman, M. (2000), Acculturation and inter-ethnic consumer perceptions: Can you feel what we feel? *Journal of Marketing Management.* Vol. 16, No. 4, pp 365-391.

Johnson, B.B. (2004), Arguments for testing ethnic identity and acculturation as factors in risk judgments. *Society for Risk Analysis.* Vol. 24, No.5, pp 1279 – 1287.

Jones, T., Mascarenhas-Keyes, S and Ram, M. (2012), The ethnic entrepreneurial transition: Recent trends in British Indian self-employment. *Journal of Ethnic and Migration Studies.* Vol. 38, No 1, pp 93-109.

Jones, T., McEvoy, D and Barrett G. (1994), Labour intensive practices in the ethnic minority firm: Atkinson, J and Storey, D (Eds). *Employment, the small firm and the other labour market.* Published by Routledge, London, England Part 5, pp 172-205

Jones, T and Ram, M. (2012) Revisiting ... Ethnic-minority businesses in the United Kingdom: a review of research and policy developments. *Environment and Planning C: Government and Policy.* Vol. 30, pp. 944 – 950

Jones, T and Ram, M. (2003), South Asian businesses in retreat? The case of the UK. *Journal of Ethnic and Migration Studies* Vol. 29, No. 3, pp 485–500

Jones, T., Ram, M., Edwards, P., Kiselinchev, A and Muchenje, L. (2012), New Migrant Enterprise: Novelty or Historical Continuity? Urban Studies, Vol 49, No.14, pp 1-18.

Kahani-Hopkins, V and Hopkins, N. (2002), Representing' British Muslims: The strategic dimension to identity construction. *Ethnic and Racial Studies.* Vol. 25, No.2, pp 288-309.

Khairullah, D.Z., Tucker, F.G and Tankersley, C.B. (1996), Acculturation and immigrant consumers' perception of advertising: A study involving Asian-Indians. *International Journal of Consumer Marketing.* Vol. 6, No.3 & 4, pp 81-104.

Khan, V.S. (1977), The Pakistanis: Mirpuri villagers at home and in Bradford in *Between Two Cultures: Migrants and Minorities in Britain.* Watson, J (Ed). Published by Blackwell, Oxford England. Chapter 3, pp 57-89.

Korgaonkar, P., Karson E and Lund, D. (2000), Hispanics and the direct marketing advertising. *Journal of Consumer Marketing.* Vol. 17, No.2, pp 137 – 155.

Kurien, P (2001) religion, ethnicity and politics: Hindu and Muslim Indian immigrants in the United States. *Ethnic and Racial Studies.* Vol. 24, No. 2, pp 263 – 293.

Lewis, P. (1994), *Islamic Britain: Religion, politics and identity among British Muslims.* Published by I.B. Tauris, London, England.

Malholtra, N.K. (1996), *Marketing research: an applied orientation.* Second Edition. Published by Prentice Hall International Editions, New Jersey, USA.

Masud, M.K. (1989), Being Muslim in a non-Muslim Polity: Three alternative models. *Journal Institute of Muslim Minority Affairs.* Vol. 10, No.1, pp 118-128.

Metcalf, H., Modood, T and Virdee, S. (1997), *Ethnic minorities in Britain: Diversity and Disadvantage.* Policy Studies Institute, London.

Miles, M and Huberman, M. (1994), A*n expanded sources book: Qualitative data analysis Second Edition.* Published by Sage Publications.

Mintzberg, H and Quinn, J.B (1992) *The strategy process: Concepts and contexts.* Published by Prentice Hall International, USA.

Nazroo, J.Y and Karlsen, S. (2003), Patterns of identity among ethnic minority people: Diversity and commonality. *Ethnic and Racial Studies.* Vol. 26, No.5, pp 902 – 930.

Neiyyar, D. (2010), Sikh campaigners threaten legal fight over 2011 Census, BBC News Channel, 5th February 2010.

Office for National Statistics. (2011), Census / religion.

Open Society Institute, (2005), Muslims in the UK: Policies for engaged citizens.

OSI/EU Monitoring and Advocacy Program. (2005), *British Muslims and the Labour Market.* Published by Open Society Institute, H – 1051 Budapest Hungary.

Padilla, A. (1980), Introduction in *Acculturation: Theory, Models and Some New Findings.* Padilla, A (Ed). Published by Westview Press, Colorado, USA.

Parekh, B. (2001), *The Future of Multi-Ethnic Britain.* Text from a Keynote presentation to the Political Studies Association of the UK annual conference. Manchester, England 11 April 2001. Published by Runnymede's Quarterly Bulletin, June 2001, No.326, pp 1-8.

Peñaloza, L. (1994), Atravesando fronteras/border crossings: A critical ethnographic exploration of the consumer acculturation of Mexican immigrants. *Journal of Consumer Research.* Vol. 21, pp 32-53.

Peters, N (2002) Mixed embeddedness: Does it really explain immigrant enterprise in Western Australia (WA)? *International Journal of Entrepreneurial Behaviour and Research.* Volume 8, No.1 & 2, pp 32-53

Phinney, J.S. (1996a), When we talk about American ethnic groups, what do we mean? *American Psychologist.* Vol. 51, No.9, pp 918-927.

Phinney, J.S. (1996b), Understanding ethnic diversity: The role of ethnic identity. *American Behavioral Scientist.* Vol. 40, No.2, pp 143-152.

Phinney, J.S and Ong, A.D. (2007), Conceptualization and Measurement of Ethnic Identity: Current Status and Future Directions. *Journal of Counselling Psychology.* Vol. 54, No. 3, pp 271–281.

Pio, E and Dana, L-P. (2014), An empirical study of Indian entrepreneurs in Christchurch New Zealand. *International Journal of Small Business.* Vol. 22, No.1, pp 17-35.

Portes, A and Zhou, M. (1993), The new second-generation: Segmented assimilation and its variants. *Annals of the American Academy of Political and Social* Vol. 530, pp 74-96.

Portes, A, Fernandez-Kelly, P and Haller W. (2005), Segmented assimilation on the ground: The new second generation on early adulthood. Special Issues – The second-generation in early adulthood. *Ethnic and Racial Studies.* Vol. 28, No.6, pp 1000 – 1040.

Portes, A and Rumbaut, R. G. (2005), Introduction: The second-generation and the children of immigrants longitudinal study. Special Issues – The second-generation in early adulthood. *Ethnic and Racial Studies.* Vol. 28, No.6, pp 983 – 999.

Quintana, S.M. (2007), Racial and ethnic identity: Developmental perspectives and research. *Journal of Counselling Psychology.* Vol. 54, No.3, pp 259-270.

Ram, M. (1994), Unravelling social networks in ethnic minority firms. *International Small Business Journal.* Vol.12, No. 3, pp 42-53.

Ram, M and Holliday, R. (1993), Relative merits: family culture and kinship in small firms. *Journal of Sociology.* Vol. 27, No. 4, pp 629-648.

Ram, M and Jones, T. (2008), *Ethnic Minorities in business.* The Small Business Research Team, 2nd Edition.

Raj, D.S. (2000), Who the hell do you think you are? Promoting religious identity among young Hindus in Britain. *Ethnic and Racial Studies.* Vol. 23, No.3, pp 535 -558.

Remenyi, D. (1995), *So you want to be an academic researcher in business and management studies.* Working Paper Series, Henley Management College, Greenlands, Henley-on-Thames, England.

Rhodes, C. (2015), Briefing Paper: Business Statistic. No. 06152, House of Commons Library.

Roosens, E. (1995), Ethnicity as a creation: Some theoretical reflections in *Nationalism,*

ethnicity and cultural identity in Europe. Benda-Beckmann von, K and Verkuyten, M (Eds) Published by ERCOMER, The Netherlands.

Ryan, G.W and Bernard, R.H. (2000), Data management and analysis methods in *Handbook of qualitative research* 2/edition. Denzin, N.K and Lincoln, Y.S Eds). Published by Sage Publications.

Sabatier, C. (2008), Ethnic and national identity among second-generation immigrant adolescents in France: The role of social context and family. *Journal of Adolescence*. Vol.31, pp 185-205.

Saeed, A., Blain, N and Forbes, D. (1999), New ethnic and national questions in Scotland: post-British identities among Glasgow Pakistani teenagers. *Ethnic and Racial Studies*. Vol. 22, No.5, pp 821-844.

Scantlebury, E. (1995), Muslims in Manchester: The depiction of a religious community. *New Community*. Vol. 21, No.3, pp 425-435.

Schuller, S. (2015), Parental ethnic identity and educational attainment of second-generation immigrants. *Journal of Population Economic*. Vol. 28, No.4, pp 965-1004.

Searle-Chatterjee, M. (2000), World religions and ethnic groups: Do paradigms lend themselves to the cause of Hindu nationalism? *Ethnic and Racial Studies*. Vol. 23, No.3, pp 497 – 515.

Sinha, S. (1967), Caste in India: Its essential pattern of socio-cultural integration in *Caste and Race: A comparative approach*. de Reuck, A and Knight, J (Eds). Published by The CIBA Foundation. Chapter 7, pp 92 – 105.

Shuja, S. (1992), *Muslim, not Asian*. Pp 1-5. Publication not known, see library-Commission for Racial Equality.

Skellington, R. (1996). *Race in Britain today*, 2nd Edition, Published by Sage Publications, London, England.

Srinivasan, S. (1992), The class position of the Asian petty bourgeoisie. New Community. Vol. 19, No.1, pp 61 –74.

Srinivasan, S. (1995), *The South Asian petty bourgeoisie in Britain: An Oxford case study*. Published by Avebury.

Stoy Hayward Report. (1989), *Staying the course: Survival characteristics of family owned businesses.* A survey in conjunction with the London School of Business, England

Stoy Hayward Report. (1990), *Managing the family business in the UK.* A survey in conjunction with the London Business School, England.

The Parekh Report. (2000), *The future of multi-ethnic Britain*. Commission by The Runnymede Trust. Published by Profile Books, London, England.

Tummala-Narra and Sathasivam-Rueckert. (2016), The experience of ethnic and racial group membership among immigrant-origin adolescents. *Journal of Adolescent Research,* Vol 31, No.3, pp 299 – 342.

Waldinger, R and Feliciano, C. (2004), Will the new second-generation experience 'downward assimilation'? Segmented assimilation re-assessed. *Ethnic and Racial Studies*. Vol. 27, No.3, pp 376 – 402.

Walker, R. (1985), (Ed) *Applied qualitative research*. Published by Gower.

Warikoo, N. (2005), Gender and ethnic identity among second-generation Indo-Caribbeans. *Ethnic and Racial Studies*. Vol. 28, No.5, pp 803 – 831.

Webster, C. (1994), Effects of Hispanic ethnic identification on marital roles in the purchase decision process. *Journal of Consumer Research*. Vol. 21, pp 319 – 331.

Westhead, P and Cowlin, M. (1997), Performance contrasts between family and non-family unquoted companies in the U.K. *International Journal of Entrepreneurial Behaviour and Research*. Volu3, No. 1, pp 30 - 52

White, S. (2015), Business population estimates for the UK and Regions 2015. Department of Business and Innovation and Skills, URN15/92.

Yeh, C.J., Ma, P.W., Madan-Bahel A., Hunter, C.D., Jung, S., Kim, A., Akitaya, K and Sasaki K. (2005), The cultural negotiations of Korean immigrant youth. *Journal of Counselling and Development*. Vol. 83, pp 172 – 182.