CULTURE AND BUSINESS : THE CASE
OF THE PETTY BOURGEOISIE

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Summary of Thesis

This thesis is an exploration of the attitudes and business behaviour of White and Sikh owners of small enterprise. It reports a comparative study, using mainly qualitative data obtained through interviews, of a sample of White and Sikh proprietors in West London. It argues that the role of culture in ethnic enterprise has been over-stated, and that cultural characteristics are filtered through the perceived contingencies of the small business environment. The environment presents and structures certain business problems and the biography of the owner creates a framework through which they are perceived. Cultural values offer a range of preferred solutions but these too are perceived through the experience of running a small enterprise.

The thesis begins with an account of the development of shopkeeping and similar petty bourgeois activities during the nineteenth century. It stresses that although there is a considerable level of continuity between the social and economic functions of the petty bourgeoisie in the past and their position today, the petty bourgeoisie should not be regarded as a remnant of a previous era. Two chapters review the theoretical literature on the class position of the petty bourgeoisie and the social organisation of the small firm, and these are followed by a discussion of the social and cultural characteristics of the Sikhs, the main comparison group in this research. The research methodology is described and this is followed by an analysis of the interview data. The findings are examined in the context of various aspects of starting and running a small business, including the decision to set up in business, financing the enterprise, buying and selling and planning the development of the business. The thesis concludes with a number of policy recommendations.
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I Introduction

Despite the upsurge of economic and political interest in small firms and the corresponding growth of policy-related literature there has been comparatively little British sociological work which has taken as its main subject the small enterprise and its owner. There have been only four or five major empirical studies of the small firm and these have, as yet, had little influence on the major concerns of industrial sociology or other related sub-disciplines. The increasing attention which is being given to the informal economy in its various manifestations may, however, help to give the small firm greater prominence in sociological analysis in the future.

The lead in small business research has been taken by economists but there is also a substantial literature deriving from the interests of writers working in regional studies. Multi-disciplinary research has also emerged and this often has a strong policy orientation. A distinctive sociological analysis of small firms can make two main contributions to research. In the first place much of the existing research is based on survey-type data. Although sociologists may also use this approach they have a particular expertise in the use of qualitative data. Surveys tend to produce an analysis of those characteristics of the business and its owner which are most easily quantified and thus the subjective perceptions and aspirations of the small firm owner have had comparatively little attention. However it will be argued in subsequent chapters that an understanding of the owner's attitudes to running a business and of his or her decision-making processes is crucial to small business policy. Economists and geographers have tended to regard the small firm as a unit whose nature and performance can be treated as mainly dependent on its external environment, with only a passing glance at the owner. Sociologists on the other hand, more typically take the social actor as their starting point and regard the enterprise as emergent patterns of social action. The second
contribution of a sociological analysis of small firms is in the context of mainstream sociological thought. An understanding of various social and economic trends would be enriched by examining their manifestation in small firms. The debate over de-industrialisation, for example, requires an analysis of the small firm sector. The deskilling thesis has tended to concentrate on large industrial units and to overlook the traditional locus of artisan work, and the analysis of gender relations at work should not ignore the small businesses where many women work. The omission of small firms from much mainstream sociological work is probably due in part to the fact that they are often less accessible to intensive investigation, but this should not prevent the incorporation of existing work into wider areas of analysis. The aspects of small firms which have been of most interest to sociologists include the class position of owners, the social organisation and control of the small enterprise and, most recently, the business culture of ethnic minorities. There has been a certain amount of debate within a Marxist framework about the class position of the petty bourgeoisie. The term, however, has been used to refer to various positions within the relations of production and is rarely confined to those who are self-employed or owner-managers (Poulantzas, N., 1982; Wright, E.O., 1979). The debate has been generally presented at a high level of abstraction and has not made any real impact on empirical research on small businesses. Stratification studies carried out by Goldthorpe (1980) were concerned with the petty bourgeoisie in so far as they formed a stratum within a wider system. However he identified this stratum as one which is characterised by a considerable flow both in and out and which may act as a channel of mobility. The focus of these studies was on the social and work history of the sample, but by pointing to the role of petty capital in social mobility the studies make an implicit link between the nature of the small enterprise and the life-chances of the owner.
One of the earliest sociological studies of the class position of the petty bourgeoisie in Britain was carried out by Bechohofer and his associates (1971). Their work stands out as being of quite a different genre to the class theory debates not simply because they explore the everyday reality of running a small business but also because they deal with a clearly defined group, namely Edinburgh shopkeepers. Although there may be a danger in generalising from a specific category to a wider stratum, the sociological investigation of the small firm sector has proceeded almost entirely through the in-depth analysis of carefully delimited samples. Given the considerable heterogeneity within this sector this has probably been the most fruitful path to take.

Although Bechhofer et al (1971) were more concerned with the political attitudes and status of the shopkeepers than with their business decisions their analysis explores the relationship between the nature of the work and social and economic attitudes. Although their data was collected in the late nineteen-sixties there is a remarkable continuity between the attitudes expressed by their respondents and those recorded in this study, carried out over ten years later.

Bechohofer and his associates stripped away some of the nostalgia surrounding the small shop. Far from the cosy, amicable life-style of the idealised shopkeeper, they described the isolation and oppression of this type of work (Bechhofer et al 1974, 1974a). The work experience of the small firm owner and the social organisation of the small business have been examined in greater detail by Scase and Goffee (1980). They have also chosen to investigate a closely delimited group, in this case the owners of small building firms. Despite the small numbers in their sample they have produced a depth of qualitative data which has both challenged the conventional stereotype of the dynamic, entrepreneurial owner-manager and revealed some of the complex social processes entwined with the founding and development of a small firm.
Through focusing on a single type of firm they were able to identify several types of owners with varying aspirations and styles of management. They were also able to show that there is a significant degree of differentiation within the ownership of petty capital (Scase, R. and Goffee, R. 1982).

The social relations of hierarchy and subordination in the small firm have been examined by Goffee and Scase (1982) who take as their starting point Newby's (1977) work on paternalism. Newby (1977) indicated that the small firm owner has certain options open to him in his relationships with his employees which would not be available in a larger unit. However, Newby (1977) emphasises the importance of the local social system in reinforcing the relations of paternalism, and containing its inherent contradictions. Goffee and Scase (1982) develop this thinking and show that the small firm provides a context for fraternalistic as well as paternalistic relations between the owner and the work force. The small firm worker and his orientations to work were the subject of a study by Ingham (1970). This study suggested that the small firm provided an attractive working environment offering a high level of non-economic rewards. Curran and Stanworth (1979) have challenged this view. They indicate that the size of the workforce is not necessarily as significant as the age and marital status of the small firm worker and Curran (1981) points to the importance of the industrial sub-culture in structuring the internal relationships and attitudes to work in the small firm. In this respect he further highlights the heterogeneity within the small firm sector and the need to recognise this in the construction of research samples. Most recently Scott and Rainnie (1984) have suggested that a highly autocratic style of management may be forced upon small firm owners by the economic pressures to which they are exposed. In all, this set of studies has made an important contribution to our understanding of the social organisation of the small
firm workforce and it is to be hoped that this work can be incorporated within the broader debates of industrial sociology.

In the nineteen seventies the growth of ethnic enterprises in urban areas brought another facet to the sociological analysis of small business. The equation of ethnic with small in this context may need to be reconsidered as this form of business develops. Attention focused at first on the role which ethnic enterprise might play in the collective social mobility of minority groups. The history of Jewish business suggested that it might be an important vehicle for the accumulation of wealth by disadvantaged groups. It was assumed that informal ties within closely-knit ethnic communities would provide ready sources of capital, customers and labour and it was thought that some minorities had developed a cultural predisposition towards business (Ward, 1983). More recently, doubt has been cast on the extent to which ethnic enterprise will be able to create wealth within disadvantaged communities (Auster and Aldrich, 1984). An extensive quantitative survey by a team of geographers was one of the first studies to make a controlled comparison between white owners of small businesses and their Asian counterparts (McEvoy et al. 1980) but there has been very little qualitative analysis of the meaning of enterprise nor internal decision-making which makes this type of comparison. However, Ward and Jenkins (1984) argue that this should be on the research agenda in this field. They point to the need to understand the extent to which small businesses in general rely on informal sources of support and to identify those characteristics which are particularly associated with ethnic enterprise. The research reported in this thesis goes some way to filling this gap in sociological analysis.

The sociological literature on the small firm sector includes one other approach which should be mentioned in passing. This is the analysis of the petty commodity
sector in the sociology of development. Although this work is mainly concerned with issues of economic development and although its arguments can only be applied to advanced industrial societies with great caution, there would seem to be some similarities between the socioeconomic systems operating on the periphery of underdeveloped capitalism and the small enterprises on the fringes of the dominant economy in the West (Mattera, 1985, Pahl, 1984). As the analysis of the informal economy develops we might expect to see a closer link between the sociology of development and the sociology of work in advanced societies. The sociological analysis of the small business in Britain is thus a comparatively underdeveloped research area. At the same time the work which has been carried out has drawn on a variety of theoretical perspectives. This, coupled with the need to confine each study to specific types of enterprise, has tended to produce a somewhat disconnected research effort. There seems to be a need for research which consciously develops the work already carried out and which fills some of the gaps in our picture of the small business sector. It would also be valuable to integrate this research area more closely with broader fields of sociological analysis. The research reported in this thesis attempts to meet some of these objectives. It aims to build on the work of Bechhofer et al (1974, 1974a) and Scase and Goffee (1980, 1982) in the service sector, whilst using some of the concepts developed in the sociology of work to understand the processes of forming and operating a small enterprise. It also fills a gap in the sociology of small business in two respects; it offers a qualitative analysis of everyday decision-making processes and it also makes a direct, controlled comparison between white owners and their counterparts from an ethnic minority.

The study was carried out within a small area of West London. It is confined to retail and other service businesses. These were chosen as being more typical of small firms in this part of London, and, as the economy
shifts in the direction of the service sector, these types of business can be expected to take on particular significance. The arguments for both sectoral and geographical restrictions on the sample are not purely practical. They rest on the theoretical assumption that the social and economic environment of the small business is a major factor in structuring the process of running the enterprise. A significant part of the data which was collected concerns the proprietor's perceptions of their environment and the threats and opportunities which it provides.

The data is essentially qualitative, although a limited amount of quantitative analysis has been included in order to illustrate the main characteristics of the sample. The research might be seen as a response to the need, identified by Curran and Burrows (1985), for an: "analysis of the historical, situational and biographically-mediated interpretations offered by entrepreneurs and small business owners of their economic involvement and its significance for themselves and the wider society." (Curran and Burrows, 1985, p15). The objective of the research was not to document the businesses in terms of conventional financial criteria which are, after all, the artefacts of accounting theory. Whilst this would be valuable in a different context it would draw on an essentially economic model of the small business. Rather than view the small enterprise as a financial system, with appropriate inputs and outputs, the sociological task is to regard it as a social system, a set of socially constructed meanings and relationships. Thus in this study it is not so much the profit and loss accounts which are of interest but the significance which the owner attaches to them and to his or her relationship with the accountant.

The study is a comparison of the attitudes and business behaviours of white and Sikh owners of small enterprises. In West London there is an apparently flourishing Asian small business sector operating alongside a less prosperous
white business community. Sikhs form the preponderant group within the Asian population here and, as a previous study had pointed to differences within the Asian population in terms of business-related behaviour (Baker 1981/82), it seemed desirable to limit the comparison to a specific Asian sub-group. Sociological and anthropological work has adopted an ambiguous position in terms of ethnic enterprise. Whilst serious academic studies have rejected the popular image of the hard-working, dynamic ethnic entrepreneur standing in contrast to the sluggish English counterpart, there has been a persistent assumption that ethnic business owners have culturally-based business skills which give them a competitive advantage over white owners (Watson 1977; Mars and Ward 1984). On the other hand there is also a Weberian legacy which regards the concern with family and community obligations and the intermingling of social and economic relationships as characteristic of a "traditional" culture which is inappropriate to advanced capitalism (Long, 1977). The research reported here started out as an exploration of cultural differences in attitudes to business stemming from the second of the two models above. However it soon became apparent that neither approach was entirely satisfactory. It will be argued that cultural characteristics are filtered through the perceived contingencies of the small business environment. The environment presents and structures certain business problems and the biography of the owner creates a framework through which they are perceived. Cultural values offer a range of preferred solutions but these too are perceived through the experience of running a small enterprise. Thus the study has become less an analysis of distinct cultural patterns in the behaviour of small business owners and more an analysis of the culture of small enterprise itself.

The thesis opens with an historical account of the development of retailing and related service enterprises. It stresses that the small business should be seen as an integral feature of capitalism and not as the relic of
a previous mode of production. The main theoretical debates concerning the structural position of the petty bourgeoisie are outlined in the next chapter, where it is argued that the Weberian approach seems more useful in analysing the day-to-day experience of running a business. This is followed by a discussion of organisational models which have particular relevance to the small enterprise. The relationship between culture and business organisation is also explored in this section. A further chapter offers an analysis of the structural and cultural characteristics of the Sikhs, who form the ethnic comparison group in this research. The problems of researching the small enterprise are discussed and then the particular methods used in this investigation are outlined. The interview data is presented and analysed in a series of chapters, each devoted to a major area of decision-making in a small firm: starting-up, finding finance, buying and selling, taking on staff and planning future developments. The thesis ends with some general conclusions about the factors affecting decision-making in the small enterprise and the relation of culture to business. There are also some recommendations for business policy arising out of this research.
II. The Petty Bourgeoisie In The Social Structure: A Historical Review

1. This chapter provides an account of the changing role of the petty bourgeoisie in the social and economic structure of Britain in the nineteenth and early twentieth centuries. The origins of the petty bourgeoisie are occasionally traced to the craftworkers and small traders of the mediaeval period, but more frequently it is seen as emerging as a stratum along with the development of industrial capitalism. A glance back at the mediaeval period, however, helps to make a distinction which will become significant in analysing the social position of the petty bourgeoisie. The petty commodity producers who engaged in both small-scale manufacture and trade appear to have been a separate group from the merchant class whose interest was predominantly in trading and who eventually forced the petty commodity producers into a position of subordination to them (Dobb, 1963). The merchant class were themselves, in time, absorbed into the emerging capitalist class but the mediaeval craft activity was neither part of this stratum nor continuous with the modern bourgeoisie. Marx (1964) points to this discontinuity when he stresses the significance of the collective organisation of work through the guilds. He sees the mediaeval craft activity as a form of production which was primarily oriented to subsistence rather than to market exchange. Although he regards this craft activity as contributing to the rise of capitalism through its development of the division of labour, he argues that it is swept away as capitalism and the market economy became established.

Although some of the guild traditions such as payment on the basis of custom and status appear to have been maintained into the artisan work of the nineteenth century, the "little masters" were rarely organised on a collective basis and their production had become geared towards, and dependent on, the market (Thompson, 1968). In fact, for much of the nineteenth century the stratum which Marx
perceived as the proletariat included substantial numbers of self-employed craftsmen who owned the means of their production and often employed other people as well. Kumar (1978) suggests that "self-employed master bricklayers, cabinet makers, tailors, printers, carpenters, cobblers" (p 147) were not all that separate as a social group from the working class and Cole and Postgate (1966) make a similar observation. It was from this stratum that the petty bourgeoisie seems to have developed as a distinct group within the socio-economic structure of industrial capitalism.

2. The Development of Shop-Keeping

Within the petty bourgeoisie the group whose history has been best documented is the group which was concerned with some form of distribution, particularly shop-keeping. In fact this covers a larger section of the petty bourgeoisie than might at first seem to be the case because shop-keepers in the nineteenth century were not clearly distinguishable from petty commodity producers. Production or processing of some kind often went hand in hand with retailing. The development of shop-keeping provides a valuable illustration of the way in which the petty bourgeoisie emerged along with the development of capitalism.

The breakdown of comparative self-sufficiency within local areas in the seventeenth century had begun to provide opportunities for entrepreneurs in distribution and by the eighteenth century urbanisation and the development of more reliable transport systems meant that perishable goods could be distributed across considerable distances. Changes in demography meant that urban areas offered concentrations of potential customers sufficient to provide viable markets for local traders. The beginnings of factory production led to the availability of cheap consumer goods and there was thus a corresponding need for distribution outlets. Wage payments and rising incomes reinforced the opportunities for the development and exploitation of exchange relationships by a social group
who had access to a little capital (Alexander, 1970).

This group, the petty bourgeoisie, was distinct from the more substantial capitalist stratum in two important ways. In the first place their capital was very limited: even owners of fixed shops had often accumulated the amount necessary to open up by saving from a meagre apprentice's wage. This meant that the economic position of the petty bourgeoisie was precarious. Fluctuations in their customers' incomes were reflected in the shopkeepers' takings and in difficult times they would be obliged to put themselves in debt by borrowing from family or friends or, occasionally, from a bank (Alexander, 1970). Many small craftworkers-cum-traders sold their goods to larger businesses on a sub-contracting basis and thus further reinforced their vulnerable economic position. Economic dependence was sometimes turned into a social dependence. The shopkeeper required the approval of the customers both in social relationships and political behaviour (Kitson Clark, 1966) in order to keep their goodwill and hence their custom. Thus the petty bourgeoisie had insufficient capital to achieve significant security and real independence outside the labour market. The second difference between the petty bourgeoisie and their wealthier counterparts lay in the fact that, because their capital was limited, the shopkeepers were obliged to use their own labour not simply in a managerial or entrepreneurial capacity but as labour power to generate an income from their capital. The shopkeepers, then, and likewise other members of the petty bourgeoisie, were distinct from the capitalist class in their economic dependence and insecurity and in their need to rely on their own labour power rather than merely controlling the use of their capital. At the same time, however, there is evidence of social and economic differentiation within the petty bourgeoisie stratum. Whereas most of the petty bourgeoisie were quite closely allied with the working class, both through their own social origins and in their clientele and community, Hall (1982) observes that there was also a more specialised group who, with a little more
capital, were able to secure high street positions for their shops and hence more prestigious and wealthy customers. Whilst the former group generally remained in the small-scale and insecure forms of trading some of the latter group were able to accumulate sufficient resources to expand and to carve out for themselves an avenue into the bourgeoisie proper. Among this upwardly mobile group Hall (1982) cites the example of the Cadbury family which moved from retailing beverages into the large-scale manufacture of cocoa products. This heterogeneity of the petty bourgeoisie in terms of their business career which became apparent early in its history has continued to be a feature of its class character. Whilst some small traders achieve rapid social advancement the majority remain firmly within the petty bourgeoisie.

3. The Social and Economic Functions of Shopkeeping

Shopkeepers and traders in the nineteenth century carried out a range of economic functions and activities and in this sense they had a fairly diffuse economic role which has been gradually narrowed over time. Shopkeepers were not merely concerned with the distribution functions: they made up some of the goods they sold from raw materials and often broke down, cleaned, packaged and graded the goods. The grocer would have roasted and graded coffee, the butcher would have slaughtered and prepared the carcass, the confectioner would have prepared sweets in the kitchen. Those who made furniture or boots or clothes would have had small workshops where they produced new goods for sale and repaired and refurbished second hand ones (Alexander, 1970). The diffuse nature of these small shops was partly a result of the low level of technology, which lent itself to craft production, and partly due to the absence of mass markets and large-scale distribution systems. The petty bourgeoisie adapted the goods they made or sold to the nature of the local market which they supplied. They maintained an intimate knowledge of their clientele and their preferences and were able to use their skills
in both making and selling to respond to demand and to carve out for themselves a particularistic niche in the economic system.

The nineteenth century petty bourgeoisie fulfilled a role in the socio-economic structure which is still continued to some extent by its contemporary successors: it absorbed people who had been made unemployed or were unemployable on the wage labour market. The capital for a fixed shop might not have been readily available to an unemployed factory hand but there was the possibility of taking a market stall or simply hawking goods from a tray as an itinerant street trader. Mayhew (1968) observed that although some of these street traders had been born into the business others had been forced into it by lack of opportunities for work, ill-health or other incapacity. Equipment such as a basket or weighing scales could be acquired through credit facilities of the tallyman if necessary. Mayhew (1968) clearly recognised the role of the "street-folk" in cushioning the economy from the effects of depressions. He claims that if the body of London street traders had applied for poor relief the poor rates would have been at least doubled. The move from street selling to taking a stall was not difficult for successful hawkers particularly if they could use their family to continue to take round the tray while they ran the stall (Fraser, 1981). Ease of access to certain trades, such as food stalls meant that by the middle of the nineteenth century they were becoming over-crowded. Fraser (1981, p 102) for example, records that at the end of the eighteen-sixties there were eleven bakers in Drury Lane alone. This picture of intense competition among similar small enterprises, particularly retail outlets, is quite familiar to today’s observer.

In the mid-nineteenth century the working classes were generally unfamiliar with the idea of using shops and they often preferred to patronise stall holders where they expected to buy more cheaply. Shonkeepers would sometimes keep a stall in front of their shop if they hoped to attract
the custom of ordinary people, but they would dispense with it and hound out other stallholders when they felt they could aim at a wealthier market. The shopkeepers needed to socialise the working class into the use of shops and overcome their reluctance for this kind of buying. They did this partly by combining shop and stall and so easing the move from one to the other and partly by cultivating personal relationships among their clientele and thus building up their trust. Doing this also helped them to preserve some continuity in custom and hence in their income (Fraser, 1981). Both the practice of selling from outside the shop and that of developing personal loyalty among their customers are methods which are still common among small shopkeepers today. In the nineteenth century, though, by developing habits of shopping in the working class community, the shopkeepers were helping the capitalist mode of production to penetrate local economies and paving the way for the larger shops which emerged in the context of mass demand later in the century.

Another service which the nineteenth century shopkeepers provided in common with many contemporary small retailers was the giving of credit. Fraser (1981) observes that they were virtually compelled to give credit in order to keep their customers, although on the other hand if they were too generous they would be unable to pay their own debts to their suppliers. One way round this problem was to set up a savings club whereby customers could save up gradually for large items. Both in providing credit and instituting savings schemes the shopkeepers were performing important functions in a period when the income of working class families was often erratic and many people would have found it difficult to eke out their wages till the end of the week. The need for credit was reinforced by the habit of buying non-perishable goods in large quantities at infrequent intervals. As households were often quite large and because food, cleansing preparations and other similar items were made up at home, substantial quantities were bought at a time. People found frequent trips to the shops inconvenient when roads were ill-made and shopping was regarded as
something of a chore (Jeffreys, 1954). It is interesting
to note how habits of shopping today appear to be coming
full circle with the advent of what Gershuny (1978) terms
the self-service society and the growth of out-of-town
shopping malls.

The need to obtain credit meant that working class families
found themselves under some pressure to order their affairs
in such a way that they might be considered to be what was
then described as "respectable" (Fraser, 1981. Elliott and
McRone, 1982) and might today be called "credit-worthy".
Shopkeepers also supplied the tallyman who in turn ex­tended the credit function to the poorest members of the
community. The tallyman visited homes in the poorer areas
and took orders for goods which were to be paid for week
by week. Although provision of credit enabled families
to buy necessities when they were required and helped to
instill habits of regular payment among the working class
there was probably some exploitation on the part of shop­keepers anxious to sell their goods (Alexander, 1970).
However, as shopkeepers needed to retain the goodwill of
their customers they would probably have refrained from
encouraging the excessive use of credit which their cust­omers would have to be pressed to repay. Shopkeepers were
vulnerable to unpaid debts which could threaten their
livelihood. They would have been individually too small
to be dealt with by the law and social pressure would have
led them to resist the use of legal procedures except on
very rare occasions. Those shopkeepers who dealt with
wealthier customers were no less likely to be burdened
with unpaid debts. Dress-makers, for example, did not
expect upper-class ladies to pay their bills for a year
or more after the goods were delivered (Fraser, 1981).
There was no question of bringing any pressure to bear
if custom was to be retained. Thus the petty bourgeoisie
were often caught struggling between the debts which
they themselves owed to their suppliers and those which
their customers owed them. In fact the process of
credit-giving in the nineteenth century illustrates, in
part, the relation between the petty bourgeoisie and the
social and economic environment, a relation which still obtains today. On the one hand the small shopkeeper was performing an important function both from the point of view of the local community who needed credit and the wider distributive system, which benefited from the extension of skills of money management. On the other hand the small size and the relative lack of power associated with the petty bourgeois enterprise meant that its owner could not mobilise either the social or economic resources for protection from the abuse of the credit system by customers. The significant, yet peripheral, role of the petty bourgeois in the contemporary economic system will be analysed further in subsequent chapters.

The low level of capitalisation and the need for constant inputs of the owner's labour led to frequent use of family labour. This was sometimes supplemented by other workers, often under the living-in system whereby the assistants or apprentices were housed in their employers' home and lived as part of the household. The cost of food, accommodation and sometimes clothing was deducted from their wages (Davis, 1966). Apprenticeship provided a channel for socialisation into the complex skills associated with the various trades. Even retailing items such as food or cloth required considerable judgement in selecting the goods, which were at that time unbranded, and processing or grading them for resale (Jeffreys, 1954). The living-in system offered a means of learning these skills through close association with the master. It no doubt also allowed the petty bourgeois owner opportunity to benefit from surplus labour achieved under the flexible employment contract which was included in the household system (Middleton, 1983). The arrangement also, and perhaps more importantly, enabled the shopkeeper to exercise a high degree of control over the workforce. In a period of unlimited liability and virtually non-existent accounting methods a shopkeeper would have been reluctant to place a hired worker in charge of the stock while the owner was negotiating with suppliers or attending another branch. Using family labour was, and
continues to be, the most obvious solution to this problem, but where this was not available the living-in system gave the shopkeeper more opportunity to socialise the workforce into acceptable work attitudes and to develop a sense of personal loyalty. The shopkeeper could supervise the assistants' leisure, such as it was, and ensure that they cultivated the kind of life-style which was appropriate to the reputation of the shop. In a personal service industry the manners and speech of the workforce are of considerable importance to the employer. When shop-assistants worked very long hours they would have had difficulty in finding transport to work if they had not lived in, so the arrangement solved this problem. As the accounts of the business and the household were not generally maintained separately the assistants and apprentices who lived-in would have suffered, along with the owner, from lower expenditure on food and fuel in times when the business was less prosperous.

4. Class, Status and the Small Shopkeeper

An examination of the structural position of the petty bourgeoisie seems to indicate that there was often a greater degree of social alliance between them and the skilled manual worker than with the white-collar or property-owning groups. This statement should be qualified, however, by pointing out that the position of the petty bourgeoisie varied considerably from one area to another, and with the size and status of the enterprise (Vigne and Hawkins, 1977). In a poorer locality the shopkeeper, even though his capital was small, was in a position of comparative economic advantage and his status was correspondingly high. In a more prosperous area, however, the petty bourgeoisie might be looked down on as mere traders. In the north of England in the first half of the nineteenth century shopkeepers appear to have found some commonality of interest with the working class, though Foster (1968), writing about nineteenth century Oldham, suggests that this may have been more a matter of maintaining the goodwill of customers than a sense of
social affinity. The prosperity of the shopkeepers was at least in part dependent on the income level of the working class so there was a real conjunction of interests in that sense and there also seems to have been social interaction through marriage, areas of residence and so forth. This social interaction was even more marked among the craftsmen who worked alongside their employees and who seem to have made little attempt at social differentiation. On the other hand, by the end of the nineteenth century, according to Crosswick, (1977) the independent artisans tended to deliberately separate themselves from the working class, though it is not clear whether this includes the skilled worker, the "aristocracy of labour". He argues that they supported the ideology of property ownership, but whereas this may be interpreted as a feeling of interests shared with the bourgeoisie it may equally be seen as a less specific endorsement of the general economic order and one that would have been familiar to the working class. Bechhofer and Elliott (1975) suggest that at the turn of the century shopkeepers tried to disentangle themselves from patronage by the local bourgeoisie. It is not clear whether this was an attempt to gain more economic freedom to respond to developing markets or whether it was intended to throw off a subservient social relationship and thus gain in status. For those whose enterprise was prosperous the step into the petty bourgeoisie was an avenue to a better standard of living and perhaps some social prestige and power through local politics (Hennock, 1968, Gray, 1974). For many others it would have represented greater autonomy at work but a continuation of a precarious position in the economy.

5. Developments in Shopkeeping

During the second half of the nineteenth century and into the beginning of the twentieth the character of the small enterprise and the nature of the work done by the petty bourgeoisie began to change in response to developments in the economy and in the social structure. The number
of street sellers declined and those who persisted were now often selling factory goods rather than wares which they had prepared themselves (Fraser, 1981). Shopkeeping began to be more competitive and more effective use was made of labour and capital. As the urban areas developed it became less likely that the shopkeeper could rely on personal relationships with customers to establish their loyalty and so a clientele had to be attracted in other ways. More attention was given to the display of goods and to the lay-out, lighting and cleanliness of the shop interior. Price and quality became important factors in drawing custom, and advertising in various forms became more common (Hall, 1982). New clienteles emerged as a more substantial middle class developed (Jeffreys, 1954). The range and variety of goods available, many of them imported, increased considerably. Goods were now more likely to be processed, packaged, branded and advertised by the manufacturer or the wholesaler. This reduced the need for craft-type skills on the part of the retailer but increased the need for commercial acumen. Jeffreys (1954) observes that the retailer had less choice over the type and quality of goods which were sold and thus lost some of the advantages of specialisation and local knowledge. It became more common to separate the enterprise from the household economy and to have fixed opening hours for the shop.

In the early years of the twentieth century there was a shift on the part of customers to the purchase of smaller quantities of ready-processed goods. This meant that the retailer had to serve more customers in order to turn over the same volume of goods. The system of pricing through a process of haggling with the customers was gradually replaced by the use of price tickets or pricing by the manufacturer. The trend began in larger shops where the shopkeeper could not personally supervise the assistants. Rather than leave the pricing to their judgement the retailer would introduce fixed prices. It seems that customers preferred this practice and it began to spread to smaller shops (Adburgham, 1981).
These changes in the distribution system did not threaten the survival of the petty bourgeoisie but they did require some adaptability. Jeffreys (1954) suggests that there was probably an increase in the number of fixed shops in relation to the population though he indicates the problem of finding satisfactory data on this. The pressures of both manufacturers and consumers for reliable and accessible retail outlets would have led to this increase, along with the growth of imported goods for sale. However, the very small shops, although providing important distributive functions, offered their owners a poor living and, like a number of such shops today, were often run by the spouse or parent of another income-earner (Fraser, 1981).

Larger stores grew up whose owners could not properly be considered to be part of the petty bourgeoisie. Although some of these stores were developments from small beginnings many represented a separate type of commercial development, responding to changes in markets and technology. They do not seem to have severely threatened the small shop at first as they created their own demand and catered for non-local markets. But whilst department stores were initially aimed at the middle and upper classes, co-operatives, which attracted working class custom, posed more of a problem to the small retailer. Whereas in the first half of the century the owners of fixed shops had often chased away the hawkers and pedlars who undercut them, in the second half of the century they were having to find ways of dealing with the consumer co-operatives. There were a number of attempts to organise boycotts of wholesalers who supplied them but these do not seem to have had any real impact (Jeffreys, 1954).

At the beginning of the twentieth century there was some concern that the smaller grocer would become a thing of the past. However small enterprises remained significant features of local economies, partly because they provided useful services such as delivery, credit, and flexible opening hours. Fraser (1981) suggests that at this period the small general store would still have been particularly
important, providing for a range of needs in the neighbour­
hood and open long hours for that purpose. It might have purchased its stock from one of the larger stores which at that time often combined wholesale and retail. In some trades, such as fruit and vegetables, the variation in supply and in wastage from the shops made central control of outlets impractical so there was little incentive for the multiples to move in (Jeffreys, 1954). In trades where fashion was becoming a major factor, notably clothing, manufacture and sale could be continued on a small scale because garments which were not made to a standard pattern were in demand. Indeed clothing was one of the trades where technological developments such as the sewing machine led to an expansion of small enterprises. In the 1880s Beatrice Potter (1969) found that seventy six percent of the coat makers she surveyed employed less than ten people. The seasonal nature of the trade discouraged their growth into larger businesses. Fraser (1981) suggests that the typical small employer in clothing would "know little distinction between a workshop and a living room". Small dressmakers and tailors would have worked from their own houses, visiting their clients for fitting and returning home to make up the order. As incomes rose and the availability of goods increased the Victorians became interested in furnishing their homes with all sorts of small knick-knacks. Many of these, such as clocks or soft furnishings were made in small firms where the individuality of the goods was particularly appreciated. Small shops selling newspapers, tobacco or confectionery were also able to survive, in this case because customers did not want to travel to make this kind of purchase so the small corner shop was a convenient outlet. Inevitably some trades were unable to respond to the developments and fell into decline. Cheesemongers, for example, no longer exercised a specialist skill and were absorbed into the general grocers. In the furniture trade small cabinet makers found that the big stores gradually stopped buying from them and set up their own workshops to produce cheap furniture for the mass market.
In the first decades of the twentieth century the developments begun in the nineteenth century continued. Shopping became a more deeply ingrained habit, an accepted part of everyday life. Fewer goods were made in the home and customers went to the shops more frequently although for smaller quantities of provisions. Jeffreys (1954) observes that a growing homogeneity of social behaviour across classes and regions encouraged the development of standardised production and marketing techniques. Many customers were becoming more conscious of fashion and more money was available to be spent on items such as toiletries, hardware and confectionery. The growth of housing estates and suburbs away from the main shopping areas created opportunities for small traders who could not afford to rent or purchase high street sites. As the craft skills involved in retailing declined, so some trades became more open to people without any experience of them. In the Depression years of the nineteen thirties a number of people took advantage of the low barriers to entry of shopkeeping and set up their own business as an answer to unemployment (Bechhofer et al. 1971).

Changes also took place in the segmentation of retailing. It became common for specialist trades to diversify so that, for example, confectionery might be sold in the chemists or booksellers, or toiletries might be sold in the grocers (Jeffreys, 1954). Customers often preferred to buy several small items from one shop rather than visit a number of specialist traders. This kind of "poaching" became a source of discontent among the more traditional shopkeepers, much as it is today. The specialists complained that the variety stores only stocked the fast-moving items and thus creamed off an important element of their sales. The introduction of resale price maintenance helped the small trader to compete with larger ones but also made it easier for non-specialists to stock a greater range of goods. The need for more careful financial controls and skills in buying goods which would sell well meant that commercial
ability became increasingly important to the success of the enterprise (Jeffreys, 1954).

During the twentieth century department stores and multiples have gradually increased their market share. The strength of the small traders has come to lie in their flexibility, personal service and local base. The connections between the small enterprise and the dominant distributive system became closer during this period. Fixed prices, large-scale wholesalers and the increasing market penetration of branded goods meant that the petty bourgeois trader, although marginal to the distributive process in one sense, was also closely enmeshed in it.

6. Conclusion

This brief review of the history of the petty bourgeois enterprise demonstrates how it has developed in response to the growth of urbanism and industrialisation. The petty bourgeoisie emerged as a distinct stratum of small businessmen and traders in the context of modern capitalism. They have maintained a separate status from the working class on account of their ownership of income-earning property, and yet they have remained linked to it by the need to expend labour power in order to gain a livelihood. The small enterprise has been adapted to accommodate the needs of the wage-earning classes and has acted as an intermediary between the dominant distributive system and localised market.

Despite their capacity to adapt to change the history of the petty bourgeoisie shows a surprising continuity between their social and economic roles in the past and the nature and function of the small enterprise today. Many contemporary owners of small businesses have accumulated their start-up capital through savings from wage-work and by borrowing from their families. The petty bourgeoisie as a stratum continues to absorb some of those who are unable to fit satisfactorily into the
labour market or who are made redundant from it. Although
the craft-skills associated with shop-keeping have dimin­
ished they have by no means disappeared. Apart from the
small enterprise built up around the skills of electri­
cian or builder the small trader also turns his or her hand
to a variety of tasks such as cleaning, repairing, refur­
bishing. Thus the petty bourgeois economic role, although
narrower than in the nineteenth century, is still diffuse.
Family labour is the backbone of many small businesses
today just as it was in the nineteenth century and the
business accounts and those of the household are in
practice often intertwined, even if they are tidied up
once a year for the accountant. Many small enterprises
continue to be run from the home: dressmakers, driving
instructors, hairdressers, small builders often operate
from their personal address. Homeworking was once regarded
as an outmoded form of business behaviour but is now seen
in a different light as part of a more general, if not
well-developed trend (Hakim, 1984). It is also not
unusual still to find an enterprise kept in operation by
income from a wage-earning member of the family. Exten­
sive competition among small enterprises still exists with
several newsagents serving the same area or one greengroocer
trying to undercut another further along the street.
In some ethnic business centres this is a very marked
phenomenon (Jones, 1981/2). Many small shopkeepers also
run a stall in a local market or put up a table to serve
customers outside their shops. Although the display of
goods has become much more sophisticated since the nine­
teenth century, photographs of shops at that time, with
items stacked higgledy-piggledy in the window and hanging
in festoons outside the shop, bear a remarkable resemblance
to the kind of display still preferred by some small
traders today. The small business continues to be very
dependent on the loyalty of its customers and traders
take trouble to foster personal relations with their
customers for that purpose. Credit may still be given on
an informal basis and owners often feel reluctant to press
their debtors too hard for payment.
Thus, although there have been significant changes in both the economic and social systems of Britain since the early stages of industrialisation, there remains considerable continuity between the petty bourgeoisie and their past. This is not to suggest that the petty bourgeois enterprise is in any sense a relic of a pre-capitalist era. It does, however, suggest that, despite its various forms, the rational, bureaucratic economic system of capitalism still leaves room for a more informally structured and particularistic type of economic unit. Change occurs within the small business sector, both through the formation of new types of enterprise and by the response to change of innovative proprietors but certain distinctive characteristics remain. These include the close links between the owner and the clientele and the persistent vulnerability of the enterprise. The petty bourgeois enterprise remains both on the margin of the dominant economic system and yet intrinsically part of it.
III The Petty Bourgeoisie in Class Analysis

1. The petty bourgeoisie have tended to lie outside the main themes of social class analysis. Where they do figure significantly in general class schema they often appear as a "deviant" configuration which fails to fit neatly into a conceptualisation based on major class divisions. There are two distinct types of analysis in respect of the petty bourgeoisie. On the one hand there is a debate among Marxists on the relationship of the petty bourgeoisie to contemporary class structures. On the other hand there is a more empirically-based analysis of the petty bourgeoisie as a distinct stratum and this work tends to derive from the Weberian tradition. The two types of analysis are cast within such widely differing frameworks that it is often difficult to perceive any link between them. The only common concern might perhaps be found in the question of petty bourgeois consciousness, although even here the two perspectives offer very different interpretations. This chapter will review both approaches. However, the main attention is devoted to the Weberian analysis because this seems to offer a more useful vehicle for understanding the way in which class location relates to the attitudes and life-chances of the petty bourgeoisie.

2. Marxist Analysis of the Petty Bourgeoisie

The petty bourgeoisie have always occupied an ambivalent position within Marxist thought. Marx himself, who took more account of the historic development of real social formations than some of his successors, seems to have assumed that they would eventually sink into the proletariat (Jordan, 1971). Their capital does not provide sufficient resources for competition with the dominant bourgeoisie and their craft-type skills become redundant in the face of the constant reconstruction of physical capital by large owners. Neo-Marxists have handled this ambiguity over the position of the petty bourgeoisie either by treating them as irrelevant to the main class
struggle or by formulating new concepts in order to incorporate them into mainstream Marxist theory. Lukacs (1983) takes the former position, as he regards the petty bourgeoisie as a remnant of a previous mode of production. Wright (1979), on the other hand, develops the concept of "contradictory class location" in order to handle the problem of the petty bourgeoisie within a Marxist framework.

Crompton and Gubbay (1977) take the view that the petty bourgeoisie lie outside the capitalist mode of production. They define the petty bourgeoisie as those who sell their services as independent artisans and small-scale family business owners. The distinction between those who employ no labour, or only family labour, and the small employer, is common in Marxist analysis, although the distinction is seen as less important in the Weberian tradition. Crompton and Gubbay (1977) argue that the class interests of the petty bourgeoisie are not determined by the structure of capitalist relations of production. They neither extract surplus labour from others nor experience the expropriation of their own labour power as employees. Crompton and Gubbay (1977) therefore argue that market factors are particularly significant in the construction of petty bourgeois ideology. They suggest that the petty bourgeoisie operate in markets which are dominated by large-scale capital and by the state, so they adopt values which are market-based, namely individualism and free enterprise. However, precisely because the markets are dominated by large-scale capital, the petty bourgeoisie, by virtue of their small size, are disadvantaged. Crompton and Gubbay (1977) recognise this problem and argue that the petty bourgeoisie may, as a consequence, make short-term alliances with the proletariat. This last position illustrates a tendency in neo-Marxist analysis of the petty bourgeoisie to fall back on ad hoc insertions into a conceptual scheme to take account of empirical observations which cannot otherwise be acknowledged. The use of market relations to explain ideology is problematic.
Whilst relations of production are theoretically articulated with class consciousness within Marxism, market forces are not. Despite their claim that it is not appropriate to try to synthesise the concepts of Marx and Weber that is what they seem to have done.

Poulantzas (1982) has argued that it is not only the economic sphere which determines class relations but also the political and ideological. In addition, he argues that any given social formation will be composed of various modes of production. Thus he sees the petty bourgeoisie as located outside the theoretical concept of the capitalist mode of production but recognises that in historical terms it exists alongside and interacts with capitalism. His main interest is in fact what he terms the new petty bourgeoisie, namely white-collar workers. He argues that both old and new petty bourgeoisie have common ideological and political characteristics and can be seen as constituting a single class. He arrives at this position because he sees both the traditional and the new petty bourgeoisie as separated from the production of surplus value. The traditional petty bourgeois uses only his own labour or that of his family and the new petty bourgeoisie are non-productive wage-earners. Poulantzas wishes to regard both groups as fractions of the bourgeoisie. He argues that they have the same position in terms of the class struggle and similar political and ideological characteristics, particularly individualism and a preference for strong administration by a state perceived as "neutral".

The alignment of the old and the new petty bourgeoisie is attacked by Wright (1979) in his general critique of Poulantzas' (1982) class analysis. Wright (1979) argues that although there may be a superficial similarity between the old and the new petty bourgeoisie in terms of a commitment to individualism, this is not a sufficient reason for linking them as a single class fraction. He points out that the individualism of the old petty bourgeoisie represents a preference for personal autonomy,
whereas that of the new petty bourgeoisie is a form of occupational aspiration. Whilst the old petty bourgeoisie is threatened by the growth of monopoly capitalism, the new is dependent on it. Poulantzas (1982) appears to have lost sight of the structural conditions which give meaning to the ideology to which he attaches so much importance. Wright (1979), on the other hand, is thus saying that there are ambiguities in the class structure. They cannot be neutralised by apparent similarities of ideology and they should be recognised and accounted for within class analysis.

3. **Contradictory Class Locations**

Wright's (1979) critique of Poulantzas (1982) leads him to look for other ways of dealing with the kind of anomalies created by groups such as the petty bourgeoisie. He argues that some positions in the social structure should be seen as occupying objectively contradictory locations within class relations. In the case of the petty bourgeoisie part of this contradiction stems from their location in a different mode of production. The petty bourgeoisie is not in the position of appropriating surplus value and therefore is not fully part of the capitalist mode of production. Surplus is generated through their own labour and that of their family: the question of exploitation within the family is not raised. However, when the petty bourgeoisie take on wage labour the relations of production begin to change. As soon as the wage labour accounts for more than half the surplus, Wright (1979) argues, the petty bourgeois becomes a small employer. Thus, unlike most Marxist models, Wright (1979), allows for a gradation between theoretical categories. However, this has resulted in a rather awkward and highly empirical formulation concerning half the surplus value produced in an enterprise.

The second and more significant aspect of contradiction which Wright (1979) identifies arises from the types of
control which he sees as part of the nature of class relations. There are three forms of control: over the labour power of others, over finance and investment decisions and over physical capital, the means of production. The bourgeoisie are able to take all three types of control and the proletariat none. The petty bourgeoisie control investment and the means of production but not the labour power of others. There are some social groups whose position does not correspond to the elements of control they possess. Such groups, Wright (1979) argues, have the least likelihood of becoming organised into class formations and have the least capacity for class struggle. One such group is the small employers. They occupy a contradictory class location between the bourgeoisie because, although they exert all three types of control, they can only do so to a limited extent.

Wright (1979), seems to be grappling with a basic theoretical position which does not lend itself readily to the incorporation of the petty bourgeoisie nor the small employers. The Marxist model, and particularly neo-Marxist developments, operates with concepts which are absolute and cannot be translated into empirical variables. The concept of the petty bourgeoisie, however, seems to lead invariably to relative values such as less surplus value, less control over labour power. Any introduction of such values into the Marxist schema, particularly when that schema is treated in relative isolation from any empirical social context, weakens its theoretical force and appears as an ad hoc insertion.

The second problem of the Marxist analysis derives from its uneasy relation with the empirical. Whilst Marx himself was prepared to confront historical social formations the more recent explications of his thesis have been reluctant to do so. The attempt to incorporate the petty bourgeoisie into the Marxist schema is in part a reflection of empirical reality but this is handled at a distance. The result, in the case of Poulantzas (1982) is an unrealistic commentary on their ideology. In the
case of Wright (1979), Curran and Burrows (1986) go so far as to suggest that the real contradiction generated by the petty bourgeoisie is between the neo-Marxist model and empirical reality. A further weakness of the Marxist analysis of the petty bourgeoisie lies in the assumption that the use of family labour is irrelevant to the expropriation of surplus value. Marxist analysis has, until recently, given little attention to the problem of unpaid labour in the household and this gap becomes more marked in the case of family workers in a business enterprise.

Part of the problem with the kind of analysis outlined so far seems to stem from the view of the petty bourgeoisie as lying outside the capitalist mode of production. Analyses of Third World economies have often recognised the petty commodity sector and related forms of employment as part of capitalism (Frank, 1971; Gerry and Birkbeck 1981) and this line of thinking might usefully be pursued in the context of monopoly capitalism. Rainnie (1985a), for example, analyses the way in which small firms are articulated with larger ones and argues that in periods of economic crisis the relationship is strengthened as large firms use small ones to keep down wages and bear a greater share of risk. Curran and Burrows (1986) also argue that what they term "petit capitalism" has an integral role in the reproduction of monopoly capitalism. The symbolic role of the petty bourgeoisie in legitimating the operation of monopoly capitalism has been explored by writers such as Ritchie (1984), Mills (1951) and Scase (1982). However, although this type of analysis recognises the positive role of the petty bourgeoisie within capitalism, it tends to be seen as a remnant of an earlier stage of its development, when free enterprise and market competition had more than symbolic significance. The relationship between small-scale enterprise and monopoly capitalism has generally been used to explain certain features of the internal structure of the small firm rather than to understand the class position of the petty bourgeoisie. Aldrich, Zimmer and Jones (1986) hint at this latter type of analysis.
when they argue that the position and behaviour of the petty bourgeoisie is constantly reacting to developments within monopoly capitalism. Despite their endorsement of Wright's (1979) thinking they begin to move towards a Weberian argument when they point to a discrepancy between the power and the economic rewards of the petty bourgeoisie.

4. Weberian Analysis of the Petty Bourgeoisie

The main obstacle to a straightforward Weberian analysis of the petty bourgeoisie as an occupational group is, of course, their ownership of property and the absence of an employment relationship. However, property does not afford the petty bourgeoisie either the degree of power over others nor the personal freedom which property offers in traditional Marxist theory. Property does not provide significant economic security, as the high failure rate of small firms demonstrates (Storey, 1982). It does not generally offer an avenue of mobility into large-scale property ownership except in a few spectacular cases. Small firms do not usually accumulate sufficient capital to grow into large firms (Storey, 1982). In the case of the petty bourgeoisie property does not function as a vehicle of social closure: barriers to entry are low and the consequent level of competition among small firms increases their economic vulnerability. Property is not the main channel of reproduction of the petty bourgeoisie and personal savings from wage-labour form a significant part of start-up capital. The crucial feature of petty bourgeois property is that its value is only realised through the labour of its owner. The skills of the owner, whether they are the artisan skills of the small producer or the commercial skills of the small trader, are essential to the viability of the enterprise and hence to the rewards of the owner. The petty bourgeoisie is therefore vulnerable to sickness, disability and to the decline of skill with old age (Scase and Goffee, 1982). Small-scale owners must generate through their own labour power sufficient surplus to both weather variable trading
conditions and allow for their own reproduction. Although the petty bourgeoisie may employ labour this does not replace that of the owner but is, in the words of Bechofer and Elliott (1980) an extension of it. Property then, does not exclude the petty bourgeoisie from all of the disadvantages of the employment relationship.

5. The Market Situation of the Petty Bourgeoisie

The dependence on their own labour power and the insecurity of small enterprise mean that the petty bourgeoisie commonly shift between wage-labour and own-account work, often more than once during a work career. The market situation of the petty bourgeoisie has been examined by Goldthorpe and his colleagues (1980) as part of a wider mobility study. They identify the petty bourgeoisie as an "intermediate class" composed of small proprietors, self-employed artisans and other non-professional own-account workers. They justify this conceptualisation because it reflects a group who share similar market and work situations. The petty bourgeoisie have a market situation which is characterised by insecurity and constraint by the operation of large-scale capitalism. There are echoes of the Marxist analysis when they refer to the petty bourgeoisie as operating "within the interstices of the corporate economy" (p 41). In terms of work situation they share a freedom from the direct supervision of their labour. This Weberian definition of the petty bourgeoisie seems to have widespread currency in the literature and will be used throughout this thesis.

Goldthorpe (1980) and his colleagues record a high level of intergenerational stability among the members of this class. Although this might appear to indicate a tendency for children to inherit their parents' property and to continue with the trade, it becomes apparent from their analysis that the process is less straightforward. It is common for persons entering own-account work to do so after some experience as an employee, usually in the skilled manual category but also in white-collar work.
Thus although those who come into the petty bourgeoisie will probably have family connections with small-scale enterprise they will also have experienced the wage-labour relationship and are quite likely to do so again at another stage in their work career. Goldthorpe (1980) and his colleagues use the concept of "marginality" to explain the high degree of work-life mobility typical of this class. They argue that the petty bourgeoisie are marginal to two major principles which underly the occupational structure, namely bureaucracy and the market. They do not have the structured career paths typical of bureaucratic careers. Movement into the petty bourgeoisie may often be a side-step to counteract blockages or to compensate for downward mobility. Petty bourgeoisie positions offer some protection from the labour market but they also lack the market advantages such as training or holidays which workers may attain through collective action. Goldthorpe and his colleagues conclude that there appears to be a "collectivity" of families where there is a propensity to move into self-employment in response to circumstances arising during a working life. They prefer to use the term "social formation" to refer to this group of families rather than social class. The implications of Goldthorpe's commentary are that most people do not contemplate own-account work as a solution to either labour market or personal problems. The people who are most aware of the petty bourgeois alternative through family connections are most likely to take up own-account work. Although the family remains a significant channel of occupational placement the visibility of the petty bourgeoisie has certainly increased since Goldthorpe (1980) and his colleagues were writing. The government has given considerable attention to self-employment and this may, in the long run, create an even greater heterogeneity of experience in this sector.

There is little empirical analysis of the material rewards accruing to the petty bourgeoisie. The research problems of gaining access to sensitive data on profits and the difficulty of putting a value on the various tax
benefits and direct takings from the business which are part of the remuneration of own-account workers have probably deterred systematic, quantitative analysis. However those studies which have investigated petty bourgeois income either directly (Bechhofer et al 1974) or more casually (Scase and Goffee 1980) suggest that it is not particularly high and is probably not dissimilar to that of many white-collar workers. On the other hand, wider analyses of the distribution of income (Routh, 1980, Royal Commission on the Distribution of Income and Wealth, 1979) suggest that the self-employed may be among the higher income earners. These wider studies, however, include the professional and free-lance workers whose skills and expertise can command a high market rate. Scase and Goffee (1982) argue that artisans and similar small-scale owners face a host of factors which prevent sustained growth and accumulation. These include the erratic markets and low-profit niches in which they commonly operate and also their own inclination to resist growth. Reluctance to take risks, to employ labour and above all to lose control of the everyday running of the enterprise mean that the petty bourgeois are often unwilling to allow the business to grow beyond a limited scale. In the case of some trades, such as building, it is not only the desire to preserve autonomy and control which produces a reluctance to expand but also a fear that loss of personal contact with customers will reduce the quality of service on which the enterprise depends. Thus some sectors of the petty bourgeoisie are caught in a position where the very nature of their trade sets limits to their capacity for capital accumulation.

6. The Work Situation of the Petty Bourgeoisie

Own-account working does not seem to bring much change in a person’s market situation but it may lead to a new work situation. The main characteristic of the work situation of the petty bourgeoisie is freedom from the mechanisms of control which are commonly used by
employers to extract effort from their workforce. This is usually represented as a freedom from direct supervision but it also involves freedom from the manipulatory systems which are widely used to socialise workers into commitment to work (Fox, 1974). Scase and Goffee (1981) suggest that the autonomy of the petty bourgeoisie may be overestimated. The demands of the market for particular types of goods and services and the need to take account of customers' requirements through a service relationship create restraints on both the way the business is organised and the self-expression of the owner. Indeed, the petty bourgeois seem to perceive their role as earning a living, much like other occupations. (Scase and Goffee, 1981). Bechhofer et al (1974) describe the poor working conditions, the long hours and social isolation of the shopkeeper which they term "self-exploitation" whilst Mills (1951) suggests that what autonomy may be gained by the small trader at the workplace is lost by a need to impose a formidable discipline within the family. Each member of the household must adhere to strict working rules and expenditure of effort in order to keep the enterprise viable. Nevertheless, both the constant, direct supervision which is a source of much discontent at work and the more insidious symbolic manipulation are absent from the petty bourgeois work situation.

The Marxist analysis commonly makes a distinction between the self-employed worker and the small employer. Other commentaries see this as less important. Aldrich and Weiss (1981) argue that the self-employed worker can be considered as part of the workforce of his or her own firm and that it is more useful to think of a continuum from non-employer to large employer. They identify a relationship between the size of the workforce and the income of the employer, at least in an American context. They also point out that the size of the workforce has implications for the managerial relationships which the employer takes up and for the way the firm interacts with the state through legislation. It is clear that the
relationships which are developed between the small employer and the workforce may take a variety of forms. Goffee and Scase (1982) describe fraternalistic relations in the building trade where employers prefer to play down hierarchy and accentuate their tradesman role. Scott and Rainnie (1984), on the other hand, argue that the structural position of small firms means that employers often have little choice but to impose an authoritarian discipline on their workers. Scase (1982) points out that small owners are often apprehensive about becoming involved in an employer-employee relationship and may lack the managerial skills needed to handle it effectively. The personal characteristics, such as individualism and determination, which lead to taking up self-employment may make a person a difficult employer to work for.

7. The Petty Bourgeoisie and the Status Order

The petty bourgeoisie perception of the status system and of their position in it seems to have more in common with that of skilled manual workers than with any other single group. Richardson (1977) reports that proprietors often see entry to a skilled trade as an acceptable career for their children and Scase and Goffee (1980) comment on the tendency to define occupations as either productive or non-productive. This echoes the traditional working class contempt for "paper-pushers". On the other hand, Scase and Goffee (1982) also suggest that the petty bourgeoisie differentiate themselves from the working class in terms of life-style. They are more inclined to see themselves as outside the class system, defined mainly through consumption patterns and reward for personal effort (Bechhofer et al, 1974). Both sets of writers indicate that the consumption patterns of the petty bourgeoisie demonstrate more concern for accumulating household durables than might be expected in this income group. This might be a consequence of their appreciation of the value of accumulation.
8. The Petty Bourgeoisie and Social Attitudes

Marxists argue that the petty bourgeoisie lacks the potential for class consciousness. The position of the petty bourgeoisie in the economy and in terms of social relationships tends to foster particularistic attitudes. As entry to the petty bourgeoisie is often the result of career mobility, either up or down, a variety of social images and political attitudes would be expected. The absence of direct continuity within the petty bourgeois stratum makes it more difficult for a distinct and persistent culture to emerge and the atomised nature of the work situation offers little chance for sets of values specifically related to the petty bourgeois condition to be mutually reinforced and stabilised.

The consistency with which certain perspectives do emerge and continue across time is, then, surprising. Bechofer and Elliott (1981) see these values as arising from the experience of isolation, vulnerability and self-determination in the petty bourgeois work situation but Aldrich Zimmer and Jones (1986) set more store by the process of self-selection into the stratum. In other words, the kind of people who take the deliberate decision to enter own-account working bring with them a distinct set of social values. Previous work situations might also be thought to contribute to the social imagery of the petty bourgeois, yet it is less likely to be the work situation itself, in Lockwood's (1958) sense of the term, which is significant, as the individual's experience of that situation in the context of a work career. It is the sense of frustration, insecurity or bureaucratic encroachment into life which is more likely to be the basis for the petty bourgeois appraisal of own-account work and its location in the class structure.

Not surprisingly, the most common feature of the social images held by the petty bourgeoisie is the belief in the importance of individual effort for personal advancement. An emphasis on the moral as well as economic value of hard work is linked with a dislike of social institutions
which seem to threaten individualism and the work ethic. Among these the most prominent are the trades unions and the welfare state. This powerful individualism can well be understood as a result of the process of self-selection into the petty bourgeoisie. They may have chosen to forego the security of work in a large organisation in order to take up the opportunity of pursuing their own enterprise or they may have become disillusioned with the apparent protection of bureaucracy. In either case the belief in personal effort is comprehensible in terms of their decision to move out on their own. In addition, the high number of work-life movements which Goldthorpe (1980) reports among this group may have discouraged the formation of collective allegiances within a workplace. For those who are successful in their business their work situation as owners of enterprise must reinforce their belief in hard work as the business can be seen to respond to their efforts in a highly visible way. But for many small business owners the returns are small and survival is precarious and it becomes difficult to see how belief in personal mobility is sustained.

Where the living is poor another theme in petty bourgeois social imagery may assume more importance. This is the desirability of working for oneself and being one's own boss. This theme can also be explained in terms of self recruitment to the sector, although the ideology of independence sometimes seems to be as much a rationalisation of the situation as a precipitating factor. The emphasis on autonomy is also likely to be reinforced through the actual experience of own-account work. On the surface a commitment to individualism and to independence suggests a common feeling with the bourgeoisie. However, two points must qualify this. Individualism and independence form part of an ideology which has widespread support in Western capitalism, particularly through the mass media and the education system. Secondly, the idea of hard work, thrift and being beholden to no-one is an idea which has a long associa-
tion with the respectable working class, and a job without much overt supervision is a common working class aspiration. It should be noted that the individualism expressed by the petty bourgeoisie is not an expansionary ambition nor a desire for empire-building. It is simply a preference for a certain level of self-determination, for taking responsibility for one's own affairs. Innovation and risk-taking are less in evidence than cautious and traditional business behaviour (Bechhofer et al 1974a). This can be related to one of the main factors distinguishing the petty bourgeoisie from large-scale capitalists, namely their low level of economic resources.

A strong belief in the virtue of a free market forms part of the petty bourgeoisie ideology (Scase and Coffee, 1981). Mills (1951) however, points out that there is considerable ambivalence about this idea. Whilst free competition is endorsed in the abstract, most small proprietors would like to see limits to competition in the markets in which they operate. The dislike of state bureaucracy is not so much a political opposition to the curtailment of individual rights but a dislike of interference by anonymous officials and unfathomable rules. On the other hand, it is more than a mere frustration with time consuming form-filling. It seems to be a reactive social attitude which expresses a preference for the opposite principles to that of state bureaucracy: personal involvement in the enterprise, flexibility, a direct, practical approach, which seems threatened by non-productive paper-work. The pattern of Tory voting among the petty bourgeoisie (Aldrich, Zimmer and Jones, 1986) seems to be partly a response to the belief that Labour increases state bureaucracy. The attitude is also understandable in terms of both previous experience and present situation. Many have entered own-account work because they have felt thwarted by bureaucratic career channels or because they felt they were wasting their time on worthless administration. In their own enterprise, time given to paperwork detracts from the running of the business. In addition,
legal requirements over the use of property, consumer protection and so forth all restrict the autonomy of the small proprietor. Rogers and Berg (1961) argue that the ideology of the small business owner is more an expression of psychological attitudes than political or economic interests because the individual cannot actually calculate the cost of government intervention in the enterprise. However this assumes that the small owner is primarily concerned with financial gain, which is often not the case. The small proprietor does not need to make economic calculations to recognise that state bureaucracy interferes with business decision-making and restricts the owner's autonomy of action. Furthermore, the nature of many small businesses puts a premium on personal relations with customers and rewards the owner's willingness to become involved in all aspects of the enterprise. Antipathy to bureaucracy may stem from the recognition that it represents the opposite of these necessary and valued qualities.

The social attitudes of the petty bourgeoisie inevitably lead to a fairly high rate of Tory voting. However this does not necessarily indicate a strong commitment to the values of the Tory party (Bechhofer et al, 1974) which may be associated with the monopolistic and stultifying power of big business (Scase and Goffee, 1980). Petty bourgeois political attitudes seem to be more a reaction against Labour, which is seen as the party of trades unions and the welfare state. The strongly right-wing attitudes sometimes associated with the petty bourgeoisie may also be overstated. Roberts et al (1977) found that their sample of self-employed workers were less hostile to ethnic minorities than white-collar workers. A general lack of political interest or commitment seems more consistent with antipathy to state bureaucracy and particularistic orientations. An extreme right-wing attitude would imply a more coherent political ideology and greater political involvement than is commonly found in this stratum.
9. Conclusion

The Marxist analysis of the petty bourgeoisie assigns it an irrelevant or a contradictory place in the class system. The main thrust of this type of analysis is the construction of a holistic model of class relations and the petty bourgeoisie is therefore only of minor concern. The purpose of this chapter has been to examine the class location of the petty bourgeoisie as a preliminary to a greater understanding of the behaviour and attitudes of small business owners in respect of their enterprise. The Weberian schema, with its closer relation to empirical data, seems more useful to this purpose. However, an analysis of the market and work situation of the petty bourgeoisie has to be informed by an understanding of the position of the small enterprise within the capitalist mode of production. The Marxist analysis is not irrelevant to an understanding of the petty bourgeoisie but lacks the more empirical concepts which relate the mode of production to the lived experience of the small business owner.

Two aspects of the capitalist mode of production have been identified as particularly relevant to the life-chances and values of the petty bourgeoisie. The constant restructuring of capital creates economic niches where small-scale enterprise can operate. These are not necessarily particularly profitable nor secure. The method in which the proprietor organises the enterprise and the rewards which it generates are closely related to the nature of these economic niches. The second significant factor is the operation of the labour market. The demand for certain types of labour and changes in the structure of the labour market have a marked impact on the types of persons who will wish to opt for own-account working or who may be virtually forced into it through lack of other opportunities. The previous labour market experiences of the petty bourgeoisie will relate to the amount of capital which can be saved from wage-labour and to the attitudes and aspirations which the
would-be proprietor brings to the new enterprise.

Self-selection into the petty bourgeoisie and the experience of the self-employment work situation are significant factors in understanding the attitudes of the petty bourgeoisie and the way they run their enterprises. At the same time there is a close inter-relationship between the operation of the enterprise and the kind of life-chances it will support. This is particularly apparent in examining the growth of the business. Both the economic niches afforded to small-scale enterprise and the attitudes and experiences which the owner brings to it tend to conspire against growth. The business responds to personal attention and the development of particularistic relations with suppliers and customers. The owner has limited resources and is more concerned to achieve personal autonomy than to build an empire. The nature of the business, and the work situation it provides, reinforce these attitudes. Thus the small business remains small and often vulnerable. The Marxist analysis directs attention to the nature of the capitalist mode of production in structuring the context in which the petty bourgeoisie operate. Weberian concepts of market and work situation, combined with analysis of values and ideology, are necessary to articulate the economic context with the actual organisation of the enterprise.
IV The Petty Bourgeois Enterprise

1. The last chapter examined the class position of the petty bourgeoisie. In doing so the main focus of analysis became the social characteristics of the self-employed worker and the small firm owner. Comparatively little attention was paid to the enterprise itself. In this chapter the emphasis is reversed and the analysis concentrates on the petty bourgeois enterprise and the factors which shape its social organisation. The main argument is that an understanding of the nature of the petty bourgeois enterprise must take into account the central role of the owner in constructing the business as well as the social and economic environment in which it operates.

2. The Small Firm Sector

Despite government interest in the British small firm sector comparatively little is known about its size and dynamics. There seem to be several reasons for this, including the difficulty of extracting reliable information from the owners themselves. There is also the problem of finding meaningful and stable definitions of size which can be readily operationalised for statistical purposes. Definitions which use measures of capital assets or turnover have frequently to be adjusted in periods of inflation and also have different significance in the various industrial sectors. This latter problem also arises with measuring size on the basis of employment. Although the Bolton Report (1971) figure of two hundred employees or less is still widely used in the analysis of manufacturing firms it is generally recognised that a lower threshold would be more appropriate in certain labour intensive industries and in the service sector.

Government analyses of the small firm sector have been mainly based on VAT registrations. The argument for using these figures is that they are already on record and therefore do not involve the small firm owner in
providing any additional information (Ganguly, 1985). However, there are significant difficulties in using these figures, including the fact that not all businesses are required to register for VAT. This particularly affects the very smallest enterprises. Ganguly's analysis of the VAT figures suggests that although in the UK the small manufacturing firms' share of employment seems to be rising it is still lower than that of most other industrial countries. The small business sector as a whole has recently experienced a surplus of "births", ie registrations for VAT, over "deaths". However, there is reason to believe that the failure rates of small firms are particularly high. Young firms, which include a high percentage of small firms, are very vulnerable and nearly two-thirds of all business failures occur in the first three years of life. On the other hand small firms, perhaps surprisingly, seem to have been able to survive more easily during the recent recession than in more prosperous times. Research by Gallagher and Stewart, analysed by Ganguly (1985), used the data base of a commercial credit rating agency to ascertain the job creation capacity of small firms. The data base suffers from rather similar problems to that of VAT registrations. However the research indicated that firms with less than twenty employees contribute disproportionately to employment creation.

Another way of looking at the petty bourgeois enterprise through official statistics is to examine the figures for self-employment. These are taken from the Labour Force Survey, a regular sample survey based on households. The figures include the self-employed with no employees, those with less than twenty-five employees and the very small proportion of self-employed workers with twenty-five or more employees. Most of the very small enterprises which are the subject of this thesis would be included in the first two categories. As with the small firm sector, the UK has a smaller percentage of self-employed workers than other comparable countries (Creigh et al, 1986). In 1984, 11.2 percent of the
working population were self-employed. There has been a marked growth in self-employment in recent years and the major part of this growth has been single person enterprises. These provide 64.2% of the self-employed population. The picture provided by Creigh, et al (1986) of the typical self-employed worker is a middle-aged, married man who is particularly likely to be working in distribution, hotels and catering, repairs or building. Female self-employment is growing rapidly but has not yet reached anything like the male numbers. It is sometimes thought that an increase in self-employment is a response to a lack of wage-labour opportunities. However, a regional analysis shows that this is by no means clear-cut (Creigh et al, 1986). The authors point out that the incentive to counteract unemployment with self-employment has to be balanced against the chances of establishing a viable enterprise when the economy is in recession. Another explanation of the increase in self-employment is a shift in the employment practices of large firms, reflected in a tendency to casualize a substantial percentage of their labour force. This sometimes involves putting people on a self-employed basis, thus relieving the employer of various legal obligations. However, the Labour Force Survey indicated that most of the people who had recently become self-employed had also changed either their occupation or their firm. This does not support the casualization hypothesis.

Both the VAT statistics and the Labour Force Survey data on the self-employed suggest that Britain is currently experiencing a growth in the number of small enterprises. Boissevain (1984), surveying the European scene, suggests several reasons for this. These include taxation policies which favour the self-employed, the general growth of the service sector where small firms are numerous, and the decentralisation of large firms which makes it easier for the smaller enterprise to compete with them. Boissevain (1984) also argues that there is an increasing concern with the
quality of life which is reflected in a growing demand for goods and services produced on a small-scale and in a preference for own-account working. More critical commentaries, however, suggest that the growth of craft-type business opportunities is limited and amounts to what might be termed an "informal economy of the middle class" (Greater London Council, 1983, p15).

3. **Organisational Analysis and the Petty Bourgeois Enterprise**

There is a considerable literature in the field of organisational analysis but, despite the increased numbers of small firms, it is almost exclusively concerned with large organisations. Much of this work has taken the form, in one way or another, of a debate with Weber, in the sense that it has involved conceptualising and measuring variables which influence the bureaucratic structure of the organisation. Kimberley (1976) argues that the treatment of size in organisational analysis is theoretically unsophisticated and is usually conflated with analysis of communication, control or similar organisational processes. Kimberley (1976) argues that size may be more significant in some types of organisations than others: organisations which are normally highly decentralised, for example, may have similar characteristics whether they are large or small. The relevance of size to different aspects of the organisation also needs to be identified; Kimberley (1976) argues that internal and external transactions may respond differently to size. Particularly important to the small business enterprise is the distinction which Kimberley (1976) makes between the organisation which is small but growing and the organisation which is small and declining. It is clear that "smallness" has a quite different significance in these two contexts and the options open to the business owner are not the same.

The size of the small enterprise is, to a considerable extent, the consequence of decisions made by the owner
about the possibility and desirability of expansion (Scase and Goffee, 1980). The petty bourgeois proprietor does not necessarily entertain ambitions for growth nor is the enterprise necessarily seen as a coherent organisation to which business strategies can be systematically applied. It is more likely to be regarded as a personal project whose operation involves patterns and routines which develop and change in response to ill-defined and unpredictable contingencies (Gill, 1985). The size of the business is not necessarily a determining factor. The size of the enterprise may in some cases be seen by the owner as an independent variable, placing limits on what can be achieved and what would be appropriate and in other cases it may appear as a dependent variable, amenable to the preferences and goals of the proprietor.

The very small enterprise is probably best viewed as a quite different phenomenon from the large organisation rather than as a miniature version of it. Although conventional terminology attaches to both the label "business" this does not mean that they can be appropriately analysed within the same kinds of theoretical frameworks. The large, formal business organisation may draw fairly clear boundaries around its operations and separate them, at least nominally, from the private lives of its members. The organisation may be understood as a system which persists irrespective of changes in personnel. This is not necessarily the case with the petty bourgeois enterprise. This is dependent on the personal characteristics of its owner without whom it has no existence. Its boundaries are less clearly defined. Some transactions will be carried out on a purely commercial basis but others will form part of the owner's network of mutual social obligations. Services provided cheaply for members of the extended family, for example, may have a different significance from services provided cheaply to a valued customer.

Recent analysis of the "informal" economy have pointed
to the considerable variety of transactions which are not fully commercial but do not entirely lack a concept of exchange and provisioning (Pahl, 1984). As Gershuny and Pahl (1985) write "the whole of everyday life is suffused with contacts, exchanges and reciprocities". The small enterprise is better seen as an extension of these transactions than as a small version of the large-scale corporation. In the same way that Pahl (1984) argues that work can only be defined and analysed in its context of social relations, so the meaning of economic exchanges is dependent on the social context in which they occur. Pahl (1984) points to the variety of ways in which people have commonly added to their income through self-provisioning and informal exchanges of goods and services. In the same way as he suggests we need "new ways of looking at work" we might benefit from new ways of looking at business enterprise.

4. Culture and Business

If organisational models seem inappropriate to the analysis of the petty bourgeois enterprise the perspectives of anthropology have used a holistic approach to study the interaction between social and economic institutions. They have also been concerned with the internal "logic" of socio-economic systems, approaching this through the concept of rationality (Cohen, 1967). Although most anthropologists have been primarily interested in pre-modern systems their work still has some useful contribution to make to a study of institutions which sit astride the public and private spheres of capitalism. It is particularly relevant to this thesis which examines the impact of culture on the petty bourgeois enterprise.

Some early anthropologists, struck by what appeared to be an entrenched resistance to change in pre-modern socio-economic systems described economic behaviour in terms of conservatism and irrationality, directed by custom and tradition (Redfield, 1953; Weber, 1947;
Germani, 1968). This view was reinforced by reports of exotic rituals, such as the potlatch ceremony, which seemed to outside observers as stuid and wasteful. This anthropological approach was transposed into the sociology of development and echoes of it appear in some analyses of ethnic enterprise in modern capitalism. It is argued that "traditional" cultural values are incompatible with the successful or efficient operation of modern business enterprise. Efficient business practices require impersonal, calculable operations (Weber, 1947), freedom from the prescriptions of family or community and a willingness to take risks and innovate. Thus Light (1972) in his study of immigrant business communities in the U.S.A. suggests that the community may foster "uneconomic" behaviour on the part of owners of enterprise by forcing them to give credit to poorer families or to take on unnecessary labour to relieve unemployment. In this approach economic transactions are seen as embedded in a powerful cultural context. As "traditional" culture is believed to be inimical to the efficiently-run business it would be expected that the more successful enterprises would be run by those proprietors most immersed in "modern" culture.

This early anthropological approach has been challenged on the grounds that it reflects an essentially ethnocentric viewpoint, or, as Santos (1979) writes, "it smacks of cultural arrogance" (p221). Rationality, it may be argued, is to be found in the pre-modern or informal systems if only you know where to look for it. The concept of "rationality" has to be redefined to take account of social, as well as economic factors. Economic concepts such as "costs, "assets", "value" have to be defined to include not just financial factors but also social status, mutual obligations, goodwill and so forth (Godelier, 1972). Thus we can identify the rationality that exists in informal socio-economic systems. The trader who sells goods to a relative on
less favourable terms than might have been obtained with strangers is not necessarily acting irrationally because the exchange may create reciprocal obligations which can be called in at a later date. However, even this redefinition of rationality does not altogether avoid the charge of ethnocentrism. It still takes as axiomatic assumptions about personal gain and satisfaction in exchanges. These assumptions underly conventional economic analysis. The argument assumes that social relationships can be given economic equivalents, if not necessarily measured in financial terms. It is merely indicating that economic processes take a variety of forms and therefore need to be more broadly defined in certain contexts (Asad, 1974).

Firth (1951), on the other hand, argues that very few economic principles are capable of universal application. He sees the task of economic anthropology as exposing the social factors which are of most relevance in the preference scales of members of a social group. He wishes to make no initial assumptions about what those preferences are but to try to unravel the underlying codes through which they are organised and structured. Anthropologists of this school have tended to regard economic systems almost entirely in terms of culture and have given little attention to the relation between social forms and the mode of production. Their work is valuable in analysing the internal "logic" or rationality of a socio-economic system but it stops short of generating theoretical statements about the relation between specific social forms and the wider process of production.

A different view of the relationship between culture and business behaviour is suggested in the work of the early "community" theorists such as Tonnies (1957) and Durkheim (1964). They were interested in analysing changes in the quality of social relationships which occurred with the process of industrialisation. Both writers associated "community" primarily with pre-
industrial society although they also recognised that some features of community occur in the modern world. They conceptualise community in terms of intimate, persistent face-to-face relationships which tie the individual into a close-knit moral consensus. Relationships are particularistic and Durkheim (1964) emphasises the low level of division of labour which creates a similarity of experience for members of the community. Solidary bonds provide a diffuse and pervasive form of social control. This conceptualism can be applied, without too much distortion, to the small enterprise. The personal involvement of the owner, the ties between the family and the business and the significance of face-to-face relationships in running the enterprise all suggest an analogy with the conceptualisations of community of writers such as Tonnies (1957), and Durkheim (1964). Tonnies (1957) contrasts this community of "gemeinschaft" with the impersonal, calculating and contractual relationships of "gesellschaft". Despite the somewhat sentimental view of pre-industrial society reflected in these conceptualisations they point to a qualitative difference in the social relations of gemeinschaft and gesellschaft which has influenced many subsequent analyses.

This type of conceptualisation suggests a potential tension between the nature of the dominant economic system to which the small enterprise is linked, and the nature of the social relationships around which it is typically organised. This does not inevitably mean that the two cultural systems are incompatible but it is not difficult to envisage situations where the two types of behaviour patterns cannot easily be combined. For example, labour which is accustomed to bureaucratic systems of control in a larger enterprise may not easily adapt to the more personal control of the small business. The family-run shop may wish to open on a Sunday when children are available to help but may find that the local authority enforces the formal legal system concerning Sunday trading. In other words, although the choices
among cultural alternatives available to the petty bourgeois proprietor are very wide, there are likely to be certain structural pressures towards particular patterns of behaviour.

The best known analysis of the relationship between culture and business is probably Weber's (1930) work on Protestantism and capitalism. Weber (1930) argued that culture, in the form of religious ideology, could legitimate economic behaviour and thus give it a particularly strong impetus. Although he has sometimes been accused of adopting an idealistic framework he seems to have been aware of the significance of structural factors in the development of capitalism. His work has sometimes been used as a basis for examining the cultural context of entrepreneurship (Wertheim, 1968) but is probably more suited to a macro-level analysis of social formations. Geertz (1975) argues that culture cannot be regarded as an explanatory variable at all. He believes that culture should not be treated as some ephemeral force which "pushes" social actors into particular forms of behaviour. This is to reify culture which, he argues, does not exist in the sense that social relations exist. He treats culture as a framework through which the observer interprets behaviour and regards it as an organising principle through which the observer, rather than the observed, makes sense of the world. The value of this view of culture is that it makes quite clear the status of culture as an analytic tool.

5. The Petty Bourgeois Enterprise and Advanced Capitalism

It was suggested above that economic anthropology pay insufficient attention to the way in which socio-economic systems are related to the mode of production in which they are situated. The constraints on the owner of the petty bourgeois enterprise do not derive solely from the cultural "logic" of decision-making but also from the nature of the economic niche in which the
business operates.

Although some analyses of the petty bourgeois enterprise regard it as a remnant of a previous era, and neither economically nor culturally an integral part of the capitalist mode of production, it was argued in the previous chapter that this view is misleading. A more useful approach is that taken by Bowles and Gintis (1976) who argue that capitalist development is uneven. Some spheres of activity remain stagnant whilst others experience only some of the dynamic of the corporate economy. Amongst these latter sectors, they suggest is the entrepreneurial capitalist and the self-employed worker. Thus they regard the petty bourgeois enterprise as fully within capitalism but in a subordinate sphere.

A number of analyses of Third World development have examined the articulation of petty commodity production with the capitalist mode of production. Although they are not necessarily concerned with traders, and although the economic context is different, the basis of their analyses can be used in examining the petty bourgeois enterprise in Western capitalism. Gerry and Birkbeck (1981), for example, argue that petty commodity production is normally subordinate, dependent and transitional. The main conditions for its reproduction and survival come from the dominant mode of production. They describe a process of "petit embourgeoisement" whereby workers are forced into semi-employment or casualised contractual work as a result of the restructuring of the dominant sector of the capitalist economy. A reserve army of labour is held in self-employment of a limited and subordinate nature. Bryant (1976) also argues that petty commodity production is not a 'traditional' form of production. It is integrated into the market economy where the factors of production are purchased and goods are sold. Santos (1979) rejects the idea of an "informal" sector in Third World cities. He argues that the concept of informality derives from the Weberian model of economic rationality and it implies a lack of this rationality. Santos (1979)
sees the petty bourgeoisie and self-employed traders of Third World cities as making a fully rational response to the nature of the urban economy and their position in it. Flexibility and fluidity, he suggests, are a thoroughly rational response to their situation. He prefers to see the urban economy as a system of interconnected structures which cannot be analysed in isolation from each other. What Santos (1979) prefers to call the "lower circuit" (p222) responds to the needs for employment and for cheap goods and services of the population who are disadvantaged by the dominant, upper circuit. The capitalist mode of production is infused into this circuit by devolving down consumer goods and sucking out the surplus value from petty enterprise.

These writers, then, argue that petty bourgeois enterprise is not a traditional form of activity nor separate from the dominant mode of production, but intricately articulated with it. The petty bourgeois enterprise is structured and constrained by its interconnectedness with the dominant economy. It is reproduced as the dominant economy restructures its labour force but its capacity for capital accumulation is limited by its subordinate role. There are parallels with this type of analysis in the literature on the petty bourgeois enterprise in Western capitalism. The discussion of the relation between the petty bourgeois enterprise and advanced capitalism takes two forms. There is an essentially functionalist analysis which describes the social and economic roles of the small firm and its contribution to the economy. There is also a more critical analysis which ascribes to the small firm a subordinate role in the reproduction of advanced capitalism.

The functionalist view of the small firm was clearly expressed in the Bolton Report (1971) and has had considerable political support since. Among the functions attributed to the small firm in this type of analysis are: increasing competition, providing specialist services and
improving consumer choice, creating employment, providing a congenial working environment, acting as a seed-bed for large companies, innovation and providing opportunities for the entrepreneurial personality. Some writers, such as Bannock (1986) see the high failure rate of small firms as functional because unhealthy enterprises or unsuccessful business ideas are being filtered out of the economy without any major disruption. Most of these functions have been questioned. The Greater London Council (1983) report points out that almost all of these functions could also be found in large firms. The analysis is a description of the operation of the economy rather than a discussion of the role of small firms. Storey (1982) challenges a number of the arguments on empirical grounds. He points out that the job creation role of small firms appears to be limited, that very few small firms actually grow into large ones, that the innovative role of small firms is not well developed in Britain and is dependent on large firms taking up and developing new ideas and that the low rate of industrial action in small firms should not be taken as indicative of a harmonious work situation. The extent to which small firms really increase the level of competition and choice in an economy has been questioned by Mitchell (1980) who argues that they generate insufficient volume to challenge the large corporations. The idea that small firm failures filter out unhealthy businesses seems implausible because it is a continuous process. It implies that other unhealthy businesses are taking their place (Mills, 1951; Hudson, 1986).

The more critical view of the relationship of the petty bourgeois enterprise to advanced capitalism sees the small business struggling in an unstable, low profit sector of the economy. It occupies those niches which are either unattractive to large firms or dependent on their operations. The instability or "turbulence" (Markusen and Teitz, 1985) of the small firm environment may be caused by several factors. Markusen and Tietz (1985) identify three sets of factors: cyclical, sectoral and spatial. Cyclical factors include seasonal
fluctuations and also recession and inflation. Recession, they point out, not only affects the general demand for goods but puts the small firm in a less competitive position when large companies off-load stock at very low prices. Sectoral turbulence comes from changes in consumer taste, which is often orchestrated by large firms. Spatial turbulence comes from factors affecting the locality in which the firm operates: a factory closing down may mean a loss of custom or a new commercial development may force up rents and rates.

Various writers have identified subordinate roles for the petty bourgeois enterprise in relation to large firms. Mills (1951) refers to the small firm sector as a "lumpen-bourgeoisie" (p28). He argues that the small business owner has lost what entrepreneurial role he or she might once have had and has become an agent for large companies, either selling their goods or producing to their specifications. Many small firms work on a sub-contracting basis for large firms. Although this may provide them with sizeable orders they are vulnerable to dependence on these large clients who may withdraw their custom when there is a change in demand. In other words, the small firm is bearing the risk for the large firm (Taylor and Thrift, 1983). The petty bourgeois enterprise may also take a role in respect of the control of the labour force of advanced capitalism. Small firms divide up labour; they are less likely to be unionised and they tend to pay lower wages, thus reducing the comparable rates for large firms (Rainnie, 1985).

The analysis of the relation between petty bourgeois enterprise and advanced capitalism points to the way in which it is fully integrated with the dominant economy. However, the small firm has a subordinate and dependent role within advanced capitalism. It bears risks and provides services at low cost for large corporations. This makes the petty bourgeois enterprise vulnerable. This is reinforced by the instability of its economic environment, an instability which is largely created by
the operation of large corporations. The petty bourgeois owner has to contend with this structural position when making decisions in respect of starting and running the business.

6. The Entrepreneurial Model of the Petty Bourgeois Enterprise

The cultural and economic context in which the petty bourgeois enterprise is situated provides both a set of opportunities and a set of constraints on the way in which the owner runs the business. The owner combines the various resources perceived as available to construct an enterprise. Barth (1972) uses the term "entrepreneurship" to refer to a process whereby an individual manipulates different sets of social relationships to achieve objectives. The sets of social relationships may be organised along different principles, giving the "entrepreneur" an opportunity to select and combine those most appropriate to the project in hand. Barth (1972) uses this approach in the analysis of political processes in a remote part of Norway, where links were established between local communities which were organised around particularistic ties and obligations and national institutions which worked with more formal procedures. The "entrepreneur" exploited a familiarity with both sets of relationships and mediated between them for political advantage. Barth (1972) sees the "entrepreneur" as making choices among the resources available in the social and economic environment and pursuing strategies by mediating them.

Barth's (1972) approach is intended to be used in economic as well as political contexts. It is useful in relation to the petty bourgeois enterprise where social and economic relationships are not always distinguishable. It avoids a reification of culture by concentrating on the manipulation of relationships rather than values. Although it is necessary to find a way of conceptualising these relationships the model does not assume a traditional/
modern nor rational/irrational dichotomy. In the case of ethnic enterprise it allows for the possibility of relationships within the immigrant community being utilised in a selective way in running the enterprise and avoids the problem of treating the ethnic proprietor as totally immersed in a distinct cultural system. However, it is unlikely that the selection of sets of relationships is entirely unstructured: dealings with a bank, for example, would become problematic if a proprietor persisted in employing unnecessary labour in order to satisfy family obligations.

Barth's (1972) anthropological use of the concept of "entrepreneur" avoids a narrow economic interpretation of business behaviour but it allows almost any social interaction to be seen as entrepreneurial in the sense that most social situations involve some ambiguities which can be exploited by participants. It is useful to examine small-scale enterprise in such a way that broad areas of social theory can be brought to bear on the subject, but at the same time there are probably particular qualities involved in economic entrepreneurship which are not necessarily involved in all forms of social interaction. The amount of conscious decision-making, for example, is probably greater. In addition, although a rigid use of formal economic models is certainly to be avoided, it does seem that there are likely to be certain economic constraints which cannot be altogether ignored if the enterprise is to continue for any period of time. Undoubtedly there are a number of combinations of relationships which can be successfully utilised in running the petty bourgeois enterprise, but the choice is not infinite nor even seen as such by the entrepreneur.

A similar approach to that of Barth (1972) is used by Long (1977) in analysing the way Latin American peasants become involved in the process of industrialisation. Long (1977) sees the 'entrepreneur' or "broker" as he calls him, as exploiting both the traditional obligations of family and community and the market relations of the
modern economy. For example, a middleman may provide a transport service for peasants selling produce in the city. He relies on ties of kinship to mobilise labour but also acts in a commercial manner in the urban market. Strickon and Greenfield (1972) also draw their examples from Latin America when they analyse patron-client relationships through a related framework. They argue that when the social environment is erratic in its behaviour or where the social system is loosely structured this permits innovation in social behaviour and in particular it creates opportunities for bridging transactions between social networks. This kind of analysis can also be used in respect of the small enterprise. The social and economic environment of the petty bourgeois enterprise often appears unpredictable and erratic. The owner has insufficient power to inject stability into it in the way which a large corporation does. The owner is frequently engaged in bridging transactions between the dominant economic system and the local community. The trader who breaks open packaged goods to sell in smaller quantities to poorer customers is bridging the gap between the merchanting strategies of large companies and the needs of low-income groups. Ethnic proprietors are particularly likely to find opportunities for innovation in social relationships which link the ethnic community with the host society. The Asian proprietor, for example, may exploit the cultural discontinuity between employment opportunities in white-owned firms and the sheltered world of many Asian women.

Long (1972) argues that the importance of concepts of the broker or the entrepreneur lies in the way they take into account the total system of personal ties and relationships with which the entrepreneur is involved. Long (1972), however, believes these ideas should be taken further. On the one hand they should be used in the analysis of internal, as well as external transactions, thus bringing the internal organisation of the enterprise into focus. On the other hand, Long (1972) argues, there is a need for a means of relating transactional analysis
to the character of the wider social and economic system in which the entrepreneur operates. There is a danger, pointed out above, that the entrepreneur will be ascribed too much freedom of action. It is for this reason, that when this model is applied to the petty bourgeois enterprise, it is necessary to consider both the cultural system within which the owner's goals and perceptions are formed and also the economic structure by which the enterprise is constrained.

The entrepreneurial approach, then, has considerable use in examining the organisation of petty bourgeois enterprise. It avoids the problem of reification of culture by focusing on choices and strategies of behaviour. It also avoids a rigid separation of economic and social behaviour. The ethnic proprietor may be seen as manipulating patterns of behaviour and social relationships which are culturally available in the ethnic community and combining them with cultural alternatives perceived in the host society. The ethnic small business owner will thus be seen as having available to him or her a set of social resources which in some, but not all respects, are different from those perceived by the white British petty bourgeoisie. Both proprietors have to operate within the economic niches afforded to small business by advanced capitalism. The entrepreneurship model raises questions of what combinations of relationships appear in the enterprise under various circumstances. It is important in answering these questions to introduce into the model the structural factors which generate the economic problems confronting the proprietor and which place limits on the solutions which can be adopted. The social location of the entrepreneur should also be recognised as a factor which influences perception of the structural pressures and cultural alternatives available.

7. Conclusions and Hypotheses

In this section it has been argued that conventional
organisational analysis assumes a clearly bounded, routinised and persistent structure. This is not the case with the petty bourgeois enterprise and therefore other frameworks for analysis must be sought. The petty bourgeois enterprise is better seen as an extension of the semi-economic transactions which form a common part of our everyday lives. Although it straddles the public and the private sphere the petty bourgeois enterprise should not be seen as traditional nor irrational nor in any sense outside the capitalist mode of production. The enterprise is constructed by key social actors, particularly the proprietor. In constructing the enterprise the proprietor becomes an entrepreneur in the social, rather than economic sense. Social and cultural resources are manipulated in dealings with the environment in which the enterprise operates. However, the proprietor's choices are structured by the role of petty bourgeois enterprise in advanced capitalism, where it plays a subordinate role.

The empirical research which is described in later chapters is based on the assumption that the owner's perceptions of the social and economic environment, and of his or her own skills and capacities, will be crucial in shaping the enterprise. However it is also assumed that the owner's perceptions will be influenced both by his or her social background and by the economic niche in which the enterprise is situated. The class analysis discussed in the previous chapter led to the expectation that the proprietors would have had a fairly limited experience of the education system, although they would not be among the least educated sector of the population. It was anticipated that their work experience would be mainly in the skilled manual or white collar fields and that they would have extensive family connections with small-scale business. It was expected that most of the businesses would be operating in limited and erratic markets and that the subordinate position of petty bourgeois enterprise would be reflected in access to capital and premises, labour and supplies.
It was anticipated that there would be differences between Sikh proprietors and the white British proprietors in the way in which they constructed their enterprise. It was expected that Sikh owners would make greater use of family and community relationships in finding business opportunities and in running the business. However, both Sikh and white proprietors have to operate within the constraints which advanced capitalism places on the petty bourgeois enterprise.
V Ethnicity and Enterprise: Asians in Britain

1. The main focus of the research reported in this thesis is a comparison of Sikh and white-owned small businesses. It was anticipated that, despite the structural constraints which shape the operation of any small business, there would be cultural differences between the two groups in the owners' perceptions of running a business and in the way they combined and manipulated resources to make an enterprise viable. The popular view of the industrious Asian entrepreneur, making a success of business through hard work and enterprise, was treated with some sceptism but inevitably coloured the approach to the research. It was expected that the Sikh owners would also make use of community ties in gaining access to capital, labour and other business resources. This chapter reviews some of the literature relating to ethnicity and ethnic communities and elaborates the entrepreneurial model, outlined in the last chapter, in the context of ethnic enterprise. It also includes a discussion of some of the significant features of the Sikh community in Britain.

2. Concept of Ethnicity

Much of the British and American research in the field of ethnic minorities has been influenced by issues of social policy. As a consequence, the research has tended to focus on race relations and associated themes of conflict, assimilation and unequal opportunities. This type of analysis is undoubtedly necessary to an understanding of the structural context within which ethnic minorities interact, and a discussion of the position of Asians in Britain in these terms will follow in this chapter. However, one of the drawbacks of this approach is that it has tended to focus on relations between ethnic groups and to give correspondingly little attention to patterns of interaction within them, except in so far as such patterns are seen as problematic by social administrators.
An approach to the study of ethnic minorities through the concept of ethnicity gives more attention to interaction within the ethnic community. The concept of ethnicity operates primarily at the level of interaction and attempts to capture the perceptions and definitions of identity which are used by members of ethnic groups. The concept of ethnicity refers to the use of ethnic identity as a basis for social interaction. It deals with what are essentially subjective phenomena; members of a similar racial group may not all hold feelings of identity with that group, and among those who do hold such feelings the ethnic identity may not be considered useful or relevant in all forms of interaction.

The term ethnicity is normally used in the context of distinct racial groups, but the biological bases of such groups are not the primary defining factors of ethnicity. It is possible, and often useful, to examine the sense of identity, in other words the ethnicity, of groups such as Sikhs, who are basically a religious group or of the Irish, who constitute a national group. What is referred to with the concept of ethnicity is the sense of a common culture and origin rather than purely a racial identity.

The term "ethnic group" is not always used in the same sense as the term "ethnicity" and this is sometimes confusing. The term "ethnic group" is often used to refer to a group which, in the eyes of the observer, appears to be made up of people with similar racial and cultural characteristics. In other words, the term is used from an "objective" perspective and fails to reflect the fundamentally subjective nature of ethnicity. Ballard (1976) tries to deal with this problem by distinguishing between what he refers to as "ethnic categories" and "ethnic groups". The former is adopted for referring to the category of people with similar cultural traits and the latter is reserved for interactional groupings whose members feel a similar sense of identity.
The terms are inter-linked in that it is the similar cultural traits which are invoked when there is an appeal to a sense of ethnic identity. This is a useful distinction although it tends to blanket over the extent to which ethnicity is used selectively in interaction. For example, a newly arrived Asian immigrant may appeal to the ethnicity of an Asian business owner to whom he or she has applied for a job. The Asian business owner though, may wish to minimize ethnic identity in dealings with white clients but, on the other hand, may wish to mobilise ethnic definitions when asking for credit from an Asian wholesaler. Thus, although an ethnic group in Ballard's (1976) sense of the term may acknowledge a similar identity they may choose to do so under different social circumstances.

An appeal to ethnic identity requires the existence of a set of shared cultural values through which that identity can be activated. The appeal to ethnicity and its use in social interaction is only effective if the ethnic identity is recognised as such and perceived as such by those participating in the social relationships involved. The activation of cultural values in asserting ethnicity is one of the processes which contribute to the maintenance of distinct ethnic categories. Ethnicity is a set of perceptions and definitions which may be used to colour relationships rather as gender, as an appeal to particular social definitions, is mobilised selectively in interaction. And just as the particular form which gender takes varies among different cultural groups, so the form which ethnicity takes is also related to broader cultural principles and patterns. Culture refers to the framework used by an observer to identify and interpret the behaviour of a social group; ethnicity is perceived by the social actors themselves as an explanation for behaviour, and a basis for social differentiation. Unlike culture, ethnicity does not offer a potential basis for interpreting all patterns of behaviour observed among an ethnic minority as the definitions to which the concept of ethnicity refers are not mobilised in all forms of
interaction. One of the questions which therefore arises when behaviour is analysed through the concept of ethnicity is that of the circumstances and social relationships in which a social group perceives an ethnic identity to be relevant.

One of the objections which is sometimes raised to the use of the concept of ethnicity is that it gives a premium to the individual choices of the social actor. In this respect it tends to describe behaviour in terms of individual decisions and preferences rather than in terms of social structure and collective values. Cohen (1974) has been particularly anxious to stress the collective nature of ethnicity in his work. In an attempt to do this he has analysed ethnic groups as special kinds of interest groups which pursue their interests through the use of kinship and friendship networks where a common identity is activated. To demonstrate this approach, and to show that it is not confined to the analysis of racial minorities, he describes the City business elite as using an ethnic identity in their dealings with each other. By referring to common educational backgrounds and kinship links the business elite are able to operate an informal network of mutual obligation which operates to their collective advantage. An appeal to a common identity is certainly a feature of many social transactions, but extending the concept of ethnicity in this way tends to introduce more ambiguity than is useful in a concept which is not easily rigorously defined in the first place. To describe ethnic groups as interest groups may also be misleading in that it implies that ethnic groups have clear and agreed goals and show more internal unity than they normally do. Even the concept of latent interest groups implies a degree of structural homogeneity which would characterize only a minority of ethnic groups. The collective nature of ethnicity is better seen in the collectively evolved, adapted and maintained cultural patterns which are available to members of ethnic groups in asserting an ethnic identity. These cultural patterns are used by members of the ethnic group
in the pursuit of interests which may be collective or may be individual.

The cultural traits which are recognised by members of an ethnic group as constituting their particular identity may form the basis of a stereotype of that ethnic group held by outsiders. Mitchell (1974) argues that such a stereotype may become a justification and explanation of behaviour both on the part of members of the ethnic group and member of other groups. Barth (1969) the Norwegian anthropologist, regards the interaction between ethnic groups in terms of ethnicity as a boundary-maintaining process. Experience of life in Britain, for example, may encourage a sense of identity and communal lifestyle among immigrants such that patterns of behaviour which would be taken for granted in the society of origin come to have increased significance in the new social environment. The Ballards (1977) suggest that among the Sikhs in Britain attendance at temples is probably more common than in the Punjab. In Britain the temple provides a meeting place where ethnic relationships are maintained and ethnic ties are asserted. In the Punjab these functions are less important. Another example can be found in the Sikh custom of wearing a turban. This traditional pattern of behaviour began to die out among Sikhs in Britain when they first began to settle here, because they felt it would be possible and desirable to assimilate into British society. In the nineteen seventies, increasing racial hostility led to the reconsideration of the idea of assimilation and to a re-evaluation of the importance of ethnic identity. Many Sikhs, particularly younger ones, took to wearing the turban again and, in Barth's (1969) terms, maintaining the boundary between themselves and other ethnic categories (John, 1969). Barth (1969) argues that ethnic distinctions emerge and persist where sectors of a population assign a distinctive status to the markers which differentiate groups. He believes that ethnic boundaries will disappear when the ethnic stereotype is no longer rewarding as a basis of interaction for either group. The tendency of middle
class Asians to adopt many of the features of white British middle class life-styles could be interpreted as a reflection of this process (Nowikowski and Ward, 1978/9). The ethnic identity is of less significance to them as other social and economic rewards become available. Middle class Asians have less need of the security of the community mutual aid network nor its social and leisure activities. Correspondingly their need to assert an ethnic identity is weaker. Playing down their ethnic identity may also help them to gain access to middle class jobs, housing and leisure activities.

Wallman (1979) is also interested in the nature of boundaries in relation to the definition of ethnic groups. She emphasises the importance of contrast as a basis for recognising and maintaining ethnic identity. For example, Asian parents often contrast the behaviour of white British teenagers with that expected of Asians, particularly girls. Defining white British young people as decadent is part of the process of developing and maintaining an ethnic identity among Asian girls.

Barth (1969) argues that "ethnic identity" implies a series of constraints on the kind of roles which an individual is allowed to play and the kind of partners which can be chosen for different kinds of social transactions. This view of ethnicity is particularly relevant in the study of the small business owner. The entrepreneur, in the anthropological sense of the term, is constantly forming and reinforcing relationships which relate to the running of a business and maintaining custom. However, it will be argued that ethnicity does not merely constrain the roles available to the Asian business owner, it also offers opportunities for pursuing business strategies by adopting new roles as mediator between the community and the host society. In other words, ethnicity may be regarded as one of the resources which the Asian business owner has available for use in developing relationships and obligations as
well as fulfilling them. This "resource" of ethnicity will not be available nor utilised in the same way and to the same extent by all Asian business owners. Some proprietors will identify to a greater degree with the Asian community than others and some businesses will rely more than others on the good will and support of the ethnic group. One of the areas to be investigated in this research are the circumstances under which ethnicity is used as a resource in the pursuit of business strategies by Asian entrepreneurs.

3. Ethnic Communities

Ethnic communities are frequently mobilised and used as the basis for relationships within the context of what is often referred to as an "ethnic community". The concept of community is one which has proved difficult to define in a rigorous way and it is often employed rather loosely in the context of ethnic minorities. One of the problems of defining community is that the concept was first developed by sociologists in the nineteenth century when it was often used as an evaluative comment on pre-industrial society. Its value-connotations have not altogether disappeared in modern usage. Reference to ethnic communities is often coloured with assumptions deriving from Tonnies (1957) or Durkheim (1964) or other nineteenth century writers who were concerned to highlight the differences between feudal and industrial social systems.

Ethnic communities are often conceptualised, at least implicitly, as collectivities of persons sharing the same spatial area and bound by solidary ties based on kinship and frequent face-to-face contact. These persons are assumed to share similar cultural values, characterised by a sense of obligation and by collective sentiments. Social control is exercised through a tightly knit network of personal relationships and reinforced by religious institutions. Relationships are ascribed and particularistic. There is comparatively little research
carried out in Britain which has analysed a spatially compact ethnic community as "community" and therefore it is difficult to evaluate the appropriateness of the implicit definition. The lack of community studies using anthropological methods among ethnic groups in Britain is curious, considering how frequently the concept is used as an explanatory factor in analysing ethnic groups. Problems of access have probably inhibited such research but a clarification of the concept of ethnic community would be very valuable.

What is known about ethnic communities suggests that in some respects some communities do correspond to the implicit conceptualisation but that the concept also disguises part of the nature of such communities. The idea of ethnic communities clearly derives from the residential patterns of many ethnic minorities. These patterns were generally laid down when groups of immigrants from a particular country first arrived in Britain. They usually settled in areas where they could find work easily and where accommodation was cheap. Subsequent cohorts of immigrants from the same background then settled in the same area, partly for similar reasons but also because they preferred to live near people who shared their language, religion or culture (Community Relations Commission 1977). There was also the advantage to new arrivals of having at hand people who could help them become familiar with the practices of the host society. Immigrants who had come to join their family or who were being sponsored by a villager already settled here clearly wished to live in these areas of ethnic settlement. The result of such residential patterns can be seen in the traditional areas of immigrant settlement, such as Notting Hill, where the people living in a particular street often originate from a single small island or village (Philpott, 1977). Similar patterns exist among the Sikhs in Southall (John 1969). Thus residential patterns have emerged which form the basis for interaction networks which seem to fit, at least to some extent, with the traditional
concept of community.

These residential patterns commonly support other social institutions such as religious and political organisations and voluntary associations. In some cases there is also a localised economy based on ethnic-run businesses. The emergence of such institutions further strengthens the idea of ethnic 'communities'. Rex (1970) points out, however, that these communities based on residential patterns are to some extent imposed on ethnic minorities. The disadvantage which ethnic minorities often experience in the housing market means that they may only be able to obtain accommodation in areas of poor quality housing or in the parts of cities which the white British dislike. The policies of certain local authorities who designate sections of council housing estates for "coloureds" reinforces these residential patterns (Allen, 1971). This view has been challenged by Dahya (1974) who argues that immigrants live in areas of poor housing out of choice. They do not wish to spend much money on housing if they are intending to return home and the inner city areas are often the ones nearest their work so they have limited transport costs. A number of writers, including Rex (1970), have pointed out that ethnic minorities often wish to live in "colonies" because of the practical help and advice which this makes available to them, but there is also evidence that those who have grown up in Britain are concerned to improve their standards of housing and find they suffer from discrimination when they try to do so (Ward, 1978).

The concept of community should not be allowed to mask the fact that there is normally marked social differentiation within ethnic minorities. This is partly on the basis of religious or political affiliations and socioeconomic status. Political differences lead to separate interaction networks and occasionally to considerable hostilities within the ethnic group. These hostilities are not always contained within the community: influential figures in white British society are persuaded to
associate with a particular faction and local newspapers may carry letters attacking rival groups. Personal grudges and grievances are also aired outside the community from time to time, and the increasing economic differentiation within some ethnic groups may cause changes in patterns of mutual obligation. Thus when it is claimed that Asians, or members of other ethnic minorities, are able to mobilise community affiliations in the pursuit of political or economic interests it needs to be made clear whether these are sectional affiliations within the ethnic group that are being referred to, or whether there is some generalised community feeling of loyalty and obligation which can be tapped by any of its members (Hannertz, 1974). When it is argued, for example, that Asian entrepreneurs use community ties to build up their labour force it is useful to know whether they are activating village or kinship obligations which have a strong moral force, or whether they simply prefer to employ people of a similar cultural and linguistic background to themselves and find they can do this informally without advertising extensively. The latter would represent a business strategy which is not at all uncommon among small proprietors.

The cohesiveness of the community is not necessarily a direct result of collective values which form part of the cultural background of many ethnic minorities. Breton (1964) argues that where there are a range of social institutions in the community providing services for its members, then the community has greater significance for its members and includes them to a greater extent in its network of interaction. He refers to the "institutional completeness" of communities where there are welfare, religious, leisure and information services, but, curiously does not include ethnic business enterprises in his analysis. Breton argues that the presence of such institutions are vehicles for articulating issues of relevance to the ethnic community which in turn reinforce the sense of ethnic identity.
Charsley (1974) argues that some kind of community is an important element in the formation of a collective ethnic identity and consequently in the use of this identity by individuals in the course of social transactions. This view of ethnicity as emerging from patterns of interaction is also adopted by Yancey et al (1976). They suggest that many of the behaviour patterns which are associated with ethnic minorities, such as mutual aid networks and in-group loyalty, are ones which are commonly found among social groups who experience disadvantage and deprivation and to whom formal channels of advancement are closed. They compare the informal networks of ethnic communities with the extended family and reciprocity systems of traditional working class communities as described, for example, by Wilmott and Young (1957). Thus Yancey et al (1976) regard the appeal to an ethnic identity as a response to the structural context of ethnic minorities. Their approach is valuable in emphasising that the form which ethnicity takes is not static. Although some of the patterns of patronage and obligation among the Sikhs, for example, would seem to have their origin in the culture of the Punjab (Brooks and Singh, 1979), other affiliations and networks may usefully be seen as a response to the socio-economic context of the Sikh community in Britain (John, 1969).

The concept of community needs to be used with care in the analysis of ethnic minorities. That complex networks of interaction do exist is certainly the case but their precise nature should not be taken for granted. The role of ethnic enterprises in such communities may be quite significant. In some cases ethnic enterprises may not only contribute to the maintenance of ethnic identity by supplying goods and services associated with it, but may also act as centres of information. The circulation of Asian newspapers was initially only possible when sufficient Asian shops of various kinds were established and could act as outlets (Hiro, 1971)
and Sikh shopkeepers have often exploited their position in informal networks to achieve political positions in the community. On the other hand many ethnic enterprises rely on the persistence of ethnic communities with distinct ethnic identities for their markets, labour, and in some cases, for finance. There is thus a two-way interdependence between business and the community.

4. Ethnic Enterprise

Ethnic enterprise has recently been a focus of political attention not only because it appears to provide a means of self-help to disadvantaged minority groups but also because it seems to embody acceptable values of independence and entrepreneurship. The popular explanations for ethnic self-employment tend to refer either to the exclusion of immigrants from wage labour or to cultural dispositions to hard work. Both of these explanations have some value in examining the growing phenomenon of ethnic enterprise (Aldrich, Cater, Jones and McEvoy, 1981) but by themselves are over-simple.

The labour market disadvantage model seems to have been first developed in the U.S. where many groups of immigrants experienced difficulty in obtaining paid employment, and this was certainly part of the reason why some ethnic minorities became extensively involved in small-scale business (Light, 1972). The Jewish migration to Britain in the eighteenth century included many workers who had few marketable skills and who were attracted into enterprise as a way of escaping from uncertain and poorly paid unskilled work (Potter, 1969). More recently other groups of immigrants, including Asians, Chinese and Italians, have avoided the possibility of discrimination or of having to compete on an unequal footing with indigenous labour by developing small-scale businesses, particularly the catering trade. Opportunities in the paid labour market may well be limited for ethnic minorities because of language diffi-
culties, unfamiliarity with cultural expectations as well as straightforward prejudice. Self-employment not only offers a chance of earning a living but may appear to provide opportunities for economic advancement. There is also the opportunity in a small business to use the labour of the whole family, either on an informal and casual basis when needed or by incorporating adult members of the family into the labour force. In this way the family contributes as a unit to its own economic welfare. Sometimes self-employment may be combined with wage-labour within the same family or even the same person so that there is a form of safety-net should either type of work be unsuccessful.

The cultural model of ethnic enterprise assumes that ethnic minorities hold predispositions to hard work and self-sacrifice which are somehow missing in the indigenous population. But a preference for independence and a willingness to work with drive and diligence are not necessarily national or racial characteristics of ethnic groups and nor are they absent from the host society. They may be characteristic of certain strata in society whose experience of the mobility structures has led them to believe that deferred gratification will eventually produce rewards (Lane, 1972), and they may be reinforced by self-selection into own-account work. It also seems quite likely that people in an alien society may be attracted by the possibility of achieving some independence from the dominant economic system. In some instances it would appear that it is not so much a predisposition to self-employment which is significant to the ethnic minority but an aversion to the cultural values of the host society. The Chinese, for example, often regard British culture as degenerate and value the chance of supporting themselves in a way which requires little adjustment to British cultural norms (Watson, 1977a). In contrast, Afro-Carribbeans, who have not been prominent in business in Britain have, at least in the past, held more positive attitudes to British culture.
Immigrants may appear to have an unusual capacity for hard work because they are working towards a particular objective, such as returning home with substantial savings. They are therefore willing to exert a great deal of effort in order to achieve their ambition. This approach is elaborated in a more sophisticated way in Bonacich's (1973) model of the "middleman minority". Bonacich (1973) argues that in some societies there are groups who become marginal to the status order of the society in which they are living. They adopt a "sojourner" mentality in which they adhere to a belief that they are not permanently settled in their host country. This encourages them to take up trading and other middleman roles. They wish to accumulate capital but it must be in a form which is easily liquidated. Ethnic ties are kept alive partly because of the intention to return home but also because they can be used to form beneficial economic networks. Access to capital, credit, labour and business know-how can be obtained through these ethnic ties, and give the middleman minority a competitive edge.

The commitment to independence on the part of the ethnic entrepreneur may be partly a rationalisation of occupational choice. Potter (1969) cites a cultural orientation to independence as a factor which may have encouraged Jews into business in Britain although she also points to their strong collective tradition. Similarly the Quakers of the seventeenth and eighteenth centuries had a particularly powerful collectivist orientation but this did not inhibit considerable success in business (Raistrick, 1968).

Once a group of immigrants becomes settled in a host society there generally develop markets for food, clothes and other goods related to the particular tastes of the ethnic minority. These then provide opportunities for members of the community to supply these goods and take up trading and possibly manufacturing roles. Fragmented and differentiated markets have often
provided opportunities for small-scale enterprise but some of the immigrant-related markets have also captured British tastes for seemingly exotic goods. Asian materials and jewellery, and the food of various ethnic groups are widely bought on the white British market. These cultural markets may at first create protected niches where the ethnic proprietor can operate without fear of competition from those outside the ethnic community. However if the goods become attractive to wider groups there is a danger that larger stores in the dominant economy will begin stocking them at low prices or indigenous companies will import or manufacture them. Pizzas, for example, are no longer the monopoly of the Italians. These cultural niches not only provide opportunities for ethnic enterprise, they become constraints on its development. They have low barriers to entry by other members of the ethnic group (Clark and Rughani 1983) and may become saturated. Jones (1981/2) argues that ethnic enterprise can only develop if it moves into the wider, less sheltered markets where there are opportunities for capital accumulation. On the other hand, the lack of a distinctive cultural market has been identified as one of the factors accounting for the low Afro-Caribbean presence in business in Britain (Home Affairs Committee, 1980).

Ethnic enterprise may be furthered by the business socialisation which is often provided within minority communities. Where a community is spatially cohesive and where a sizeable proportion are involved in business, own-account working becomes a particularly "visible" occupation and may figure more strongly in occupational "choices". Japanese guild organisations in the United States provided ready entry to business for the families of their members (Light, 1972). Many Chinese businesses in Britain today are partnerships formed through contacts within the community (Watson, 1977a). A comparison with the eighteenth century Quakers is useful: they too were a distinct cultural group, suffering many of the disadvantages traditionally experienced by immigrants. Their
close-knit community structure provided considerable opportunity for young Quakers to become acquainted with persons in business and to become familiar with the problems and practices of business (Raistrick, 1968). The extended family systems of some groups of immigrants may also act as a channel for disseminating practical business know-how (Clark and Rughani, 1983). The lack of business skills and contacts with business proprietors within the community is a further factor which the Home Affairs Committee (1980) identified as explaining low Afro-Caribbean involvement in business, a point reinforced by Reeves and Ward (1984), and Sawyer (1983).

The ethnic community is not just a potential source of business knowledge but it may also provide preferential access to other business resources including capital and labour (Ward, 1983; Waldinger, Ward and Aldrich, 1985). Allen, Bentley and Bornat (1981) record the extent to which Asian proprietors were able to find premises through the use of community networks and more recently Wilson and Stanworth (1986) have pointed to the fact that Asians are more likely than Afro-Caribbeans to be able to purchase going-concerns from within the ethnic community, rather than having to start a business from scratch. However, it is easy to be led by the value-connotations of the concept of community into assuming that co-ethnics will develop mutually supportive business practices (Auster and Aldrich, 1984) rather than, as seems more likely, enter into competition with each other (Jones, 1981/2). It is also possible that extensive dependence on informal access to business resources may inhibit the use of professional business support (Wilson, 1983).

The political interest in ethnic enterprise is based on the assumption that extensive small-scale business is of value to a minority group (Wilson, 1984). Ethnic businesses may provide employment for members of the community and although this may be valuable to newly
arrived immigrants with limited knowledge of English the extent of employment creation seems to be limited (Jones, 1981/2). Ethnic businesses may provide a means of capital accumulation within the community (Werbner, 1980) but again this is unlikely to be on a large scale where the businesses serve mainly an ethnic market with limited spending power. Jones (1981/2) suggests that the benefits may be intangible and include the opportunity to work in a culturally acceptable environment and the personal sense of satisfaction of the business proprietors. Ethnic businesses may make an important contribution to the maintenance of cultural identity both by providing a spatial focus for the community, as with shopping centres, or by supplying various ethnic goods. Glazer and Moynihan (1963) also believe that ethnic businesses inject into the community general skills of financial management and negotiation which contribute to its economic development.

5. **Asian Communities**

Much of the research on Asians in Britain refers in practice to Indians and Pakistanis. In many cases no attempt is made to differentiate between them and thus the following account frequently uses material where Indians and Pakistanis are assumed to have similar characteristics. Sources which refer to Pakistanis alone, though, have been omitted.

Asian immigrants to Britain have normally followed the settlement patterns of ethnic minorities which were outlined above. Originally they settled in areas where work was available, particularly the areas of heavy industry in the Midlands (Ballard and Ballard, 1977). As more immigrants arrived in the nineteen-sixties these areas of settlement gradually developed organisations and institutions related to Asian needs and interests. There is some evidence that Asians are more likely to live in areas of high ethnic concentration than other ethnic minorities (Community
Relations Commission, 1977), and residential patterns not only reflect regional and religious groupings but also caste membership (Desai, 1963).

It is quite common for Asians to live in households which are larger than average (Department of Environment, 1978). This is partly because Asians tend to have more children than the rest of the population and partly because their households frequently include more adults than is common among other groups. The tradition of large households became established by early immigrants to Britain. They came without their families and lived in rented rooms. Initially they rented from white British landlords, but very soon Asians bought up large old houses, often very delapidated, and rented out the rooms to other immigrants. In order to keep the rent low they needed a large number of tenants and it was more acceptable to Asian immigrants to share over-crowded but cheap accommodation with other Asians than to try to rent from white landlords (Rose et al, 1969). When immigrants were in a position to bring their families to Britain they normally moved out of these single-sex households and either rented or bought accommodation of their own. However, in order to keep housing costs as low as possible they either shared the accommodation with other tenants or took in lodgers.

The Asian community has a particularly high rate of home ownership (Department of Environment, 1978) and this has for a long time been sufficient to provide business for Asian estate agents. Ownership tends to be outright, rather than on the basis of a loan (Rex and Tomlinson, 1979). A number of surveys have indicated that Asians show a high level of satisfaction with their housing despite the fact that as a group their homes are more over-crowded and have poorer amenities than other sections of the population (Robinson, 1979). Asians normally buy older, poorer quality housing, which Rex and Moore (1967) have interpreted as a reflection of discrimination by landlords which forces them
into the housing market and by estate agents who are reluctant to allow coloured populations into better quality residential areas. Other writers have interpreted the Asian housing patterns as an expression of an intention to return home eventually and a preference for living with an Asian "community" (Robinson, 1979).

Although Asians often live in large households this does not necessarily mean that the extended family is a residential unit. It has been estimated that about two thirds of the Asian population in Britain live as nuclear families, possibly with an additional relative who has no nuclear family in Britain. Although the extended family may not live under one roof it clearly has considerable significance for Asians in Britain. The prestige of the family is very important to its members and even the younger generation who are growing up in Britain have a sense of the value attached to the status of the family (Parekh, 1978). The family provides its members with help and emotional support and although Asian families sometimes appear to Westerners as very restrictive in their control over their members, powerful emotional bonds continue to exist.

The extended family takes many decisions jointly. Authority lies in the hands of the elder males but decision-making is normally based on extensive consultation within the family. In order to preserve the unity of the family, particularly in the British environment, accommodation and persuasion are more important than rigid control. One of the major functions of the family for its younger members is its role in arranging marriages. Although the parents make the final decision about the marriage partner the young people involved are normally given a chance to voice their opinions as well. The caste and social standing of the respective families have to be taken into account in arranging a suitable match (Ballard, 1973).
Ties with kin who have remained in Asia are also an important aspect of family relations. Richmond (1975) estimates that about twenty percent of males from India and Pakistan are sending money home, and a survey of Asian business in Ealing showed that about thirty percent of this group were transferring a proportion of their profits to Asia (Jamieson and Baker, 1977).

Social class differences exist within the Asian community in respect of attitudes to family and community. A study by the Community Relations Commission (1977) reports that working class Asians are particularly likely to spend spare time with other Asians, whereas Nowikowski and Ward (1978/9) show that middle class Asians often move away from areas of high ethnic concentration and are more likely to live in nuclear families. The family is clearly an important focus of ethnic identity and its continuing significance for a large proportion of the Asian community underpins the persistence of their ethnic distinctiveness.

The Asian community in Britain has generally regarded the education system as a channel to success which is open to those prepared to commit sufficient personal effort. Among Asians who were not born in Britain there are great disparities in levels of education, ranging from those with virtually no schooling to those with post-graduate qualifications. Despite this there is a fairly uniform concern among Asian parents that their children should do well at school. This motivation seems to be internalised by Asian children who also attach great importance to educational achievement (Dove, 1975). Motivation of this kind is often held to be closely related to educational success among white children: it is argued that teachers value this motivation, reward it and thus reinforce positive attitudes to schooling, and raise educational aspirations (Downey, 1977). It is not clear whether these processes also occur among Asian pupils who are less likely to be able to translate their attitudes into forms of behaviour which are under-
stood by white teachers as demonstrating motivation.
Asian girls, in particular, are likely to be inhibited
by their cultural background from joining school clubs,
actively participating in class, or volunteering for
school activities. Their aspirations have to rely
rather more on personal and family motivation. Asian
children are also liable to be disadvantaged by parents'
lack of knowledge of the education system. Whereas
white middle class parents understand the workings of
the system and are able to plan and organise their
children's progress through it, Asian parents like
working class white parents, are less knowledgeable
about the system, less likely to visit the school and
less likely to have definite ideas about the courses
or occupations which they would like their children
to pursue (Rex and Tomlinson, 1979).

Despite the motivation of Asian parents and their
children there is often a considerable disjunction
between the long-term aspirations of Asian young people
and their actual point of entry to the labour force.
This disjunction is particularly apparent in the case
of school leavers but is still present in the case
of Asian graduates from British universities (Ballard

The failure to achieve their goals is not due to lack
of success in gaining formal qualifications although
Asian pupils often take longer than white British
pupils to gain their certificates. Failure to realise
their aspirations leads to a great deal of disappointment
among Asian young people, particularly as they have often
come to believe that success in exams is a passport to
good jobs. Part of the disillusion stems from an in-
adequate understanding of the occupational system and
career structures and Asian youngsters may also be
unaware of some of the informal processes of getting a
job (Beetham, 1968). Fowler et al, (1977) suggest that
the information network of the Asian community is a use-
ful channel for contacts and information about job
vacancies, but Rex and Tomlinson, 1979, point out that
although this may be helpful in finding jobs in Asian businesses, the parallel contacts of white school leavers are much more effective in finding jobs in the wider economy - jobs which are more likely to serve as a basis for mobility. There is a problem too, in the fact that Asian school leavers are often older than their white counterparts which means that it is more difficult for them to get apprenticeships. Rex and Tomlinson (1979) argue that the tendency of Asians to go into further education after school reflects not an educational advantage but an occupational disadvantage in that, being unable to find jobs offering training or a career structure, Asians are using the education system to try to improve their prospects.

Asian adults also often regard education as a means of coping with their position in the occupational system. They may take advantage of part-time vocational courses in order to enhance their market situation (Community Relations Commission, 1976). Professional courses such as accountancy or law are particularly attractive to Asians as these careers had considerable status in India's post-colonial social structure.

Despite high levels of motivation and persistence in the education system Asians find it comparatively difficult to improve their market situation by the use of qualifications. This is partly because they lack some of those particular cultural resources which enable investment in education to be realised in the job market, and partly because of the "exclusionary" strategies which are used against them by other groups in the economy (Parkin, 1979).

6. Asians and the British Labour Market

The pattern of employment among Asians in Britain is relevant to an analysis of Asian businesses in Britain in two respects. In the first place it provides a context to the argument that Asian businessmen, along
with entrepreneurs from other ethnic minorities, are "forced" into business because they face discrimination and disadvantage in the labour market. In the second place, Asian business owners are themselves employers of labour and their employment strategies are likely to be related to the occupational patterns among the Asian communities from which they generally recruit. Thus the nature of and opportunities for Asian businesses in Britain is to some extent related to the employment patterns among Asians here.

Asians clearly do face discrimination in the labour market on account of their colour and they may also be disadvantaged through lack of language skills or appropriate qualifications. This does not necessarily mean, though, that setting up a business is seen as a means of circumventing this disadvantage and nor does it mean that Asians necessarily seek out employment in Asian businesses rather than expose themselves to the wider labour market.

Despite their aspirations, Asians in Britain are under-represented in the higher levels of the occupational structure, although Nowikowski and Ward (1978/9) suggest that about twenty-five percent of Asians are in non-manual occupations. The majority of Asians are employed in manual occupations, particularly in engineering, transport and textiles. Rex and Tomlinson (1979) found that the Asian population which they studied in Birmingham were working longer hours than the white British population to bring their earnings up to the average British level, and this despite the fact that the Asians in their sample tended to be younger than the British. Asians also suffered more from redundancy. Although localised studies such as this cannot necessarily be generalised to other areas there is some confirmation for their evidence from a Department of the Environment (1978) study carried out in London. Taylor's (1976) study of Newcastle showed that whereas Asians were able to obtain a similar percentage of
skilled jobs to that of white workers they got far fewer white-collar jobs even at the clerical end of the range. It seems that employers are particularly unwilling to employ Asian school leavers in jobs where language skills and shared cultural norms are more significant. This also helps to explain why Asians in manual work are concentrated in manufacturing. On the other hand Asians sometimes prefer manual work to low-grade white collar work because the former offers opportunities for increasing earnings through overtime (Desai, 1963).

Several studies have noticed the tendency of Asian manual workers to cluster in particular firms in a locality. These concentrations often form along the lines of not only race but also religious and regional background. This clustering is partly a result of the use of informal information channels to find jobs, but it is more often the result of a more structured system which Brooks and Singh (1979) refer to as "brokerage". Under this system Asian workers who have been with a firm for a long time are encouraged by foremen to suggest people they know to fill vacancies. As Asians commonly take on jobs which are particularly arduous, dirty, or on unpopular shifts, this system helps the foreman to solve the problem of finding reliable labour for these unpopular jobs. This system of brokerage creates ties of patronage and obligation within the Asian community. It helps Asians to overcome some of their disadvantage in the labour market but, as Desai (1963) points out, the system restricts job choice as those which are available through patronage are not usually very attractive.

Asian workers show themselves to be prepared to join unions in appropriate circumstances, but unions are not always particularly active in recruiting them or taking action on their behalf (Rex and Tomlinson, 1979). From time to time Asians have used union activities as a basis for political activity within the Asian community.
This has sometimes created divisions within the unions and reduced their solidarity (John, 1969). Ties of patronage, kinship and political affiliation seem to interfere with collective action so that ethnicity is not necessarily a useful basis for union action.

Prescriptions against women working outside the home operate more powerfully among Muslims than among the Sikhs or Hindus. Where home-work is available, as it often is on the periphery of the textile industry, this may be taken up by Asian women because it avoids any social stigma which might be incurred by going out to work (Kahn, 1979). Working in an Asian business also helps to reduce social tension caused by the employment of women. Nevertheless many Sikh and Hindu women do now go out to work in offices and factories and on occasions they have shown themselves to be very persistent in pressing for improved pay and conditions.

The concept of an "underclass" has occasionally been used as a framework for understanding the employment of ethnic minorities (Rex and Tomlinson, 1979). The concept perhaps implies that ethnic minorities have a homogenous position in the labour market and consequently have similar economic interests. Although ethnic minorities certainly suffer disadvantage in the labour market their position is not uniformly more disadvantageous than that of the white British proletariat. West Indian women, for example, have achieved a fairly strong position in the labour market as non-manual workers (Allen and Smith, 1974) and a sizeable proportion of Asians enter the semi-professions. In addition a small proportion of many ethnic minorities establish their own businesses and become proprietors and possibly employers. The concept of an underclass tends to mask this internal differentiation within ethnic categories and consequently diverts attention from the nature and availability of mobility channels. The concept is possibly more usefully applied in some of the continental states where immigrant labour is denied
many of the rights accorded to the indigenous proletariat. Parkin's (1979) analysis of internal class cleavages seems a more useful approach to the case of Britain. He recognises that the bourgeoisie benefit from the cheap, expendable labour force which is formed through the extensive use of immigrant labour. At the same time the bourgeoisie formally have an interest in recruiting from a freely-operating labour market where they may choose labour according to the needs of the firm without the constraints of ascriptive criteria. The proletariat, on the other hand, are likely to feel the effects of any reduction in discrimination in increased competition for work. Thus there is a conflict of interests within the proletariat which often results in exclusionary strategies of social closure being used against ethnic minorities. Such strategies, however, will have different degrees of success in different sectors of the economy.

Although Asians, like other ethnic minorities, experience disadvantage in the labour market this is not in itself a basis for assuming that they are "forced" into proprietorship. It should be remembered that self-employment is more common in Asia than it is in Britain and therefore probably figures more prominently among the occupational options considered by Asians in Britain. Taylor (1976) describes the Asians in Newcastle as moving easily between wage-employment and self-employment as opportunities arose. Although this may be a reflection of local economic opportunities rather than a general economic tendency it does suggest that self-employment may be a positive choice and not just a negative one. Among the Asian entrepreneurs interviewed in the Ealing study a significant number said that they had never considered any other occupation either in Britain or in Asia (Jamieson and Baker, 1977). Although answers to questions such as this, which require respondents to recall occupational choices, have to be treated cautiously a further set of answers seemed to confirm their business commitment. They were asked if they would want
their sons to follow them in the business and half of the respondents said they would. Among those who wanted their sons to follow other careers, professional positions were most often preferred.

There is no substantial basis, either, for assuming that Asians seek out employment in Asian businesses in preference to working for white employers. There may be a preference, though, for working alongside other Asians, if there is the choice. Rex and Tomlinson (1979) suggest that those Asians who do work in Asian businesses are often poorly paid and expected to work long hours in over-crowded conditions; they may be more disadvantaged there than they would be with other firms. The disadvantage which Asians experience in the labour market may conceivably make it easier for Asian business owners to recruit labour than they would if Asians had wider opportunities open to them. Asian businesses are probably particularly important in the employment of new arrivals with a poor command of English and in the employment of Asian women. The position of Asians in general in terms of employment must be of concern to Asian business owners not simply in terms of their labour supply but also in term of their clientele. High unemployment among Asians reduces the flow of cash into Asian communities and thus limits their spending power.

7. Asian Business in Britain

The growth of settled Asian communities in Britain has provided a basis for entrepreneurs supplying goods and services required by these communities. Gradually enterprise has developed and moved into markets of a more general nature. The earliest Asian businesses in Britain seem to have been those of the self-employed Sikh who came to Britain at the beginning of this century (Ballard and Ballard, 1977). At about the same time Pakistanis began to open coffee shops at the ports for Asian seamen (Hiro, 1971). In the sixties, when the Asian population grew and wives and children were
brought over to join the men, there was a sudden expansion in business opportunity. The all-male households of the earlier period of migration became fewer, particularly among the Indian population. As families set up their own households they created a demand for material and clothing, furniture and household utensils. The demand for various services, such as car-hire, household repairs, film-shows, also increased. The arrival of substantial numbers of Asians from East Africa, who brought with them both capital and considerable business experience, led to the founding of larger businesses, many of them supplying the white British markets.

Among the Indians, the Gujeratis and the Sikh Ramgarhias (Hiro, 1971) have been most prominent in enterprise, though other groups have also become part of the business community. The Gujeratis and the Ramgarhias both have traditions of enterprise, as merchants and craftsmen respectively, and thus lend some support to the view that ethnic enterprise can be examined in terms of cultural background. Sikh Jats, a peasant caste, have also moved into business, possibly motivated by peasant traditions of independence.

White British small business owners normally establish their enterprise after a period of employment in the labour market. Many of the Asian businesses which have been set up recently represent the owner's first step in a working life (Lyon, 1972/3). This may be because Asian entrepreneurs are able to draw on family sources for capital and do not have to accumulate it through personal savings, as white British small business owners do. It may also reflect a more positive attitude to self-employment than is widely held in the white population. However, many Asians in wage-employment also hope to own their own business eventually and through hard saving and with help from friends or family this is a not unrealistic ambition (Jamieson and Baker, 1977).

In certain localities, such as Bradford, Asian businesses
seem to have an almost entirely Asian clientele. They provide a very comprehensive service through a great diversity and density of enterprises. McEvoy et al (1980) estimate that in Bradford there are proportionately more Asian shops to the Asian population than there are white British owned shops to the white population. In other localities, such as Croydon or Ealing, Asian businesses are less segregated from the wider economy and serve a clientele of various ethnic groups. Problems of finding premises for businesses outside areas of Asian settlement seem to be an important factor in confining some Asian enterprises to serving the ethnic community. Mullins' (1979) survey of Croydon found that Asian businesses were sited in older, low rent premises, and that they found it difficult to gain access to sites in the main shopping areas. It seems that Asian business owners looking for property experience the same constraints felt by would-be home-owners looking for housing. In Ealing the decline of the West London economy seems to have provided opportunities for Asians to buy up cheaply business property outside the main areas of Asian settlement. However these properties are generally sited away from the main trading areas and the businesses seem to have difficulty in surviving.

Where Asian businesses are concerned with goods or services used virtually exclusively by the Asian community then the proprietors have a clear interest in the maintenance of a strong ethnic identity within the community. Businesses dealing in food, clothing, Asian newspapers and films, or jewellery are all dependent on the cultural distinctiveness of the Asian community for their success. This is certainly one of the reasons why many Asian business owners become actively involved in community affairs and sometimes adopt leadership roles. For entrepreneurs who serve these very particularistic markets ethnicity is not only a resource in finding capital or labour but is the very basis of their business.
Asian businesses are normally initially financed from the savings of the owner or by help from family and friends. Both Asian and British banks are sometimes used as a source of loans when the business has become firmly established. Labour is normally recruited from within the Asian community, but other than wives and children, unpaid employees are very rarely found. Desai (1963) describes Asian businessmen as hiring labour only on the basis of existing ties of clan or village, but there does not seem to be strong evidence of this occurring nowadays. This may reflect an adaptation of ethnic obligations to the conditions of the business environment. Although personal recommendation is an important method of recruiting labour, many Asian business owners also advertise for workers in their window or through the ethnic press. Asian businesses deal with both Asian and white wholesalers. The growth of clothing and grocery stores has led to an expansion of opportunities for import/export businesses; East African Asians have been particularly prominent in taking up these opportunities, probably because they have the necessary capital and business skills.

In the early days of Asian businesses shopkeepers and travelling salesmen established personal relationships with their clients which were couched within the normative framework of reciprocity and obligation which is an integral part of Asian culture (Allen, Bentley and Barnat, 1981). However, as businesses have expanded and diversified and attract customers from outside the ethnic community these highly particularistic and persistent relationships seem to be replaced by looser and more selective ties with the clientele. However, shopkeepers do see their customers outside the business and give credit on particularistic rather than purely economic criteria (Desai, 1963). There is often an advantage to a small business in stabilising the market, and relationships with clients which rest on an appeal to ethnicity are one way of ensuring some predictability in demand.
Asian businesses provide a means of keeping money within the ethnic economy and also of siphoning off cash from the wider economy through the earnings of Asians employed outside the community. Enterprise may also be an avenue of social mobility into the middle class for Asians who have been unable to obtain paid employment as white-collar workers. The petty bourgeois interviewed by Nowikowski and Ward (1978/9) had typically moved from inner-city areas of high Asian settlement, where they had had manual jobs, to the suburbs where middle class Asians lived. Their businesses were often still situated in the inner-city areas, but their profits had enabled them to buy houses in more expensive areas and adopt a middle class lifestyle. However, unlike middle class Asians in professional occupations, these businessmen continued to emphasise their ethnic identity through frequent interaction in the Asian community.

8. The Sikhs in Britain

The discussion so far has referred largely to Indians settled in Britain. However this research pays special attention to a distinct cultural group, the Sikhs. The Sikhs are the largest distinct group among the Indians in Britain (Helweg, 1979). Their origins lie in the fifteenth century with a group of people who followed the religious teaching of the Guru Nanek who preached a dissenting form of Hinduism. This breakaway group gradually developed a separate religious practice which opposed the Hindu doctrines of caste and of idol worship. The Sikhs preached the equality of all men before God and abolished lavish and complex rituals. Their leaders emphasised a moral code rather than a rigid set of practices. In this respect the emergence of the Sikhs can justifiably be compared with the break of the Protestants from the Catholic Church in seventeenth century Europe. Also like the Protestants, the Sikhs have a long history of religious persecution. Opposition to their religion from orthodox Hindus was often violent.
and fostered among the Sikhs a militant sense of brotherhood. The five traditional symbols which were once worn by all Sikhs include a short sword. There has been continual pressure by the Sikhs for a Sikh homeland in the Punjab, the area of northern India where Sikhdom originated. This pressure was particularly powerful at the period of the partition between India and Pakistan which had considerable impact on the Sikhs. The homeland was not granted at the time but in 1966 a Punjabi-speaking state was established which went some way to appeasing the Sikhs (Helweg, 1979).

The first immigration of Sikhs in any numbers occurred at the end of the nineteenth century when Sikhs began to migrate to Singapore, Canada and the U.S.A. and when a few seamen and pedlars came to Britain (Singh, 1977). The flow of migrants increased considerably after World War II and it included some of the many Sikhs who had served in the British army. Migration continued through the sixties but changes in the immigration law have now considerably reduced opportunities for entry to Britain.

The reason for the Sikh migration may be divided into two categories: structural pressures which reflect the economic and cultural system of the Punjab and economic conditions in Britain and, secondly, individual motivations. The Punjab is generally considered to be one of the more prosperous regions of India and it is not, therefore, sheer poverty, which has "pushed" so many of its population out. Indeed, it is partly because there is a class of comparatively well-off farmers who can save up the substantial sum required for the fare, that the consistent pattern of migration is possible. The region has a very long history of migration which has helped to create a cultural system where migration is widely regarded as a viable and acceptable economic strategy. There is also among the Sikhs a tradition of serving with the British army and this too has contributed to the acceptance of working away from the Punjab. The partition of India and Pakistan in 1947 gave rise to a substantial migration.
across the border in both directions. As Pakistan was a Muslim country the Sikhs who had previously lived inside its frontiers felt compelled to move to India. There was also a smaller migration of Muslims from India to Pakistan. The migration of Sikhs into India caused some pressure on the economy of the Punjab: many of them were traders who found competition more intense in the confined economy to which they had come. Others worked to set up farms and this created a demand for arable land (Tinker, 1977).

Thus the process of partition reinforced economic pressures within the Punjab and migration came to be seen as an acceptable response to them. At the same time increasing links with the cash economy, supported by migration, raised aspirations for goods which could be purchased through cash and this acted as a further stimulus to migration (Aurora, 1967).

Individual motivations to migration can also be understood within the context of the Punjab economic system. Although there are no large estates in the Punjab land is not distributed very equally among farming families, so that large families may find they do not have sufficient land to support themselves at even a modest level of prosperity (Jupp and Davis, 1974). A decline in a family's standard of living is particularly frustrating because Punjab society is highly status conscious and status derives from wealth. Thus a family which is seen to be having difficulty in maintaining its standard of living from the land is liable to lose its status in the village. Among the small communities of the Punjab where families live in clusters of houses status would be very much open to evaluation by the village. Thus economic pressure in the context of status competition is normally the stimulus to a family sending a member abroad to add to its wealth. The joint family system, whereby a group of brothers hold property in common, made it possible to raise money for the fares abroad and also ensured the care of the migrant's dependents while he was away (Singh, 1977).
Most of the immigrants from the Punjab have been Jats but a substantial number of Ramjarhia have also made the journey to Britain. In Britain, the Sikhs have tended to take up manual occupations, often those involving heavy work (Jupp and Davis, 1974). The migrants in the past have normally set out with the definite intention of returning to India once they have saved up enough money to do so in style. However comparatively few have returned home permanently and most migrants now recognise that they are unlikely to return, at least during their working life (Ballard and Ballard, 1977).

Sikhs in Britain normally continue to regard themselves as members of joint families even when they have few relatives in Britain and they attach considerable importance to remitting funds to their families in India. When several members of a joint family are settled in Britain they normally reconstitute the family relations which operate in India, although they may take a slightly different form in Britain. Few Sikhs live in the same household as their joint families and as most are wage-earners they are not involved in jointly administering property. They will try to keep themselves informed about their property interests in India and possibly participate in decision-making concerning it. Strong feelings of mutual obligation both to members of their family in India and to those in Britain continue in the new environment (Ballard, 1973). There seems to be little evidence concerning the role of the joint family when a business is established in Britain. Money sent from Britain to the family in India is used to confirm or improve its status by building a larger house, buying more stock, educating the children or similar projects. Earnings are also used for conspicuous consumption in Britain, where the traditional status competition has by no means disappeared (John, 1969).

The status of a Sikh family is of particular importance when marriages are arranged for the children. Parents take into account not only the caste and clan of another
family when they choose a spouse for their child, but also their social standing. This means it is often felt necessary to find a spouse in India where status is more established. British immigration officers who assume that bringing a fiance from India is unnecessary or is a means of circumventing immigration laws, have failed to understand the complex social transactions involved in organising an arranged marriage (Ballard and Ballard, 1977).

Partly due to their history as a persecuted minority the Sikhs have developed and maintained a strong sense of ethnic identity. Their cultural exclusiveness, coupled with deep-rooted feelings of brotherly solidarity have led them to evolve particularly close-knit communities in Britain. The unity of the Sikh community is often expressed as a policy by community leaders although political factions do, in fact, often lead to rifts among them. The strong sense of ethnic identity among Sikhs is reinforced by their homogeneity, not just of religion, but also of caste and localised regional background. However, there are signs that the communities are becoming differentiated. This is in part a result of changes in immigration laws which have reduced the opportunities for unskilled workers to come to Britain but encourage those who are professionally qualified or who have substantial capital. The arrival of Asians from East Africa, with different occupational and educational background further diversified Sikh communities. Over time differences have also arisen because some individuals have been more successful in the British economy than others.

Sikh communities in Britain are able to provide considerable social support for their members. During the early period of immigration new arrivals needed help with finding work, filling in forms, coping with British social norms and sometimes in dealing with forged passports. Sikhs who could help with these problems were able to build up followings of clients through the patronage system. They mobilised Punjabi norms of reciprocity and developed penetrating networks of loyalty and obligation.
which enabled them to exert considerable influence in the community. Shopkeepers were often in a particularly good position to develop these networks as they were available for consultation at a known place during the day. In fact some potential leaders of the Sikh communities seem to have gone into business primarily as a means of enlisting followers through personal contacts. Today the flow of uneducated peasants into Britain has virtually come to an end and community leaders devote more time to dealing with problems of discrimination and racial hostility directed at their followers (Helweg, 1979).

Sikh temples, Gurdwaras, are a focus for many activities in the community. They are not simply places of worship but are welfare centres and the basis of various social networks. The Indian Workers' Association has been another identification among the Sikhs although it has also given rise to considerable divisions within the community. Although it developed as an organisation to provide social services and advice it acquired much of the character of village politics. Increasing racial tension has led the I.W.A. to take on a role in protecting the rights of the Sikhs in Britain (John, 1969).

9. Conclusion

The Sikhs are a group whose history has led them to assert their ethnic identity in response to persecution, politics, upheaval and migration. They have established in British communities which are not close-knit in the sense of traditional models of community, but which have given rise to well-developed networks of contacts, alliances and mutual obligations. Although Sikhs do not have a particularly strong tradition of business, those who have set up enterprise in Britain have been able to mobilise certain features of their shared culture in running the business. Entrepreneurs have often been able to draw on ethnic relationships in finding capital, labour and clients. This does not mean that Sikh businesses are inevitably dominated by Sikh culture, nor are all busi-
ness relationships constructed within a framework of ethnic relationships. Sikh ethnicity represents a series of opportunities and alternatives which are used selectively in the enterprise. It is the objective of this research to investigate the way in which the structural position of the petty bourgeois enterprise and the ethnicity of the Sikhs are articulated within the Sikh enterprise, and the way in which this differentiates Sikh enterprise from white-owned business.
VI Researching the Small Enterprise

1. Despite the considerable research interest in small firms there has been little systematic analysis of the problems posed by the attempt to open up the small enterprise to empirical investigation. Research reports commonly describe the methods used but this description is often very limited and may leave unanswered important questions of sample selection or response rate. Clearly each different topic under investigation raises its own research problems, and it is neither possible nor desirable to attempt to outline a single research approach to small firms. However it may be helpful to use this chapter to comment on the strengths and weaknesses of some of the approaches which have been commonly used. It will be shown that qualitative research strategies have been only infrequently employed. The nature of qualitative research will be discussed and then the research strategy used in this study will be described.

2. Surveys of the Small Firm Sector

The most common approach to the study of small businesses has been the survey method, conducted either by interviews with the owner or by questionnaire. Surveys have varied enormously in the number of business owners they have included and in the way they have been sampled. Some nationwide surveys have been carried out, (Armstrong, 1985) but regional surveys are much more common. Apart from the practical difficulties of organising a nationwide survey there is a strong argument that the performance and characteristics of small firms are constrained by the local economic environment in which they operate (Hitchins and O'Farrell, 1985; Ward, 1985) and that samples which do not differentiate between them may obscure as much as they reveal. It might be argued that research which focuses on the social characteristics and attitudes of the enterprise owner has less need to take account of the spatial location of the enterprise, but this assumes that the owner's perception of the local
environment and experience of dealing with it does not colour his or her attitudes. This assumption needs to be tested rather than taken for granted.

The accumulation of data through local or regional surveys should lead to the development of more general principles for the analysis of the relation between the small enterprise and its socio-economic environment. Studies so far suggest that factors such as the industrial infrastructure (Hitchins and O'Farrell, 1985), level and history of unemployment (Hart, 1985) and local cultural factors (Mc Evoy et al, 1980) among others, are relevant. Some of the most useful work in this respect has been carried out in Northern Ireland where the regional factor has, for some time, been recognised as distinctive. Studies making controlled comparisons across regions are obviously important in this respect. International comparisons are less common because of the problems of finding meaningful definitions of small firms in different countries and because official statistics are often collected on non-comparable bases. The focus at this level has tended to be small business support services rather than the businesses themselves (Hull and Hjern, 1982).

The most commonly used sampling frames for small business research appear to be business directories and lists of business owners who have attended courses or registered with advice agencies. Business directories may offer some information about the size, status and type of business but are rarely complete. They are likely to omit the smallest, least prosperous enterprises whose owners do not have the resources to subscribe. Even phone directories prove to be by no means complete. The directories of trade associations include owners with a propensity for joining voluntary organisations and those whose marketing strategy includes this form of advertising. Both of these characteristics are likely to have an effect on the way the business is run and thus give the
sample a bias which is rarely taken into account in interpreting the data. In addition, directories include some defunct entries and omit the newly-established business.

The use of lists of business owners who have attended courses or consulted advice agencies is normally less satisfactory than the use of trade directories. The kind of business owner who makes use of formal support services is not typical of small proprietors. Given the owner's dominant role in structuring the enterprise, personal characteristics, such as a propensity to use external training, are an important variable in the nature of the sample. If the sample is drawn up after the training or advice sessions have taken place this would have an even greater effect on the representativeness of the sample.

Rating records offer a more satisfactory sampling frame. They provide a list of business addresses within a local authority area but do not normally give any further information about the size, status and so forth of the enterprise. This has to be ascertained by a personal visit to the premises. They are most useful when the sample is to be drawn from a particular locality and where it contains a variety of types of business, so that a reasonably high proportion of the addresses will be relevant to the survey. Because this sampling frame entails a visit to the premises it is sometimes replaced by a street search. This method of sampling is appropriate for a confined area and when the businesses to be included are ones, such as shops, which advertise their presence on their frontage. It would be less useful for sampling small manufacturing concerns which are sometimes hidden from casual observation.

The basis for selecting samples of small businesses is, then, often problematic. The sampling frames which are most accessible may produce surveys which are least representative and there is no really satisfactory way of including enterprises run from a person's home on an
informal basis. Sampling frames normally record businesses, rather than business owners and this may create some problems where a proprietor owns several enterprises. Sutor's (1985) plea for on-line data bases which are frequently updated seems unlikely to gain any immediate response. It is therefore particularly important that research reports clearly indicate the basis of their data collection and potential sources of bias are taken into account when interpreting the results.

Small business owners are not especially accessible subjects for research. They often feel under considerable pressure from contingencies arising in the business and devote long hours to work. They may also be unsympathetic to the objectives of research, feeling that official policy towards small business has little impact on their enterprise and that the abstract, literary nature of research is unhelpful in their intensely practical lifestyle. The consequence is that surveys of small proprietors are often unable to achieve high response rates. Non-response is a problem if non-responding owners have different characteristics from those who do reply. There seems to be some evidence that less successful proprietors are least likely to co-operate with research investigations. Boswell (1972) believed this was the case in his survey and Grey and Stanworth (1985) offer more systematic evidence through their analysis of call-backs. If there may be a bias created through non-response it is particularly important that research reports both record the response rate and analyse its likely impact on the results. Unfortunately some significant surveys do not do this, (McEvoy et al, 1980) and others treat low response rates quite casually (Durham Small Business Club, 1984).

Even where access is granted it sometimes proves difficult to gain answers to certain key questions. This may be because the owner is reluctant to divulge information or it may be that the owner simply does not keep accurate records in the form required to solve a research problem.
Birley (1985) for example, refers to the problem of ascertaining a start-up date for small businesses. The respondent may have no firm record of when production or trading began, particularly if the business began as a side-line while the owner was still in employment. Several writers have indicated the difficulty in getting access to reliable financial data (Bechhofer et al, 1974; Wilson, 1983; Hitchen and O'Farrell, 1985). Owners may be reluctant to provide precise information, or they may offer a formalised set of accounts drawn up by an accountant for tax purposes or, commonly, they may have only a hazy idea of certain financial measures. Business failure is another concept where empirical data is problematic. Small businesses may move to new premises and owners close down one enterprise to start another: neither of these registers a failure in the conventional sense of the term, although they are sometimes used as indicators of this (Stanworth and Wilson, 1985).

3. Research Design

There are two initial considerations which have to be taken into account when drawing up the design of a research project. One of these is the kind of theoretical perspective which will inform the kind of data which is collected and the other is whether it is intended to test pre-formulated hypotheses. The theoretical perspective used in this thesis is based on the "entrepreneurial" model developed by Barth (1972) and Long (1977). However, it is also accepted that one of the weaknesses of this model is the failure to articulate entrepreneurial processes with the wider socio-economic structure and the data collection will attempt to remedy this. The entrepreneurial model demands essentially qualitative data. It gives priority to the role of the owner of enterprise and focuses on the way in which "entrepreneurs" interpret their environment and its resources and construct social processes through the manipulation of social and economic relationships. The conventional economic model of the small firm, which sees it in terms of capital, turnover,
markets, and so forth, is rejected in favour of an approach which focuses on the processes of decision-making which are involved in operating a small firm (Ward, 1983). Such a theoretical perspective requires a research design which allows for a case-type analysis of businesses where a number of co-occurring variables can be investigated and which permits unanticipated patterns to emerge from the data. The design of this project is intended to focus the data collection process without imposing too narrow a framework on it. It is neither a fully exploratory study, because it builds on the knowledge accumulated by other investigations of small firms, nor is it intended to test rigorously formulated hypotheses. It sits between what Phillips (1966) call the context of discovery and the context of justification. It is not, of course, unusual for research design to take this form. Indeed, Merton (1957) argues that it is undesirable to use research purely for the process of confirming hypotheses because this suppresses the interaction between theory and the empirical world which he sees as the backbone of social understanding.

The research strategy in this study involved the selection of two comparable groups of small business owners, one from the Sikhs and one from the white proprietors.

The research instrument was a largely unstructured interview schedule, with some closed-ended questions to collect demographic data. The topics on the interview schedule covered the main areas of decision-making which are normally associated with a small business and variables which evidence from previous research suggests are relevant.

This kind of approach to the collection of social data has come under attack from the advocates of "grounded theory" (Glaser and Strauss, 1967). They argue, with considerable justification, that there is a danger in designing the research to relate to specific hypotheses.
Glaser (1982), for example, claims that this type of design allows the theory to distort the data so that forms of behaviour are forced into a rigid framework which permits only one interpretation of the data. Glaser and Strauss (1967) argue that the theory should gradually emerge from a close involvement with the behaviours and be refined as appropriate. The hypotheses thus suggest themselves from an immediate empirical experience of social situations and are then held up against other situations for "testing". At that stage they are either given further credibility or reformulated to take account of the characteristics of that situation. The whole process is tightly tied into the actual process of data collection so that the investigator's ideas are a result of direct contact with the social world.

Whilst there is a genuine danger that rigid hypotheses, formulated prior to data collection, could be allowed to distort the finding of a research project and act as a barrier to creative work, it is not clear that the difference between research through conventional designs and that based on grounded theory is as clear-cut as is sometimes supposed. It seems implausible to imagine that any investigator could set up a research project without formulating some ideas about the subject matter. As Popper (1957), among others, has argued, we approach social behaviour and talk or write about it, for the most part, in terms of theoretical constructs. We can only observe and describe behaviour through categories which reflect our interpretations of it. The categories and interpretations themselves spring from hypotheses, often implicit, concerning the social world. Thus we cannot exclude preconceptions from our encounters with data, although we can attempt to open our minds to alternative interpretations. Nor, when hypotheses are consciously and systematically formulated prior to investigation, are these hypotheses necessarily formed without contact with the real world. Conversations, events, document-passing encounters all enter into the thinking which precedes much
hypothesis construction. The advocates of grounded theory seem to overlook the way in which biography filters into even the most systematic design and perhaps attach too much importance to the time gap between social experience and theorizing. There is, however, a great deal to be learnt from the strategy of grounded theory and associated work in the ethnographic tradition. This strategy aims to generate a range of interpretations of events and statements and to avoid ruling out possibilities until this is thoroughly justified by evidence. This attitude of open-mindedness needs to be cultivated in social research. Ethnographers normally try to test out their "hypotheses" by not only examining situations where they expect them to be confirmed but also those where it seems improbable that they will be confirmed. Again this is not so very different from conventional research strategies: Popper (1957) argues that all scientific research design should make provision for testing hypotheses in this manner. In practice conventional research design rarely allows for this in an explicit way but it is not uncommon to find, for example, sub-samples in a survey where the hypothesis is unlikely to be confirmed.

Ethnographers argue the desirability of a process of triangulation (Denzin, 1970). By this they mean that the data should be examined from a number of different perspectives or angles. They argue that the validity of conclusions is best assessed by comparing data collected through different methods. If the conclusions are supported by data from different sources then they can be accepted with more confidence than if they rely on a single-shot method. The most sophisticated forms of triangulation include not only the use of different research instruments but also data from different points in time, data collected by different investigators, in different situations and so forth. Denzin (1970) argues that our personal frames of reference and presuppositions introduce a particular slant into any research instrument. By using a variety of methods and angles we can be
"raised above" this bias. It seems he is not claiming that this bias disappears through triangulation so it is not clear how the use of several methods improves validity. There seems to be no reason why the bias of one research instrument might not simply be reinforced by the use of other instruments. There would also seem to be a problem in directly comparing data collected by different methods as the data collected by, say, observation is of a different nature and has a different significance from data collected by, say, interviews.

The thinking behind the ethnographic approach is, however, a useful critique of many survey-type research designs. Such designs often adopt a rather narrow approach to problems but are used to support more substantial conclusions. It is likely that by formulating alternative research methods the creative insight of good research may be more readily stimulated. On the other hand it is not always necessary to utilise different methods, researchers and so forth within the same study. Sociological understanding may equally be increased by building up knowledge of an area on the basis of various pieces of research which examine problems from different perspectives. It has to be said, however, that this is rarely done in a deliberate way.

4. Concept Construction

Concepts can be regarded as "categories for the organisation of ideas and observations" (Bulmer, 1979). Certain concepts used in this research provide the focus of data collection and define the population to be studied, as, for example, the concept of the 'small firm'. Other concepts, such as those of particularism, informal or bureaucratic organisation, could be regarded as "sensitizing" concepts which guide the approach to empirical reality by alerting the researcher to the likelihood of certain patterns emerging. These concepts refer to types of analysis or clusters of variables rather than to specific research operations. Despite the criticism that
such concepts permit loose definition they seem appropriate in research which is intended to contribute to the development of theory, albeit in a very small way. As Denzin (1970) observes, such concepts can be regarded as having "careers" which are shaped by interaction with empirical reality.

Hughes (1976) argues that concepts which are, in effect, theoretical terms, cannot be fully defined in terms of observables. These concepts have an explanatory role and as such they must relate to a more abstract understanding than that which is based on any particular empirical situation. The theoretical system from which they are derived, is changed and adapted by the introduction of new evidence so that the meaning of the terms cannot be rigidly located in a fixed set of observables. He further suggests that the process of conceptualisation is implicitly a process of sampling. The researcher is taking a sample of meanings for the concept from a wider universe of meanings: he suggests that this poses a problem of validity in that the sample of meanings attached to the concept for the purposes of an empirical investigation may over- or under-represent certain types of meaning. The analogy of sampling points up the importance of considering a wide range of possibilities, particularly where concepts are formulated prior to empirical research. However it is difficult to see why their meanings should necessarily be "representative"; a researcher may wish to emphasise a particular aspect of a phenomenon for theoretical reasons. In the following definition of "small firm" for example, the economic and financial definitions have deliberately been rejected because they do not provide access to an understanding of the social relationships which are the object of this study.

5. Sampling

Traditional survey-type projects normally adopt some form of random sampling in the selection of respondents. The principle of random sampling assumes that a sample which
is representative of a wider population can be achieved, thus allowing systematic generalisations from the sample. It also assumes that unrecognised factors which might affect the subject under study can be balanced out so that they do not endanger the internal validity of the research (Bechhofer, 1974).

Ethnographers, on the other hand, advocate "theoretical sampling". They reject the idea of random sampling on the grounds that it is not appropriate for the social sciences to emulate the methods of the natural sciences. They argue that subjective perceptions and interpretations are not necessarily randomly distributed among a given population so that random sampling may produce strongly biased samples even if observable characteristics such as age, sex and so forth are controlled. Additionally, they point out that social behaviour is essentially "interaction" and that the sampling of isolated individuals cannot give us any understanding of behaviour which is context-related. Ethnographers take the view that it is not possible to define precisely the limits of a population to be sampled because factors such as time, perceptions, meanings given to the data collection process and so on all are relevant to the sampling process. Instead, ethnographers argue that the sample can be evolved as the research process develops. The field-worker becomes aware of new factors which relate to the phenomenon under study and then devises groups or situations with which to test this emerging hypothesis. Instead of aiming for "representative" groups they try to test their hypotheses under a variety of circumstances, trying to maximise both differences and similarities in the situations and groups they choose. This kind of sampling, they argue, is directed by social theory and therefore leads to a greater level of insight than a sample which is narrowly constrained by social statistical principles (Open University, 1979).

The ethnographers' thinking has much appeal for a project, such as this, which is not concerned with the rigorous
testing of specific hypotheses. Theoretical sampling encourages the investigator to keep alert to a range of possibilities from the data that is being collected and it also suggests creative opportunities for confirmation of hypotheses under different circumstances, thus extending the power of relevant theoretical systems. It also advocates that the sampling procedures used in any investigation should be detailed in the research report, and that these details should not only include the formal dimensions of the sample, but the "taken for granted" decisions that are made in allocating sampling units to any particular group. This stipulation, encouraging a self-reflective attitude on the part of the researcher is valuable in any form of sampling.

The ethnographers also alert the researcher to the importance of recognising the extent to which, in effect, a process of sampling in time is occurring. This is particularly important when the behaviour being investigated has a cyclical element to it. Business behaviour does have such an element, though the cycle of, say, consumer spending may be different in the cases of Sikh and white British businesses. There may also be events at a societal or local level which affect the ways in which respondents perceive their own behaviour. Economic recession, developments in race relations or changes in the local economy might be among such events and they need to be noted and considered when analysing data.

The ethnographers' approach to sampling, has, however, been rejected albeit with some reluctance. The theory which underlies the ethnographic approach is not well adapted to taking account of structural levels of analysis, and although this project uses what is essentially a decision-making model it assumes that structural factors can and should be articulated with it. Secondly, as previously argued, it was felt preferable to focus the data collection process with the aim of illuminating a limited number of patterns and variables. Thirdly, at a practical level it was not possible to pursue the pro-
tracted data collection process required for theoretical sampling.

Random sampling requires a clear definition of the population to be studied and the construction of a sampling frame. These are, in effect, what Smith (1975) refers to as the "general universe" and the "working universe". The former refers to the abstract, theoretical population, knowledge of which should be advanced through the investigation. The latter is the concrete, local operationalisation of that universe from which the sample is taken. The process of making generalisations from the latter to the former clearly has to be informed by the known differences between them.

6. The Research Interview

The research instrument chosen for this project was a semi-structured interview. Respondents were asked to produce verbal reconstructions of various facets of their business behaviour and to report the factors which have influenced their decision-making. In some respects this type of interview is what Merton and Kendall (1955) refer to as a "focused" interview. By this they mean an interview where the respondent is know to have been involved in a given situation - in this case running a small enterprise - and where the investigator has in mind certain significant variables which are believed to be relevant to the situation. The "focused" interview is conducted in accordance with an interview guide which allows both for testing hypotheses and for generating new ones. The interview is focused on the subjective experiences of the respondent and the respondent is encouraged to express these experiences in his or her own words. In the case of this project the focus included behaviour as well as feelings, and there was a little more guidance or structure to the interview than Merton and Kendall (1955) advocate.

A semi-structured instrument allows for some focusing of
the data collection to take account of the broad hypotheses which are part of the project. It also permits the adaptation of both question and answer to the individual circumstances of the respondent. This is essential to allow for unanticipated perceptions and behaviour patterns to be recorded. The unstructured sections of the interview posed problems of reliability because the interview might take a different form and sequence in each case. However, it seemed worth losing some reliability in order to enhance the qualitative and subjective nature of the responses.

The interviews were all carried out by the same interviewer. Although this is a contribution to reliability it has its drawbacks. Bailey (1978) points out that studies in the U.S. suggest that white interviewers elicit a higher proportion of "proper" answers from black respondents than interviewers from the same ethnic background. Furthermore, the general relationship between a white interviewer and a white respondent is clearly not the same as that between a white interviewer and an Asian respondent. However, although the problems of inter-ethnic interviewing should not be minimised it should not be assumed that interviews between co-ethnics eliminate all cultural and status differences.

Criticisms of the interview as a research method point to the fact that there is no adequate theory which provides an understanding of the variables likely to affect its validity (Hughes, 1976). There are certainly a number of pragmatic guides to ways of gaining co-operation from respondents and minimising overt interviewer effect (Atkinson, 1971; Gordon, 1975). These, though, are little more than suggestions, some based on psychological studies. They could not be considered as a theory and the empirical studies which support them are normally based on very specific populations. It is not necessarily the case that strategies which are successful with American college students will be useful with Sikh shopkeepers in Southall. There is very little in the
way of a general model of the interviewer-respondent relationship which allows one to deduce principles for application to particular circumstances. As Douglas (1971) points out, symbolic interactionism is the theoretical approach most likely to lead to such a model. This argues that action, including verbal behaviour, is a response to symbolic meanings that occur in any particular situation. It is not developed to a point, though, where it would be possible to deduce what kind of meanings situations have for different kinds of respondents and how these could be controlled. It is not known what "rules" of social interaction could be expected to apply nor how interviewers perceive different types of responses. The symbolic interactionist perspective, however, alerts us to the point that verbal behaviour elicited in an interview is not necessarily a guide to the way in which respondents might express themselves in other situations.

Inadequate understanding of the social processes involved in interviews has led Douglas (1971) to question their usefulness in social research. He also argues that the level of taken-for-granted understanding between interviewer and respondent is likely to be so low that the interviewee will be unable to manipulate the "presentation of self" in such a way that it is understood by the interviewer in the manner intended. "Surveys presuppose an adequate common-sense understanding of everyday life that will enable the analyst to competently interact with the members of society to get valid (truthful) responses" (Douglas, 1971, p8). This comment seems to take an unduly pessimistic view of the capacity of strangers to interact in a meaningful way: encounters between people with virtually no knowledge of each other take place everyday with "successful" outcomes". On the other hand, it might be argued that an interview is a particularly complex encounter where a high premium is placed on achieving shared understanding.

Douglas's (1971) criticism does, however, point out the
need to recognise the limitations of interview material for predicting behaviour in other contexts. But as Dean and White (1979) observe, the question of whether or not the respondent is "telling the truth" is not a particularly useful one. Douglas (1971) appears to assume that there is some other permanent yardstick by which "truth" can be measured. Dean and White (1979) point out that the interview data is merely a record of the respondent's perceptions, coloured by reactions to the interview, the form of language used and so forth. The interview merely gives the view of the world as seen by the respondent and articulated in the interview.

However, whatever the limits to our knowledge about the interaction which occurs in an interview there are a number of problems of validity which need to be considered. It is useful to consider whether the respondent has any reason to refuse or distort information. If, for example, the proprietor perceives the interview as some semi-official means of checking on the business for tax or other purposes the information given will be limited. The presentation of the interviewer, the explanation of the interview and assurances of confidentiality were all used in this study to minimise such sources of distortion. Respondents may also be inclined to present what they perceive as socially acceptable answers. Although the question of what small proprietors perceive as socially acceptable is itself of interest this data is only useful if it can be disentangled from the proprietor's idea of the 'honest' answer. There seems to be no very strong reason why small proprietors should be especially prone to this type of response. The difficulties of small business have been sympathetically aired through the mass media so there would be no particular reason for inhibition in commenting on them. The only way of reducing the 'social desirability' effect seems to be for the interviewer to maintain a sympathetic attitude throughout the interview.

Misinterpretations between interviewer and respondent may
offer problems of validity and these may be accentuated in inter-ethnic interviews. On the other hand unstructured sections in an interview allow interviewer and respondent to work towards shared meanings through 'taken-for-granted' conversational procedures. The interviewer may adopt a 'naive' role in order to encourage the respondent to make explicit his or her meanings. The process of interviewing by its very nature requires the interviewer to make evaluations of meaning. This is reflected, for example, in the decision that a point has been dealt with and that the interview should be moved on to the next topic. As Gorden (1975) suggests, it is ultimately the interviewer, rather than the respondent, who creates the data obtained for analysis.

Smelser (1968) raises the problem of the extent to which economic concepts, such as savings, profit or growth, have the same meanings in different cultural contexts. Although he is primarily concerned with cross-national research, where the issue is particularly pertinent, a similar problem may arise when the academic researcher confronts the cultural world of the small business owner. Concepts which are well used and understood within conventional management perspectives may be interpreted through a different framework by small proprietors in the context of their enterprise. A study of support services for small proprietors, for example, found that the word 'training' posed difficulties. Proprietors replied that they had no business problems where training could be of use. However, at other stages in the interview they were able to identify aspects of running the business they would like to know more about and also mentioned problems such as lack of custom where, in fact, training might have been helpful (London Borough of Ealing, 1985). The concept of training seems to have held different cognitive and value connotations for proprietors and researchers.
7. Data Analysis

There are two main traditions of collecting and analysing data: the ethnographic tradition and what might loosely be called the positivistic tradition. The ethnographers are primarily concerned with the way in which the subjects of research perceive and respond to their social world. Its focus is on social meanings and definitions and the ways in which subjects interpret their situation. Even within a project which was not conceived within an ethnographic framework there is still scope for incorporating some of its principles into the process of data analysis. It seems desirable to draw on alternative approaches to data analysis, partly in order to stimulate thinking and imagination and partly to avoid becoming rigidly attached to a single way of looking at data.

Ethnographers pay particular attention to the circumstances under which data is generated. Part of their strategy of analysis involves scanning the data for indications of the way in which the process of data collection has influenced its nature. Thus field comments, the extent of prompting and probing, indications of anxiety or facetiousness by the respondent are all used to assess the validity of the data. Unprompted statements, for example, are usually considered to be a stronger reflection of the respondent's feelings than prompted ones. The problem with this strategy is that it is not supported by any theory of interaction which would guide the translation of field comments into an assessment of validity. Although it may be useful to scan the data to see whether any topics consistently give rise to anxiety or bewilderment, or whether certain kinds of responses are inevitably prompted, the problem of systematically improving the validity of the data remains.

One of the first stages of data analysis is normally the construction of a series of categories which give to the data a tentative order. The aim of this categorisation is to aid understanding of the data, and as this is at
root a theoretical process there can be no strategies or principles which are invariably useful. However, Lazarsfeld and Barton, quoted in Bulmer (1979) suggest four principles which can be used to guide the process of constructing categories. The first principle is that of "articulation". The classification should proceed from the general to the particular so that broad groupings, including quite heterogeneous elements, precede narrow, more homogenous groupings. In this way the data is not formed too early into rigid categories and there is no premature closing off of insight. The second principle is that any set of categories should be exhaustive and mutually exclusive. In particular the investigator should avoid creating a residual category to handle problematic instances, but should continue to refine the categories until they provide a useful framework for the data. Thirdly, the categories should not be an arbitrary list but derive from a theoretical system which reflects the structure of the phenomenon being investigated. The fourth principle is to adapt the categories to the perspectives of the respondents so that the data is not distorted by abstract systems. This last point is open to debate: sociologists often see their work as a process of stepping back from everyday meanings and common-sense interpretations and re-interpreting them through a more abstract framework which may not necessarily reflect the subjects' own definitions of their situation. However, other writers have argued that coding should not only draw on "observer identified" categories but also make use of "member identified" categories. In other words, the coding process should take account of the way in which subjects themselves categorise people or situations.

Becker and Geer (1982) suggest that the process of analysis should try to sift out what they refer to as a "perspective". This is a set of ideas and actions used by a group of subjects in solving collective problems. It includes their definition of the environment and the problems it presents to them, and expressions of what can be got out of the environment as well as ideas and actions
used in dealing with problems. The value of this approach is that it avoids taking isolated statements and assuming that they reflect attitudes or meanings which are held across a range of situations. The use of "perspective" analysis encourages the researcher to look for related statements which are found in different contexts.

The process of coding should aim to achieve both reliability and validity. The reliability can be checked by recoding material at intervals to test for consistency. Achieving validity is more problematic. Critics of the survey method, such as Douglas (1977) and Cicourel (1964) argue that the process of translating what respondents said into various categories relies on the use of commonsense understandings of everyday life. This is certainly true. Douglas (1971) sees it as a problem because he is sceptical that an adequate level of understanding between respondent, interviewer and coder exists. Whereas this is undoubtedly a problem its extent varies with different groups of respondents. It is clear that in everyday life we often achieve a workable level of understanding with strangers, often in quite short encounters.

The interview technique is designed, albeit in an ad hoc manner, to maximise understanding between subjects and investigator. Some of this understanding may be lost in the coding process but this can be minimised by flexible and self-reflective systems of analysis. Douglas (1971) believes that the problems can be partly overcome by ethnographic techniques of data collection and analysis and by the researcher making explicit the process of decision-making that lies behind the data - collection and coding. Whereas his critique is an important warning against some of the cruder coding techniques that are used for surveys, Douglas (1971) also lacks a systematic theory whereby his principles can be translated into research practice. Cicourel (1964) makes similar points in his criticism of conventional research methods. He is particularly critical of "a priori" systems of classification which are developed without interaction with the
data. Such systems destroy the data and assume that actions and attitudes have a uni-dimensional character such that they can be fitted into category sets. The problem is especially marked with measurement scales which use the properties of mathematical systems to analyse social systems. As Hughes (1976) observes, the construction of a scale makes the assumption that all the components of the scale are equivalent, and that the equivalence persists in different contexts and time periods. Hughes (1976) suggests that in such cases it is the theory of measurement which is being used to interpret the data, not a theory of social behaviour.

8. Conclusion

The most common form of small business research, the collection of quantitative data through sample survey methods based on an economic model of the enterprise, has been rejected in this project. The object of this research is to use a model of the proprietor as social entrepreneur to explore the process of decision-making in the small enterprise. The emphasis is on the subjective perceptions of proprietors and the way these structure their transactions with the social and economic environment. The research methodology reflects this objective and, whilst not fully in the ethnographic tradition, has close affiliations with it. The selection of the methodology not only takes account of the theoretical context of the research but also responds to a shortage of qualitative investigations of the small enterprise (Ward, 1983; Curran and Burrows, 1985).
VII The Fieldwork

1. This chapter shows how the thinking described in the previous chapter was put into practice. It outlines the sampling procedure and the actual process of carrying out the interviews. It provides the background to the analysis of the data which is set out in the following chapters.

2. Defining the Small Firm

The definition of the small firm or small enterprise is crucial to this piece of research. In one sense there is an element of what Bulmer (1979) calls "objective facticity" in the nature of such enterprises. They are distinguished for fiscal and legal purposes and are recognised as coherent entities at the "common-sense" level by their owners and their customers. The formal definitions of administrators are, however, not necessarily suitable for research purposes. The definition of a small firm which is used in any particular study relates to the objectives of the research and its theoretical context, but Curran and Stanworth (1979) point out that there is a tendency to use as defining characteristics those features of the firm which are most easily quantified. This may be because much of the current research on small firms is carried out within a theoretical framework which calls for quantitative methods. In addition, qualitative criteria, such as the role of the owner-manager in the firm or the style of management require some contact with the firm before their relevance to the study can be ascertained and therefore they do not lend themselves to some types of research design, such as the postal questionnaire.

In this research project it was necessary to draw up a definition of the small firm which both reflected the social category of "petty bourgeoisie", and gave the owner a primary decision-making role. It was also seen as desirable to arrive at a definition appropriate to the retail and service sector which had been chosen for investigation, and which would relate to some of the relevant
existing research so that comparisons could be made. The data collection therefore focused on enterprises which:

a) were run by owners who themselves contributed labour to the operation of business. The owner was thus an active member of the labour-force and was not confined to a purely managerial role.

b) employed no more than ten full-time employees or their part-time equivalents.

c) did not require high levels of capital investment nor "cultural capital" (Bourdieu, 1973) in the form of formally recognised professional expertise.

The term "employ" was taken to refer to "use the labour of" rather than to a contractual relationship, so that, for example, relatives of the owner working unpaid were regarded as part of the labour-force. The criteria relating to the role of the owner and the amount of capital involved were selected to reflect the nature of the petty bourgeoisie. However, it was felt inappropriate to introduce questions about the precise amount of capital investment involved, partly because, as indicated above, such questions seem to get a poor quality of response, and partly because they would interfere with the general spirit of the interview. It was decided to eliminate businesses whose size and nature would seem to require a substantial capital base. In practice, the exclusion of manufacturing businesses and the restriction on the number of employees, together with the rather stagnant local economy where the research was carried out, meant that the problem did not arise.

The concept of the "enterprise" proved to be more problematic than had been anticipated. It is not unusual for small proprietors to run what might seem to be two quite separate enterprises but to regard them as a single whole for the purposes of decision-making. This was particularly
common among Sikhs who might have two types of business activity in operation in premises near or adjacent to each other and refer to these as a single business rather than separate branches or enterprises. The owner's own definition of "the business" was used in these cases and the various activities regarded as sidelines. There are also certain small enterprises which appear to be independent but which have a formalised relationship with a single supplier. This is the case with, for example, many double-glazing firms. This type of business, along with franchises, were excluded from the research because the constraints on the owner's decision-making means they are inappropriate to this research.

3. The Location

The fieldwork was carried out between October 1982 and March 1983. It was decided to select all the proprietors for interview from the same local economy, thus holding the business environment constant. The area chosen was located in the London Borough of Ealing. It comprised the main area of ethnic business in Southall, a major Sikh settlement, and an adjoining cluster of shopping and residential streets known as Hanwell.

Despite its affluent image the London Borough of Ealing contains pockets of considerable disadvantage. Manufacturing employed 42 percent of the working population in 1971 but ten years later this had dropped to 27 percent (Manpower Services Commission, 1984). The loss of jobs has been particularly marked in Southall which once contained some of the major plants in the Borough. Service sector work has increased as a proportion of the overall employment picture, but unemployment has also increased and now stands at about 10 percent with the highest concentration in the Southall area (London Borough of Ealing, 1984). However, some local large companies express dissatisfaction with the quality of local labour and recruit outside the Borough. These has been a growth of retailing superstores in West London which may have some impact on the numerous
small independent retail outlets in Ealing. The emergence of purpose-built shopping centres in the Borough has caused concern to the shopkeepers situated elsewhere but specialist and ethnic outlets would not expect a substantial loss of custom. The superstores do not absorb a lot of labour but nevertheless nearly 10 percent of the working population of Ealing are employed in retail (London Borough of Ealing, 1981).

There is little specific information on small firms in Ealing. The local authority reports a large demand for small firm premises and believes there to be a particularly high number of small enterprises in the Borough. However, the 1981 census showed that 7 percent of the economically active population of Ealing were self-employed, a figure which is lower than the national average. The highest concentrations of self-employed residents are not to be found in the wards with higher proportions of New Commonwealth residents but in the wealthier areas of Ealing. Although the census figures refer to place of residence, not place of work, this suggests that a substantial proportion of Ealing's self-employed are consultants or professionals rather than, say, small shopkeepers (London Borough of Ealing, 1984).

Ethnic minorities, mainly Asian, constitute 25 percent of the Borough population. The best known centre of ethnic enterprise in Ealing is the Southall shopping area. This has become a major market for Asian goods. Southall has poor transport links with the rest of Ealing and with central London but easy access to the North and West of London, which contain other Asian settlements. Businesses in Southall appear to attract customers from a wide geographical area.

4. Sampling

The fieldwork included a pilot stage where both the sampling method and the interview schedule were tested. It was clearly not going to be possible to construct a fully
adequate sampling frame and then sample in a random manner. In research projects such as this, where the emphasis is on qualitative analysis there needs to be a balance between finding a representative sample and utilising existing knowledge to construct a purposive sample. Even if it were possible to draw up a list of businesses which correspond precisely with the definition to be used, and to sample randomly from it, it would not be possible to generalise with confidence outside the geographical area in which they are situated. In addition some non-response would affect the representativeness of the sample. The aim was therefore a sample which takes into account what is known about the characteristics of the population to be investigated and which tries to avoid unrecognised bias by a limited amount of randomisation. Although, as Smith (1975) points out, this kind of purposive sampling may be weak at delineating the distribution of certain patterns of behaviour, it may be a useful way of increasing our knowledge of the characteristics of social forms.

The sampling frame was constructed through an intensive search for suitable businesses using the map grid on the A-Z map of Southall. There seemed to be no reason why the boundaries of the grid should bias the sampling towards any particular type of business. Residential and side-streets were searched systematically as well as the main roads. To ensure that businesses in the side-streets were not under-represented they were sampled on a one-to-two basis whereas the rest were sampled on a one-to-three basis.

During the street searches decisions had to be taken as to whether an enterprise was likely to fit the criteria for inclusion in the sample. Well-known multiples were omitted and a certain amount of local knowledge was used to rule out some large private concerns. Enterprises which seemed to have a distinctive "ethnic" character which was not Sikh, such as Chinese restaurants, were omitted as were businesses requiring some form of professional certification such as dispensing chemists or
accountants. The frontage and extent of business activity was used to gauge the size of the labour force. It became apparent that few enterprises at the upper end of the criterion (ten staff) were being included so judgements were adapted so that there is a tendency to include in the sampling frame some which are too large. These however, were omitted from the main sample. The main problem with this method of selection was a tendency to include owners from ethnic minorities not needed in the sample, such as Greeks or Gujeratis. There seemed no satisfactory way round this although a slightly ad hoc local knowledge reduced the number of "wasted" interviews. Another problem arose with businesses with no name and address on their frontage. These, along with others where the correct address could not be found from directories, were omitted. It seemed at first that this might under-represent the very small or marginal enterprise but subsequent experience suggests that the problem is equally likely to arise in larger concerns. When a list of enterprises had been collected from the street searches the phone book was used to check the address and the number of branches. In cases where there were more than three branches the business was dropped from the sample.

Throughout the sampling it was apparent that Sikh enterprises were clustered in a much narrower range of types than white British enterprises. This meant that the two sub-samples had rather different characteristics in this respect. An attempt to remedy this by purposive sampling from business directories had limited success partly because the directories were dated and covered a restricted number of businesses.

Each week a number of approach letters were sent out to addresses in the sample. These letters loosely explained the nature of the investigation and asked for the owner's co-operation. The letters made a useful entree to the business and often obviated the need to explain the purpose of the study in front of long queues of customers or in similar unpromising situations. Although using an approach
letter has the disadvantage that it gives an unwilling respondent a chance to formulate a refusal before being approached personally this was outweighed in this study by the advantages of the letter in smoothing the path to an interview. The form of the approach letter to white British proprietors was slightly altered after the pilot survey in the hope of improving their response rate but it was not possible to judge whether it was the change in the letter or other factors which accounted for the higher success rate later in the investigation.

There were four possible outcomes to a visit to a business in the sample:

A. An interview In some cases it was possible to secure an interview on the first visit to the business. This was much more common with the white British sub-sample than with the Sikh proprietors. With some experience it was possible to judge at what time in the week a particular type of business was likely to be slack and making visits at these times helped to reduce the number of call-backs.

A few respondents were clearly willing to be interviewed right from the start but it was much more common for respondents to equivocate first. It became apparent that they were less concerned about the content of the interview and more concerned about the personality of the interviewer. The respondents needed time at the initial encounter to decide whether or not they could form an acceptable social relationship with the interviewer. In securing an interview it was often crucial to demonstrate a friendly, trustworthy and non-threatening personality by engaging in rapport-building conversation. Learning to handle this "presentation of self" was probably the most important factor in generating a satisfactory response rate.

B. A request to call back At least one call back, and sometimes several more, was necessary for two thirds of
the Sikh interviews and in a quarter of those with white British proprietors. Other researchers have commented on the need to make several call backs when interviewing Asians so this pattern is not surprising. Even when proprietors of either group made firm appointments for the interview they might not be able to keep them because of unexpected events such as staff illness. It was essential to be extremely flexible in arranging times for the interviews and to fit in with the proprietor's preferences. It was not unusual to make a number of call-backs to an enterprise and then fail to get an interview because the owner didn't in fact work in the business.

C. The enterprise was unsuitable for inclusion in the sample From time to time approaches were made to enterprises which turned out to be inappropriate for the investigation. In some cases an interview was still carried out, partly to provide some comparative material and partly, in the early stages of the fieldwork, to give some practice in interviewing skills. Later in the fieldwork it was sometimes possible to avoid an unnecessary interview of this type by simply asking a few questions out of politeness or by not pressing a hesitant respondent.

D. Non-response Proprietors who did not want to be interviewed generally gave as their reason a lack of time. This kind of answer may have been used to obscure other reasons but in businesses where there was a service element, as opposed to a purely retail concern, time lost clearly also meant money lost. The response rate of 89 percent for Sikhs and 81 percent for white British proprietors compares favourably with other similar studies. As much information as possible was collected about the non-respondents. This provided an indication of whether they and their businesses differ significantly from those proprietors who were interviewed; the initial analysis suggests that this is not the case. Furthermore, by engaging non-respondents in conversation in order to get this information, it was sometimes possible to persuade them to change their minds and take part in the study.
5. The Interview

Thirty-three interviews were completed with Sikhs and thirty-four with white British proprietors. Fifteen additional interviews were also completed. Wherever possible interviews were recorded on cassette but this was often not possible either because the respondent rejected the idea of being recorded or because the circumstances were unsuitable. Over two-thirds of the Sikh interviews were recorded on cassette but only just over half of those with white British proprietors. It emerged at the pilot stage that it would be difficult to achieve anything like ideal interviewing circumstances. All interviews took place on the business premises and most were in business hours. This meant that respondents were often distracted or called away to attend to the business and, more significantly, staff or customers might be in hearing distance.

Respondents were often rather guarded at the beginning of the interview and it was sometimes useful to return to the early topics when the respondent was more relaxed later on. By and large it was possible to establish an empathetic relationship during the interview and a number of respondents mentioned at the end that they had enjoyed the experience. It was generally possible to minimise the effects of interruptions to the interview by recalling the respondent's last few remarks but there was often little that could be done to ensure privacy other than manipulate the questioning so that the more personal matters were discussed when other people were out of ear-shot. The main lesson from the pilot in this respect was to encourage the respondent to select a slack period for the interview rather than accept an offer to talk there and then if the shop was busy.

Where interviews could not be taped they were recorded in note form. This involved using a set of index cards punched so that they fitted a small flip-over file. The interview guide was written onto one set of cards, which remained
in the file, and the respondent's remarks were noted on alternate cards which could be removed after the interview. Some questions lent themselves to precoding but most were open-ended. The answers to these were recorded as fully as possible with particular attention to words and phrases reflecting the respondent's subjective perception of the business. This method of note-taking was time-consuming as a new set of cards had to be prepared by hand after each interview recorded in this way. However it had the advantage of being inobtrusive so that the interview could retain a relaxed atmosphere. For the other interviews a small but powerful cassette recorder was used. This could normally be placed in an inconspicuous position and on several occasions respondents mentioned that they had forgotten all about it while they were talking.

The interviews ranged in length from twenty minutes to nearly two hours but the majority lasted for about forty-five minutes. It was quite common for respondents to continue in conversation after the interview was technically over and this material was written up afterwards. The small number of very short interviews often seemed to have occurred when respondents didn't really want to be interviewed but had been persuaded into it. On the other hand an initial reluctance could often be overcome and a very satisfactory interview might result.

Carrying out the interviews required a lot of concentration and affective involvement. It was necessary to create a relaxed and sympathetic atmosphere whilst remaining sufficiently alert to probe for more detail if necessary or explore apparent contradictions. Respondents often moved spontaneously from one topic to another so that it was necessary as an interviewer to mentally record which questions had been dealt with and which needed to be explicitly introduced.

6. The Interview Schedule

The interview opened with questions about how the respon-
dent came to be in business. These seemed to be interesting to the proprietors and they found them fairly easy to answer in detail. The subsequent sections were arranged in what seemed a logical order, each covering one main aspect of running the business. Broad, open-ended questions were used at the beginning of each section, so that the respondent could discuss the topic in his or her own words. More detailed questions followed where necessary. In some cases prompts were used where, for example, the respondent could not recall the sources of start-up capital. Some changes were made in the interview schedule as a result of the pilot study. Questions on finance, for example, seemed to provoke some anxiety and resistance. These were relocated towards the end of the interview where they were less likely to interfere with the overall co-operation. It also emerged in the pilot that almost all small business owners have family connections with business and this was almost invariably given as the reason for going into business. A question about whether they had ever considered doing anything else was introduced to gauge the extent of commitment to enterprise and proved useful in identifying a number of "reluctant" business owners. Several questions were rephrased because they seemed awkward or misunderstood. The general intention of rephrasing or repositioning questions was to reduce the formality of the interview and bring it nearer to a spontaneous conversation.

7. Record-keeping

Each approach was carefully recorded, from the point of sending out a letter, through any call backs, to the eventual outcome. In addition, a field diary was used to record general observations on the business areas, interviewing process and also any public events which might have affected responses to the interview. During the field-work a Private Member's Bill to extend shop opening hours was put before Parliament but defeated. This clearly put this particular issue into respondents' minds at that time. More systematic observation of the respondents
and their enterprises could be made during the interviews and these were written up separately. This data included the state of the business premises, the amount of business activity, the type of customers and so forth. The circumstances of the interview itself, including the number of interruptions, the respondent's attitude etc. were also recorded.

Where notes were taken of the interview it was essential to type them up as soon as possible afterwards. Although there was less urgency in the case of interviews on cassette it was advisable to play them through so that any points which were inaudible or ambiguous could be dealt with. As the cassette had to be transcribed at some point it was useful to combine the transcription with the preliminary play-through. The material was transcribed under various headings in order to facilitate further analysis. The transcription was a lengthy process, often taking five or six times the length of the interview itself.

Regular checks were made on the interviewing technique. Two interviews on cassette were taken at random each month and played through for the purpose of checking for consistency and quality of interviewing technique. These checks indicated that in the early interviews the interviewer contributed more than in the later ones. There was a slight gap in the interviewing in late December, not simply because of Christmas but because many Asians return to India at this time. The interviewing technique deteriorated somewhat after this gap but improved when a more regular interviewing pattern was restored. There were no marked differences between the interviews with Sikh and with white British proprietors but there seemed to be a slight tendency to give more verbal encouragement to Sikh respondents. The number of female respondents was too small to check whether the technique differed in these cases but comments on these interviews suggest that it was easier to establish a friendly relationship with other women.
VIII The Process of Becoming a Small Proprietor

1. Until quite recently people who went into small business on their own account were predominantly those with family connections in this sector. The idea of going into small business was unlikely to figure in the occupational decision-making of many people unless they had already become aware of it as a possibility through relatives or through work. Today small business has achieved much greater prominence, partly through the emergence of a political culture which emphasises those qualities which are often associated with proprietorship, such as initiative and self-help. There has also been a marked growth in courses and schemes designed to assist redundant managers or even enterprising school-leavers who want to start their own business. This chapter examines the more traditional routes into small business and compares the process of becoming a small proprietor among white British owners and Sikhs. The chapter indicates a number of similarities across these two groups, particularly the importance of informal connections and know-how in opening up the possibility of own-account working. It also questions the extent to which the popular image of small business figures in the motivations of would-be proprietors.

2. Demographic Data

The picture of the petty bourgeoisie which emerged from the interviews corresponded in several respects to the data collected by other researchers in similar surveys. This was especially true of the information provided by the owners about their age, education and work-history. It is not easy to judge whether the very low number of women appearing in this sample is typical as most studies do not mention the gender dimension. Six women proprietors were interviewed, three white, one Sikh and two others. The age of the proprietors ranged from nineteen: a young Sikh just a few months into his first enterprise, to seventy: a white sweet shop owner who was about to
retire. The majority of both main sub-samples were in their forties, and this seems to be the common pattern for small business owners (Deeks, 1972; Gibb and Ritchie, 1981). The age distribution of the two groups, however, differed, with that of the Sikhs being skewed towards the younger end of the scale. Their average age was thirty-eight, compared with forty-five for the white owners. These figures are very similar to those recorded by McEvoy et al (1980) in their survey in Ealing a few years previously, and by Aldrich (1980) in Wandsworth. Most of the Sikhs had come to this country as young men or even children and most had been here for between ten and twenty years. This pattern of migration might be one of the reasons why Sikh owners tended to be younger than white proprietors (Silk and Tarpey, and Golding, 1983). It also seems, though, that Sikhs are more willing to hand over their business to a younger member of the family at an earlier age than their white counterparts. The Sikhs had taken over the family businesses at an average age of twenty-two years compared with the average age for white owners of thirty. There are two possible explanations for this: in Sikh families the status of the elders is assured and so they do not feel that by withdrawing from an active role in the business they jeopardise their authority in the family. In addition, older Sikhs, who often have a limited command of English, may believe that the business is better run by a younger person, educated in Britain and more at home in this country. A number of writers have commented on "the succession problem" in small enterprises. Boswell (1972), for example, suggests that founders of businesses are often reluctant to pass them on to their children, even when they are no longer operating successfully. This means that the business stagnates whilst the heir grows increasingly frustrated. Handing over the business at an earlier stage would help to avoid these problems.

3. Educational Background

There is no necessary relationship between educational
qualifications and running a small business. Indeed, it might be argued that the formal education system, oriented to bureaucratic employment, does not attempt to measure, nor even develop, the qualities which a small proprietor needs. Table I shows that in this sample, nearly one third had no formal qualifications; the rest were more or less equally divided between those with school-leaving qualifications, those with technical qualifications such as hairdressing or electrical subjects and those with degrees or professional qualifications. This compares more closely with surveys such as those of Boswell (1972) or Deeks (1972) who were looking at manufacturing firms than it does with that of Bechhofer et al (1974), who were concerned with very small shops and who found that seventy percent of their respondents had no school-leaving qualifications. However Cromie's (1985) study of intending business owners in the service sector had similar figures. Part of the discrepancy between this survey and that of Bechhofer et al (1974) can be explained by the presence in the Ealing sample of the Sikhs. The Sikh owners were noticeably better qualified than the white owners: almost all of those with the higher qualifications were Sikhs whereas nearly half the white sample had no qualifications at all. Very similar findings are reported by McEvoy et al (1980) and also Wilson (1983) in his study of the neighbouring borough of Brent. One of the reasons for the higher proportion of qualified Sikhs may lie in a pattern of selective migration of the better educated, so that a higher proportion of the Sikh population in Britain is well educated. However, the higher levels of education among the Sikh owners must also be a reflection of their difficulties in getting their qualifications recognised in the British labour market. This difficulty was often mentioned by the Sikhs in the interviews, with comments such as:

"it's worth nothing here" (of a chemist's qualification)

"when I came to this country they asked me to do all my education again"
<table>
<thead>
<tr>
<th></th>
<th>Sikhs</th>
<th>Whites</th>
<th>Others</th>
<th>Total</th>
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<tbody>
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<td>8</td>
<td>14</td>
<td>3</td>
<td>25</td>
</tr>
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<td>11</td>
<td>5</td>
<td>23</td>
</tr>
<tr>
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<td>7</td>
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<td>20</td>
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<tr>
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<td>5</td>
<td>10</td>
</tr>
<tr>
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<td>92</td>
</tr>
<tr>
<td>Total sample</td>
<td>33</td>
<td>34</td>
<td>15</td>
<td>82</td>
</tr>
</tbody>
</table>
"when I came to this country the British educational authorities were not prepared to recognise my qualifications"

There is also some evidence that better qualified white proprietors are more likely to start up in manufacturing or in businesses which require some specialised expertise, such as computing or consultancy (Gibb and Ritchie, 1981). Thus the nature and location of the sample tends to understate the educational background of the white owners.

Several studies of small proprietors suggest that part-time courses of some kind often figure in the educational histories of small proprietors (Boswell, 1972; Bechhofer et al, 1974; Hough, 1984). This reinforces the image of the small proprietor as someone who has an intense belief in self-help. The interviews did not specifically ask about the mode of study, but just over twenty percent of the respondents either mentioned this spontaneously or referred to qualifications which are only available on a part-time basis. Several others indicated that they had completed apprenticeships or other qualifications which normally involve day-release or night school.

At the same time, however, the small business owner is often portrayed as a very practical person with little time for academic education. This attitude was occasionally expressed, although by a very small number (eight) of respondents.

"Because he's got ten 'A' levels doesn't mean he's going to be any good at work or a good businessman. It just shows he's got an aptitude for learning. I'm a great believer in life you've got to go out and do it; prove yourself."

"I started night school and day school. Seven years, City and Guilds and I don't know how many other certificates... I couldn't pass any of them now. None of it really relates to the job."
On the other hand, rather more (fourteen) of the respondents indicated in one way or another some regret that they had not done better academically. There was occasionally a strong sense that they believed they could have done better or that they had taken the wrong decision about their education:

"(GCEs) I was one of those silly idiots who was all set for it and I decided that rock 'n' roll was better and left school to play in a band. A thing I've regretted ever since."

"I threw my education away really because I made up my mind at school what I was going to do."

There were also several accounts of how respondents had just failed to achieve some educational ambition, such as the would-be draughtsman who got several 'O' levels but failed maths, or:

"I wanted another 'D' to get into university. I wanted to do B.Sc. Physics. I didn't want to repeat another year at 'A' levels but I did want to go to university. Then my dad thought of the business and I didn't really say no."

Comments such as these suggest that for some people own-account working is seen as a more attractive way of coming to terms with unfulfilled ambitions than paid employment which does not match their own perceived abilities. They may also be a reflection of some disillusionment with their business ambitions.

4. Work Histories

It is comparatively unusual to set up in business at the very beginning of an occupational career (Goldthorpe, 1980; Hough, 1984). However, there were one or two Sikhs in this sample who had gone into the family business as partners as soon as they had completed their education. Most of
the respondents, though, had either worked as employees in the business they now owned, or had worked elsewhere. Of this latter group, about a quarter had done unskilled manual work and slightly fewer had held white collar jobs. The rest were fairly equally divided between skilled manual work and professional or semi-professional occupations. Surveys of own account workers often suggest that the main stepping stones into the petty bourgeoisie are provided by skilled manual work or white-collar jobs. In other words, small proprietorship often represents horizontal occupational mobility rather than vertical mobility. The data from this sample did not at first suggest that these were more significant paths to self-employment than other occupational categories. However, if those proprietors who had worked as employees in the business they now owned were taken into account, the proportion of skilled workers would increase and the sample would offer more support for this proposition. Another factor to be taken into account is that this sample excludes manufacturing firms where a craft background is more common.

Table II shows the differences between the work histories of Sikh and white owners; these were very small, though fewer whites had done unskilled work. However, when the higher level of qualifications achieved by the Sikhs is taken into account it is apparent that the work histories have very different meanings. The Sikhs had not been able to find work which was commensurate with their qualifications. This point is illustrated by the spontaneous comments from the Sikhs that they had not been able to find what they saw as appropriate employment:

"I had just crossed forty. I didn't want to start on the shopfloor."

"I went many places and there were no jobs (as dentists) at that time. So I tried my best everywhere."
TABLE II

Proprietors' Previous Occupations

<table>
<thead>
<tr>
<th></th>
<th>Sikhs</th>
<th>Whites</th>
<th>Others</th>
<th>Total</th>
</tr>
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<tbody>
<tr>
<td>Professional &amp;</td>
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</tr>
<tr>
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<td>4</td>
</tr>
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<td>Clerical</td>
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<td>3</td>
<td>13</td>
</tr>
<tr>
<td>Skilled manual</td>
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<td>2</td>
<td>14</td>
</tr>
<tr>
<td>Unskilled manual</td>
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<td>2</td>
<td>19</td>
</tr>
<tr>
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<td>Total sample</td>
<td>33</td>
<td>34</td>
<td>15</td>
<td>82</td>
</tr>
</tbody>
</table>
"I can't find myself a decent job."

Thus there is a strong indication that for Sikhs, entry to small enterprise was often the result, at least in part, of being disadvantaged in the labour market. This is hardly surprising but it does mean that we should treat with caution the popular view of the Asian entrepreneur enthusiastically setting up in business and motivated by deeply imbued business values. There were many reluctant businessmen among this sample who had clearly been "pushed" rather than "pulled" into enterprise. In such cases the function of ethnicity was less in terms of socialisation into business values than in providing a cultural awareness that small business was an easily accessible and viable alternative to paid employment.

It is sometimes suggested that one of the pathways to small business ownership lies through experience of working for someone else in a small firm (Bannock and Doran, 1978; Casson, 1982). Small firms may act as incubators in which the workers become aware of the possibility of running a business and are able to compare their own perceived aptitudes with those of their employer and to make an assessment of their own capacity to start up successfully. There were occasional comments which illustrated this type of decision-making:

"I was working for a (small) company and didn't like the way they were doing it. Had always wanted to have a go at it myself."

"My husband was fed up working for a company paid say £50 and every call he made was charging £30. So he decided to have a go at it himself and make a break, go from there."

About one third of the owners in this sample who had worked outside their present business had done so in small firms, but this is only about the same proportion as in the rest of the working population (Scase and Goffee,
1980). However, if the Sikhs are excluded from the analysis the proportion rises to nearly half, which provides a little more support for the incubator hypothesis. It might have been expected that the Sikhs would have gained experience by working in the small business sector of the Asian economy, but in Southall this sector does not employ many men on a full-time basis. In addition, many of the Sikhs had sought well-paid jobs which are less likely to be found in the small business sector.

5. Reasons for Setting-up in Business

The interviews attempted to explore both the motivations behind the decision to go into business and the circumstances which surrounded it. (The importance of this distinction will be taken up later in this chapter.) Respondents were asked an open-ended question about how they came to be in business and several of them gave a number of reasons. Brooks (1983) study reported that more Asians than whites gave negative reasons for entering business. This was not the case in the Ealing sample but, on the other hand, whites gave more positive answers than Sikhs. The analysis of the proprietors' answers is set out in Table III. The most commonly mentioned reason for going into business was some kind of family connection. Over fifty percent of the respondents referred to their family, including those who took over the running of a family firm and those whose families had traditions of enterprise which had influenced them in their choice of occupation. Only about half of the Sikh sample mentioned family considerations in their decision-making. This did not necessarily mean that the remainder had no family connections with business, but simply that it did not figure in their deliberations. Only seven of the Sikhs had gone directly into a family business in Britain: some others had had the link broken by the process of migration.

The popular assumption that ethnic enterprise draws special support from family connections is questioned, however, as a higher number of white owners than Sikhs
TABLE III

Proprietors' Reasons For Going Into Business

<table>
<thead>
<tr>
<th></th>
<th>Sikh</th>
<th>Whites</th>
<th>Other</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Family firm</td>
<td>7</td>
<td>14</td>
<td>4</td>
<td>25</td>
</tr>
<tr>
<td>Family in business</td>
<td>8</td>
<td>8</td>
<td>7</td>
<td>23</td>
</tr>
<tr>
<td>Work problems</td>
<td>14</td>
<td>16</td>
<td>4</td>
<td>34</td>
</tr>
<tr>
<td>Interest, skill</td>
<td>3</td>
<td>9</td>
<td>1</td>
<td>13</td>
</tr>
<tr>
<td>Financial ambition</td>
<td>8</td>
<td>5</td>
<td>2</td>
<td>15</td>
</tr>
<tr>
<td>Personal satisfaction</td>
<td>3</td>
<td>6</td>
<td>4</td>
<td>13</td>
</tr>
<tr>
<td>Other</td>
<td>5</td>
<td>6</td>
<td>1</td>
<td>12</td>
</tr>
<tr>
<td>Non-response</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Total responses</td>
<td>49</td>
<td>64</td>
<td>24</td>
<td>137</td>
</tr>
<tr>
<td>Total sample</td>
<td>33</td>
<td>34</td>
<td>15</td>
<td>82</td>
</tr>
</tbody>
</table>
perceived their family as significant to their decision to go into business. It is apparent that this very small, service sector enterprise is often intimately bound up with the family whether it has an Asian or white owner.

Another common reason for going into business was problems with work. Thirty respondents, forty-one percent of the sample, mentioned either difficulties in finding an appropriate job or problems such as boredom, not fitting in, career blocks. These are commonly reported as business motivations (Boswell, 1972; Scase and Goffee, 1980; Gill, 1985). In only a few cases was redundancy mentioned. Again there was often a sense of unfulfilled potential or a reluctance to accept conventional employment.

"There was nothing to do but you used to have to pretend there was. It seemed so silly to me trying to look busy."

"(I) was not the type of person for a large company, to get on there; you've got to say the right thing, to conform, to dress right."

White owners were just as likely as Sikhs to mention difficulties with their work as being among the pressures to leave paid employment and set up on their own. It should not be concluded from this that those who are dissatisfied with their work are especially predisposed to small enterprise, as a survey of attitudes to work among employees would probably pick up similar expressions of discontent. However it does illustrate the extent to which a sense of disadvantage or frustration at work is likely to figure among the factors which contribute to the decision to set up in business. Storey (1982) suggests, though, that negative pressure to start up in business does not affect the performance of the enterprise.

There were three other explanations of the entry to enterprise which were put forward quite frequently. Fifteen respondents, eighteen percent of the sample, expressed
the feeling that going into business would bring financial rewards. This was mentioned slightly more often by the Sikhs. The second explanation was in terms of seeing business as a way of pursuing some special hobby or using a particular skill - mending motorcycles, model aircraft, an interest in local history leading to an antiques shop, music, were among the interests mentioned. White owners expressed this sort of motivation more often than Sikhs. The third type of explanation was the desire for some form of personal satisfaction, principally autonomy or independence, but also the will to respond to a challenge or to build up something of their own.

6. Setting-up in Business

The interviews included questions about the proprietors' knowledge of business when they first started up and their formal contacts in the business community. Data was also collected about the length of time they had been running their present enterprise and the extent of other experience or training.

Table IV shows that just over half the proprietors were running their first business; this included slightly more whites than Sikhs. About a quarter of the sample had run a similar type of business before and about a quarter had had a different type of enterprise. There was some overlap between these two groups. Less than half had started up the business they were now running; Sikhs were much more active in start-ups than whites who had often inherited a family business. McEvoy et al (1980) reports a much smaller percentage of whites who inherited an active business. This may be related to there being no size limit on the shops in their sample, or to the use of different definitions. The Ealing survey included in this category businesses where the present owner had set up a new branch under the aegis of his family and ones where the owner had substantially changed the line of business after inheritance.
<table>
<thead>
<tr>
<th>Proprietors' Previous Business Experience</th>
<th>Sikh</th>
<th>White</th>
<th>Others</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>None</td>
<td>15</td>
<td>21</td>
<td>10</td>
<td>46</td>
</tr>
<tr>
<td>Same type of business</td>
<td>10</td>
<td>8</td>
<td>2</td>
<td>20</td>
</tr>
<tr>
<td>Different type of business</td>
<td>9</td>
<td>7</td>
<td>4</td>
<td>20</td>
</tr>
<tr>
<td>Non-response</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total responses</td>
<td>34</td>
<td>36</td>
<td>16</td>
<td>86</td>
</tr>
<tr>
<td>Total sample</td>
<td>33</td>
<td>34</td>
<td>15</td>
<td>82</td>
</tr>
</tbody>
</table>
The report for the European Year of Small and Medium Sized Enterprises (83) by Baldwin and Palmer (1984) claims that few owners of smaller firms have experience of working outside the firm they run. It sees this as a disadvantage for such firms. However the evidence from the Ealing research indicates that this assertion is not justified. Over eighty percent of the proprietors had worked outside their businesses, a result which is comparable with that of Deeks (1972) and of Brooks (1983). Deeks (1972) points out that chief executives of large companies commonly have less inter-firm mobility than the owners of the small furniture businesses which he investigated. Nine of the proprietors who were interviewed had been running the business for over twenty years; these were all whites. Six had been operating for less than six months. On average the Sikhs had been running their present firms for seven years, compared with the white owners' average of ten years. Mullins (1979) working in Croydon, reported a similar pattern. This is partly due to the age structure of the two groups and partly to the succession pattern described earlier. It is often supposed that close-knit communities provide a network of information and advice which supports the ethnic entrepreneur. Yet Table V shows little difference between Sikhs and whites in their early contacts with the business community. Only twelve respondents said that they had had no contacts at all with people in business when they set up, another twelve mentioned friends and the rest had had family links with the world of small enterprise. It is interesting to compare these results with those from the survey by Gibb and Ritchie (1981) of entrants to a small business competition. This sample was made up principally of quite well educated would-be business owners who had submitted their idea for a business to a competition aimed at supporting new enterprises. In comparison with the Ealing sample they were very isolated from a business network and unable to draw on family links for role models. Clark and Rughani (1983) suggest that the significance of such family links lies in the help they give to the new proprietor in avoid-
TABLE V

Proprietors' Contacts With People In Business (at start-up)

<table>
<thead>
<tr>
<th></th>
<th>Sikhs</th>
<th>White</th>
<th>Others</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Family</td>
<td>14</td>
<td>10</td>
<td>8</td>
<td>32</td>
</tr>
<tr>
<td>Friends</td>
<td>6</td>
<td>3</td>
<td>3</td>
<td>12</td>
</tr>
<tr>
<td>None</td>
<td>6</td>
<td>6</td>
<td>0</td>
<td>12</td>
</tr>
<tr>
<td>N-A*</td>
<td>4</td>
<td>14</td>
<td>4</td>
<td>22</td>
</tr>
<tr>
<td>Non-response</td>
<td>4</td>
<td>1</td>
<td>2</td>
<td>7</td>
</tr>
<tr>
<td>Total responses</td>
<td>34</td>
<td>34</td>
<td>17</td>
<td>85</td>
</tr>
<tr>
<td>Total sample</td>
<td>33</td>
<td>34</td>
<td>15</td>
<td>82</td>
</tr>
</tbody>
</table>

* Proprietors who had directly inherited family businesses.
ing costly mistakes. Although they call this a "negative" form of support they see it as crucial to the early stages of a new enterprise when it may be more important to keep going than to develop innovative strategies.

The proprietors who were interviewed in the Ealing study were invited to assess their own knowledge and understanding of business techniques when they started out. Nearly two-thirds of the sample said that they knew nothing, or virtually nothing. However there is a powerful popular image of the small business owner as starting out from a basis of no particular skill or expertise and building up from scratch. Some respondents were proud of their inexperience and may have understated the extent of their knowledge. In many cases running a business was perceived as a "common-sense" activity which demanded no special expertise:

"Running this sort of business is pretty straightforward. It's common-sense really. If you've got it you've got it. If you haven't, you haven't." (fish and chip shop owner)

"If anything gave me the incentive it was the fact that my own friends who did not complete their education in any way went into business and became successful. It doesn't necessarily take a well-educated person to run a business. Business was here before reading and writing. Running a business is not a difficult thing. I suppose it is one of the easiest things to do."

Other proprietors attributed the ability to set up a business to personal qualities such as a willingness to work hard:

"I had the confidence and I was willing to work hard."
"Only I know I can hard work. If you do hard work, you can do anything you wish in this life."

The view that the only way to find out about business was through trial and error was also expressed quite frequently.

It was anticipated that the Sikhs would have been more immersed in a business culture than the white owners but there was no difference between the two groups in their accounts of their initial know-how. The only exception was that white owners were more likely than Sikhs to have had some specific trade-knowledge which they could bring to bear on their enterprise. McEvoy et al (1980) also remark on this in their report. A number of respondents, particularly Sikhs, made no distinction between specific knowledge of the trade, such as electrical repairs, fabrics, catering and the general techniques of running a business, such as stock control, buying, pricing. In most of these cases knowledge of the trade was assumed to be all that was needed to run the business.

Most of the proprietors had not sought any advice about starting out in business. Those who had, had normally turned to their family, but ten proprietors had consulted other sources such as friends in business, solicitors or accountants. Those who had not asked for advice tended to regard it as unnecessary or even misleading:

"(We) did not ask advice. You can lose a lot that way. People may guide you wrong. People aren't trustworthy, they don't want to tell you their secrets."

Only twelve of the proprietors had had any kind of training which was relevant to running a business, and this was often as a result of a previous job, such as an accountant, rather than for the specific purpose of own-account working. Eleven respondents said spontaneously that they regretted their lack of training:
"To start the business without having any formal training is a very difficult job, and this real word 'difficult' comes to the foreground."

"By trial and error actually, but it's a bad way. You really should have a basic training. It's a terrible way. There are lots of things you don't know how to do properly and trial and error is no real way."

The questions about advice and training and the proprietors' initial knowledge about business often provoked responses in terms of "keeping the books". It became clear that for many owners the notion of running a business centred around the need to keep the books in order. Other aspects of running the business, such as selling, purchasing, hiring labour, were not, apparently, part of their concept of what running an enterprise involved. Answers to questions about know-how or training often took the form:

"I've got an accountant who does the books."

"No it was quite straightforward the book-keeping."

"the books and that side of it, I was in the dark."

The Bolton Report (1971) remarked that small business owners rarely have business training, and that small firms are generally run on the basis of experience and common-sense, a point which was strongly endorsed by these interviews. The Bolton Report gave the impression that the lack of business expertise in the small firm sector was not particularly problematic except when the business needed to expand or change. Baldwin and Palmer (1984), thirteen years later, also commented on the lack of training of small proprietors and pointed out that they are often suspicious of formal training and education. This report, however, saw the situation as far more problematic and advocated measures to improve it. This is,
perhaps an indication of the turnaround in the political and economic status of small business in that period. However, as Baldwin and Palmer (1984) recognise, setting up courses for small proprietors in colleges and universities is not necessarily going to solve the problem. The interviews reported in this paper give some indication of the resistance of small proprietors to the idea of advice and training. An educational programme would need to tackle first the popular symbolism surrounding small business which applauds the man who starts with nothing but native wit and develops a viable business. It would have to change the perception of business as a "common-sense" activity and develop an awareness of enterprise as something other than simply doing the books or applying a trade skill. The respondent quoted below would clearly have been reluctant to embark on any formal training programme:

"I've had no training business-wise. I survive because I know. Call it a conceited point of view, big-headed, what you like... there's nothing I don't know about in my trade. The business side of it, profit and loss and all the rest, it's a red rag to a bull." (Cycle repair business)

7. Entrepreneurial Models

Explanations of how people come to set up in small business can be divided into three categories. There are explanations which draw on an entrepreneurial model and which see the small businessman as motivated by various personal characteristics such as drive, flair, loss of status. The second category examines the social structural characteristics of groups which seem predisposed to business activities and refers especially to the nature of minority groups in business. The third category, which is poorly developed in the existing literature, draws on models of occupational choice.

A number of studies of the process of becoming a small
proprietor assume that explanations of how people become entrepreneurs may be relevant to understanding how people become small business owners. The question of how entrepreneurial ambitions are developed has been explored in a wide range of literature. Whilst some of this literature examines the social structural configurations within which entrepreneurial opportunities are exploited much of it centres around the kind of personal characteristics or social psychological motivations which produce a drive to business activities. The most familiar of these models derive from the work of McClelland and Winter (1971) on achievement orientation.

The interviews with small proprietors in this research produced occasional comments which could be interpreted as showing these entrepreneurial characteristics. There was sometimes a sense of restlessness, of needing to be active; there were expressions of ambition and a need for autonomy:

"because it's every man's dream to build an empire."

"to be successful in life."

"I wasn't occupied there. Terrible. Boring. I'd always like to be doing something. This job's ideal because there's always something to be done, isn't there?"

"I was in an office job. It was killing me it was so boring... In India the women didn't work and had lots of servants. I wouldn't want to go back to that life now although it might seem nice. I'd soon get bored. I'd have less worth to my husband. I'd just be a housewife."

However, these kinds of expressions were infrequent in this sample and they were often qualified later in the interview by a more constrained attitude to running the business. They do not offer strong support for the idea
that this type of entrepreneurial motivation underpins the decision to go into business. Collins and Moore (1964) have developed a model of entrepreneurship which is more specifically related to the process of founding a business. Their investigation led them to identify a number of personal characteristics which are conducive to entrepreneurial behaviour. These include the need to escape from poverty and insecurity and an unwillingness to submit to the authority of others. Collins and Moore (1964) describe the background of their men of enterprise in terms of a series of learning experiences which are punctuated by events precipitating the entrepreneur further along the road to founding a business. Their motivations are described in economic terms although Collins and Moore (1964) point out that the American cultural symbolism surrounding the entrepreneur may have coloured their recall. This model is a useful contribution to the analysis of certain types of business behaviour, but not necessarily that of small tradesmen. It has the advantage of incorporating both personality characteristics and life events although it gives the impression that the entrepreneur is driven along a pre-ordained path to set up in business. It says nothing about people with similar experiences who have either been unsuccessful in business or have not contemplated founding an enterprise. It is also open to the criticism that by incorporating a number of life-events which contribute to the formation of the entrepreneur it endows aspects of biography with greater significance than they would have in the lives of non-entrepreneurs. Events are interpreted in the light of the subsequent career of the individual.

Collins and Moore's (1964) model does not seem very relevant to the small trader. Although there are indications in this sample of life-events or motivations which could be interpreted as the early development of the entrepreneur the clear decisions and the persistent motivations are missing. Part of the problem with these entrepreneurial models is that entrepreneurship and running a
small business are not necessarily the same thing. The assumption that these explanations of economic entrepreneurship can be applied to the process of becoming a small proprietor is not justified. Although definitions of economic entrepreneurship vary widely its crucial characteristics seem to be innovation, risk-taking and identifying a market (Ketz de Vries, 1977; Casson, 1982; Gill, 1985). Taking over a small shop or inheriting a family business do not necessarily involve these attributes. Indeed, many of the respondents in this survey explicitly rejected the notion that it was a risk-bearing activity and saw their occupation as similar in many respects to paid employment.

A slightly more sophisticated version of the entrepreneurial model attempts to link up psychological characteristics with social position. Stanworth and Curran (1973), for example, suggest that entrepreneurship may be a solution to "marginality". They define marginality as a situation where there is a discontinuity between the attributes which the individual believes he or she has and the roles he or she holds in society, and they use this concept as an explanation of the pressures to move into proprietorship. Again there is some support for this model in the interview material, particularly among those who believed that they had skills or abilities which had not been recognised by the education system. It could, for example, be argued that the inability of the Sikhs to find the kind of job they felt was commensurate with their qualifications exemplifies this marginality and its solution in entrepreneurship. However, it might equally well be argued that entrepreneurship, or more precisely small proprietorship, had not solved their marginality but merely reinforced it. Running a small shop provided little more recognition of their abilities than working as clerks or labourers.

The entrepreneurial explanations of entry to small business are unsatisfactory. In the first place they confuse entrepreneurship with proprietorship and thus make a mismatch between the kind of motivations which they attach to entre-
preneurship and the kind of meanings which small businesses commonly have for their owners. In the second place there is insufficient evidence from the interviews or from similar studies of the kind of personal qualities which could be interpreted as entrepreneurial drive. On the other hand, this sample included only service-sector enterprises, and very small ones at that. Thus although the entrepreneurial model seems inappropriate as a major explanation of entry to small businesses of this type it may well have greater relevance in the analysis of larger, manufacturing concerns.

8. Social Structural Models

One of the most well-rehearsed models of ethnic enterprise has been developed by Bonacich (1973) who uses the concept of the "middlemen minorities" described earlier. She argues that certain minority groups have adopted a "sojourner" mentality. As sojourners the minority group becomes oriented to saving up to return home. This creates a positive attitude to thrift and capital accumulation. At the same time their ambivalent position in the host society encourages the minority group to act as go-betweens rather than to identify with any particular group. The intention to return home also keeps alive a commitment to the ethnic community and reinforces ties within it. Bonacich (1973) argues that these aspects of the "sojourner" mentality support a trader role, the role of middleman between producer and consumer. The accumulated capital enables the minority to found businesses but the orientation to the homeland predisposes them to businesses which are easily liquidated. The close ties with the ethnic community provide business resources such as capital, information, customers.

Bonacich's (1973) model has some applicability to the case of the Sikhs. Although most Sikhs now in Britain are likely to remain here, there is still a mythology of return to India, and in practice many Sikhs do make extended visits to the Punjab. The ties within the ethnic community remain close and although there has been some adaptation to living
in Britain the community continues to act as a powerful agent of cultural reproduction. In terms of business enterprise, the Sikhs in West London are concentrated in lower-order retail categories such as grocers or newsagents. These types of enterprise are easily liquidated or can be handed over to a relative during a visit to India. Some of these businesses even close down while the owner is away and apparently re-open without an undue loss of custom. There are low barriers to entry to these business categories: they require little capital and no special skill or experience. The Sikhs certainly draw on community ties to help in setting up their business, although the extent of this involvement should not be overstated.

The problems with using this model to explain the Sikh entry to business stem mainly from the fact that some of the features it picks out as being important to the minority group are also relevant to white owners. This is particularly true of the importance of informal ties in providing business resources of various types. Other models which stress the importance of informal resources suffer from the same drawback (Mars and Ward, 1984). It should also be remembered that outside West London Sikhs are involved in manufacturing, as well as trading concerns.

The disadvantages which ethnic minorities experience in the labour market are often seen as accounting for the growth of ethnic enterprise. Werbner (1980), for example, sees small business as one way in which Asians can "by-pass" this disadvantage and through which individuals can achieve social mobility. Racial discrimination was rarely mentioned explicitly as a factor which had driven Sikhs into business, but the difference between their qualifications and their previous work experience, together with accounts of frustrated job-hunting, strongly suggest that their opportunities in the labour market were limited for this reason. Whether or not small enterprise allows minorities to "by-pass" disadvantages is another matter. In own-account work the Sikh is removed from some of the personal discrimination which might be experienced as an employee:
"the foreman was thinking me a stupid person and giving me orders like donkeys."
(a grocer who had been a health inspector in India and factory worker in Britain)

However small enterprise does not necessarily provide the Sikhs with an opportunity for enhanced financial rewards. The younger age at which they take over a business often means that they have left the labour market before they reach their peak earning capacity. In addition, Mullins (1979) noted that Asians find difficulty in buying business premises in the more profitable locations. Jones (1981/2) has pointed out that Asians are concentrated in the most precarious and least profitable types of enterprise and because of their concentration are often in competition with each other. The number of fabric shops in Southall, for instance, is far too high for the available demand. The disadvantages of the rest of the ethnic community in the labour market undermines their spending power as customers in Asian businesses.

Although the small business sector does not offer a complete escape from racial disadvantage, a small enterprise may offer some individuals a channel of social mobility. For those with very limited education and no specific work skills becoming a small proprietor almost certainly provides the possibility of achieving a higher standard of living than they would in paid employment, albeit by long hours and the use of family labour. For those with higher qualifications, however, it is not at all clear that small enterprise is a path to advancement. As Jones (1981/2) indicates, it may even be a waste of talent. In these cases, small enterprise is not so much a vehicle of upward mobility as a buffer against the worst effects of downward mobility. Nowikowski (1984) offers a more sophisticated model of ethnic enterprise which takes account of the different business opportunities available to sub-sections of minorities. Her work is based on an analysis of Asians in Manchester. She first points to the nature of colonial capitalism which creates the impetus to emigration and
then identifies three different routes into business in Britain. Asian professionals with a Western education migrate for career reasons. They have little interest in self-employment and if they are obliged to work for themselves in a professional capacity they are forced to compete in the white economy. The second group comes from established business communities in India. These are the ethnic business owners who have the informal ties and resources which are sometimes attributed to all minority proprietors. This group is able to establish secure businesses as a continuation of previous experience. The third group comes from less advantaged backgrounds and hope to accumulate some savings in Britain. They typically found wage-employment of various kinds, usually manual or clerical and moved into self-employment in the hope of better financial rewards. They tended to set up smaller, lower order and more precarious businesses.

Nowikowski's (1974) model relates the structural position of the proprietor to the type of business which is established. Her model also recognises differences in the opportunities available to members of a minority group and identifies the different meaning of business ownership to the three groups she describes. Such a model could in fact be adapted to explain the various routes into business open to white proprietors.

Labour market disadvantage is of course not confined to Sikhs. It is sometimes advanced as an explanation of how white proprietors come to be in own-account working. These explanations tend to see the small proprietor as some kind of misfit or even deviant, the person who cannot fit into the conventional patterns of employment. The term "marginal" (Bechhofer and Elliott, 1981) is sometimes used, not in the psychological sense previously described, but in the sense of being structurally marginal to the paid labour force. On the basis of this model it was hypothesised that the sample of small proprietors would demonstrate erratic career patterns characterised by a high number of job shifts. This hypothesis was not
supported by the data. Fifty percent of the white proprietors had held only one job before taking over the business and only five had had three or more jobs. The Sikh sample, not surprisingly, showed a little more variation in their work-histories but even this was not sufficient to warrant the description of "disorder" which Goldthorpe (1978) sees as characteristic of the work experience of the petty bourgeoisie. It is even less justified when it appears that some of these job changes are normal movements within a career pattern, such as that from school teacher to school inspector. There were, it is true, a number of redundancies which had precipitated the decision to go into small business, but some of these had been under a voluntary scheme. Although some kind of disadvantage in the labour market figured occasionally in the decision-making which preceded entry to small business this does not seem to justify the notion of a structurally marginal group which the labour market cannot accommodate. This conclusion would require it to be shown that the level of dissatisfaction and job mobility among small proprietors was significantly greater than would be found in the population as a whole. Even then it might be argued that a willingness to change jobs represents the kind of flexibility that is desirable in small proprietors rather than a disadvantage which thrusts them out of the labour market.

Structural explanations of the entry to small business tend to treat small proprietorship as an unconventional way of gaining a living that has to be explained in terms of marginality or deviance. It is true that there is a greater freedom of access to self-employment than other occupations because it is self-selected and does not depend on an employer's filtering procedures. There are, of course, the constraints of obtaining capital and needing sufficient skill to get the business going, but there was plenty of evidence that these constraints are not substantial. Several respondents had started up on the basis of a market stall, for example. However, it may be misleading to start from the assumption that small business ownership is in
some way an unusual occupation requiring special explanation. Owning a business appears to be an unconventional occupation only if we insist on dividing up occupations according to their employment status. In other words, if we distinguish between occupations which formally have the status of employee and those which do not, then owning a business is in a minority category and appears deviant. Although there are significant differences between being employed and being self-employed we should not overstate them. In the first place many of those who are formally employees commonly engage in a certain amount of personal enterprise. Many people offer services to friends and work-mates, sometimes for money and sometimes for payment in kind. Baby sitting, home-maintenance, various forms of trading, both legal and illegal, car repairs, hairdressing and many other services are frequently offered on a casual basis as a side-line to paid employment (Pahl, 1984). In professional occupations such as management or teaching there may be opportunities for consultancy, coaching or journalism which generate additional income in a more formal way. In this sense, own-account working is rather less unusual than might at first appear. In the second place, it is easy to overstate the freedom from employee status which comes with own-account working. It is self "employment" and many of the disciplines of employee status remain. Shops generally have to open at regular hours, certain activities, often tedious, have to be carried out and there are a host of legal obligations with which the small proprietor must comply. In fact Bechhofer et al (1974a) describe shopkeeping as a form of self-exploitation. It became apparent from the interviews that several small owners saw their work as just another "job" and few saw own-account work as a major step into risk-taking or innovative activity. Those who had taken over a family concern had often done so by easing themselves into a position of control and others had started up their business on a part-time basis before relinquishing their employee status.

9. Models of Occupational Choice
Thus although self-employment is a minority occupation it is not necessarily so distinct from the experience of employees that it invariably requires explanations of entry which differ markedly from those for other jobs. More conventional models of occupational choice can usefully be applied to the decision to move into own-account working. These models tend to see occupational choice as a process of decision-making hedged around by varying degrees of constraint. Some writers argue that for most people the constraints on occupational decision-making are so great that the concept of "choice" is inappropriate and that individuals simply take what is available. (Roberts, 1975). Other writers argue that it is possible to recognise the constraints on choice whilst at the same time taking into account the individual's "construction of reality", and in particular the type and amount of information which is available to him or her. (Haystead, 1974).

The availability of information about small business as an occupation, or what Haystead (1974) calls "the awareness context" would seem to be particularly important with respect to own account working. Until recently the idea of setting up a business would not have figured as a possibility in the occupational decision-making of many people and even now it is probably not seriously considered by any substantial number. The interviews have shown the significance of family connections with small business, and, to a lesser extent, work roles, in introducing the idea of own-account working to the proprietors. It is interesting to note that a number of Sikhs found it hard to answer questions about what gave them the idea of going into business and it might be hypothesised that in a community such as Southall, small enterprise is such a visible part of everyday life that specific role-models are less significant.

The difficulty of some respondents in answering questions about the decision-making process points to a problem with using occupational choice models. There are clearly
difficulties in asking people to recall decisions which they made some years previously. Apart from errors of memory there is the possibility that the motivations which respondents describe are in fact an interpretation or rationalisation of their present situation. Occasional references to childhood dreams of business by the respondents may be a response to a mythology of occupational choice. Comparatively few respondents said that they had hoped to become wealthy through their business; it may be that this motivation is now suppressed in the face of an uncertain standard of living.

It became apparent from examining the interview material that two rather different sorts of accounts of entry to small enterprise were present, sometimes in the same interview. Some respondents explained why they had set up in business in terms of personal aspirations such as independence, success or even fun. Other accounts were essentially narratives. They described sequences of events and their meanings which led up to the point of entry to small business. These two types of accounts are by no means incompatible as explanations of entry to proprietorship. However neither are they directly comparable. Apparent discrepancies between different studies of the petty bourgeoisie may be a result of trying to compare these two different types of explanation. Some research, for example, records frequent references to independence or being one's own boss as motivations for setting up in business. In other research, including this study, factors such as increasing dissatisfaction with work are recorded as being much more significant. These differences probably arise from differences in the research instrument rather than differences in the sample. A formal question of "why did you start-up in business?" probably produces a response in terms of a single motivation, whereas a more conversational approach, such as "How did you come to set up...?" might produce a narrative response (Askham, 1982). In this particular study an attempt was made to develop a conversational relationship and some of the narratives occurred quite late in the
interviews, some time after questions about setting up had been dealt with. The interviews did record references to independence and autonomy, but these were more frequently used to describe the present attractions of running a business rather than the original motivation.

Accounts of the start up process in terms of aspirations are particularly interesting as reflections of the very powerful symbolism surrounding small enterprise. However, they have to be treated with caution for several reasons. In the first place there is the methodological reason indicated above: they may be more an account of what proprietorship currently offers than an initial stimulus to enterprise. In the second place relying on general motivations as an explanation gives too much weight to the individual's freedom of choice in occupational destiny. As Roberts (1975) writes "the notion of individual's ambitions and actual careers gradually moving into harmony is far more an expression of hope than a statement of fact." p139. The third basis for caution arises from the fact that there are several avenues through which aspirations for autonomy or success might be fulfilled: it does not explain why small enterprise was chosen (Casson, 1982). Finally it is an unrealistic account of occupational decision-making: it seems very unlikely that individuals formulate abstract ambitions such as independence or building up something from nothing and then look around for a way of achieving it. It seems more likely that the aspirations and the avenue for achieving them are gradually formulated and recognised within the framework of more concrete life experiences.

Thus the motivational accounts illustrate something of the culture of the petty bourgeoisie but the narrative accounts seem to describe the context in which this symbolism is formulated and transacted. The narrative accounts in these interviews could be divided into three broad categories, indicating three types of "pathways" into proprietorship. These "pathways" correspond very broadly to the three interpretations of the adult life course identified by Levinson (1980). Levinson (1980)
refers in the first place to the evolution of the life-structure through a series of transactions between the self and the world. The 'adaptation' perspective describes the process of adaptation to major life-events. "Marker events" are events which acquire a significance because they appear to punctuate what is in fact a more extended process of change.

The first pathway is a fairly uncomplicated progress into small enterprise, in which the respondent perceived his or her occupational history as a smooth development. Phrases such as "it was a natural thing" or "I had always been keen" were used to describe the events which led the proprietor into his or her present position. A number of narratives of these types were offered by people who had grown up in the context of a family business and never seriously considered anything else. In some cases there had been a brief experiment with some other kind of work, on a rather casual basis, but this had been quickly abandoned. This type of account was given by about a quarter of the sample, more frequently by Sikhs than by whites:

"From a youngster motorcycles were my passion. I started doing motorcycle repairs when I was about twelve... and I've always done."

"Catering has always been part of my life."

"Our family in India used to run some sort of business but not this sort of business. So it was in my mind to go into business. I had it in my mind for a long time."

"I got a craze for a shop. I wasn't in need of buying any business. I got a very good job, it was a pensionable job. But I had a craze to buy a business."

The second type of pathway into proprietorship was described by about half of the sample. In this sort of narrative the proprietor had seen other options, sometimes
including cherished ambitions, close down. A series of contingencies had created a situation where small business had come to be appraised as a relatively attractive way out of an uncomfortable position. In Levinson's (1980) terminology, business was an adaptation. The constraints on decision-making figure prominently in these accounts which were given by whites and Sikhs in similar numbers. Problems with work were most commonly mentioned as precipitating entry to small business.

"The only people in this business are people who have got drawn into it slowly and everybody I know whose in it says 'if I had the choice I'm sure I'd be doing something much more sensible than this': a case of, how can I put it, limited choice... I mean, it didn't start out as a big business venture, it started out as just earning a crust and it progressed from that."
(A one-time musician, now selling musical instruments)

"The last few years I was doing bodyguard work. As you get older your reactions get slower and it was more dangerous. Also, you took a gun off someone and then they had it in for you. I wanted to get out before my reactions slowed and I got hurt".
(Sports shop owner)

This type of narrative included more mundane accounts of dissatisfaction at work and the accounts of Sikhs unable to get the type of job they wanted. It also included those whose education had not fitted them for the kind of occupation they had aspired to. Although the family business had provided a straightforward path into enterprise for some, it was seen as a constraint by others:

"I wanted to be an accountant because I loved the figures but father's health was very poor and I left school, really, to help in the business as soon as possible."
"I've studied in this country. I had future prospects. But despite that, I decided, OK I've got my degree now, but having seen what my father had been through, I couldn't let this run to waste so I joined. I remember the days when my father used to work until midnight... I remember we had tough times."

(Sikh whose father was in poor health)

And one young Sikh owner who had taken over the family fabric business, when asked if he had ever worked elsewhere, simply said:

"I haven't been allowed to."

The third type of pathway into proprietorship was described by only a small proportion of the sample, mostly whites. It was characterised by a sudden and often unexpected change in circumstances which had left the respondent in a position where they had to, or felt they had to, reappraise their work history. Coming out of the forces after the war or sometimes after national service was one such event. The experience of being ordered around seemed to have created an aversion to working for anyone else. Others in this group had been made redundant or in one case sacked. One woman florist had lost her husband at an early age and as a result had gone into a relative's flower shop which she soon took over and one proprietor had come out of prison with no other employment prospects. In all these cases there had been some previous contact with small enterprise so that it was seen as a viable solution to their problems. Levinson's (1980) concept of 'marker events' alerts us to the fact that the significance of these events is highlighted by their context rather than their intrinsic importance.

Thus the occupational choice model offers a view of entry to small business as a series of transactions with both the cultural and the economic environment through which the individual's knowledge of small business is developed,
motivations formulated and alternatives reappraised in the light of various constraints and contingencies. The view of small enterprise as entrepreneurship is less appropriate for this sector of the petty bourgeoisie, and the structural models, whilst valuable in pointing to predisposing factors, do not reveal the variety of personal circumstances which proprietors describe as relevant to their entry to small enterprise. Although no single model can encompass the plethora of factors which lead different individuals into small business, the occupational choice model offers a particularly useful approach to understanding the pathways to proprietorship.

10. Conclusion

The reproduction of the petty bourgeoisie is not simply a product of the economic restructuring which creates the niches for small businesses. It is also a process through which individuals come to take up own-account work. The occupational histories described here represent the traditional pattern of entry to the petty bourgeoisie where the destinations are small service sector enterprises needing no formal qualifications or expertise. The proprietors who gave the interviews contrast sharply with the accounts of well-educated, ambitious individuals with managerial experience who appear in the studies of training courses (Gibb and Ritchie, 1981; Randall and Barrow 1981). Whilst writers such as Casson (1982) would argue that it is the latter group who are likely to become successful business entrepreneurs the other group should not be overlooked. For them own-account work may offer a reasonably satisfactory adaptation to the life-events with which they have been presented. The use of a qualitative analysis of entry to own-account work has provided not just a motivational explanation but also a set of narratives. Both accounts are necessary to understanding the reproduction of the petty bourgeoisie.

Most of the proprietors in this sample have come into own-account work after some sustained informal contact with
the small business sector and often because other alternatives have been tried and found wanting. This is not a pathway to proprietorship which can be replicated through courses or careers services. It does appear, however, that informal networks of business socialisation are not confined to ethnic business communities but are equally available to white proprietors. Formal methods of supporting small enterprise may still have a place, but the small proprietor tends to regard business skills as a matter of experience not training. The myth of the small owner who starts with nothing and builds an empire on the basis of innate business skill is widely recognised as just a myth. Yet the political approval presently given to an idealised image of the small enterprise has probably given greater credence to this symbolism and ironically this makes it more difficult to provide support to the small business sector.
IX Economic Niches of the Petty Bourgeoisie

1. It was argued in a previous chapter that the petty bourgeoisie and their enterprises should be seen as an integral part of the capitalist mode of production and not as a remnant of a previous social formation. However, the niches which are held by small firms under capitalism are often unattractive, peripheral and vulnerable. They occupy markets which are eschewed by larger firms, provide less profitable services and have fewer opportunities for capital accumulation. In the words of Markusen and Teitz (1985) they have a "turbulent" environment. This chapter attempts to relate the structural analysis of the position of small firms to the lived experience of the petty bourgeoisie. It examines the proprietors' perceptions of their niches and looks at the strategies they use in dealing with their environment. The term "niche" refers to more than just a market. It is defined by Barth (1972) as a position held by an entrepreneur (in the social sense) in relation to various resources and constraints. Long (1977) has pointed out that although entrepreneurial decisions are in part a product of the social and economic resources available, it is also necessary for the individual to recognise the existence of opportunities in order to act upon them.

2. Types of Business

The types of business which appeared in the sample were partly an artefact of the sample construction. Manufacturing businesses were excluded from the investigation as were those which required a formal, recognised qualification, such as a dispensing chemist. The sample also reflected the social and economic structure of the neighbourhood from which it was drawn. These businesses were not part of any burgeoning, affluent service sector. The debates over the nature of the tertiary sector and its role in advanced capitalism ascribe to it various characteristics. It is sometimes seen as a sector based on knowledge and information technology, representing the future of industrial society (Bell, 1973). Alternatively it is seen as part
of the development of a leisure society or writers such as Gershuny (1978) see it as inextricably linked with manufacturing in the emergence of new forms of self-provisioning. However these small enterprises reflected none of these trends. Only one, a video-hire library, might be considered part of the communications business and only a small number of concerns were connected with leisure. A few were related to self-provisioning, such as do-it-yourself shops, but these were at the traditional end of the market. Neither did these shops seem to be a response to a demand for an improved quality of life (Boissevain, 1984): they were not serving middle-class markets for health foods or craft products.

Table I shows that out of the eighty two businesses in the sample, sixty three were primarily retail outlets though many of these had a subsidiary service function. Food sales formed the largest retail category, with twelve businesses, of which seven were basic corner-shop grocers and five were more specialist concerns, such as butchers. There were ten clothing or shoe shops, eight newsagents, seven hardware shops of various types and six shops selling goods relating to leisure or hobbies. There were nine other retail outlets which were too diverse to be usefully categorised - a common phenomenon in statistics relating to small businesses.

The nineteen service businesses included fifteen which provided manual, skill-based services such as electrical or motor repairs. Three of these provided catering services and there were, in addition, four non-manual services including two travel agents.

Not only are small enterprises diverse in the goods and services they supply, but there is often diversity within the enterprise. Forty five of the businesses in the sample had side-lines which were distinct from their main line of trade. These included a builders' merchant who sold stamps and a children's wear retailer who acted as a dry-cleaning agent, besides other less unusual diversifi-
### TABLE I

Types of Business

<table>
<thead>
<tr>
<th></th>
<th>Sikh</th>
<th>White</th>
<th>Others</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grocers</td>
<td>6</td>
<td>0</td>
<td>1</td>
<td>7</td>
</tr>
<tr>
<td>Specialist food</td>
<td>1</td>
<td>4</td>
<td>0</td>
<td>5</td>
</tr>
<tr>
<td>Fabric</td>
<td>5</td>
<td>0</td>
<td>2</td>
<td>7</td>
</tr>
<tr>
<td>Ethnic goods</td>
<td>3</td>
<td>0</td>
<td>1</td>
<td>4</td>
</tr>
<tr>
<td>Newsagents</td>
<td>2</td>
<td>0</td>
<td>6</td>
<td>8</td>
</tr>
<tr>
<td>Iron/hardware</td>
<td>2</td>
<td>4</td>
<td>1</td>
<td>7</td>
</tr>
<tr>
<td>Leisure/hobbies</td>
<td>1</td>
<td>4</td>
<td>1</td>
<td>6</td>
</tr>
<tr>
<td>Clothing/shoes</td>
<td>4</td>
<td>5</td>
<td>1</td>
<td>10</td>
</tr>
<tr>
<td>Other retail</td>
<td>1</td>
<td>7</td>
<td>1</td>
<td>9</td>
</tr>
<tr>
<td><strong>Total retail</strong></td>
<td>25</td>
<td>24</td>
<td>14</td>
<td>63</td>
</tr>
<tr>
<td>Catering</td>
<td>1</td>
<td>2</td>
<td>0</td>
<td>3</td>
</tr>
<tr>
<td>Manual service</td>
<td>4</td>
<td>7</td>
<td>1</td>
<td>12</td>
</tr>
<tr>
<td>Non-manual service</td>
<td>3</td>
<td>1</td>
<td>0</td>
<td>4</td>
</tr>
<tr>
<td><strong>Total service</strong></td>
<td>8</td>
<td>10</td>
<td>1</td>
<td>19</td>
</tr>
<tr>
<td><strong>Total sample</strong></td>
<td>33</td>
<td>34</td>
<td>15</td>
<td>82</td>
</tr>
</tbody>
</table>
cations, such as the greengrocer who offered a floristry service. There was not always a distinction between side-lines and other separate businesses. A fabric retailer regarded his sales of musical instruments as a separate business but a men's wear retailer described his sales of protective industrial clothing as a side-line. The distinction is not really important for this study as both demonstrate internal diversity.

Historical studies of the petty bourgeoisie point to their diffuse economic role which involved much more than simply providing goods and services (Alexander, 1970). Nineteenth century shopkeepers, for example, produced some of the goods they sold, broke down others which wholesalers distributed in large quantities, cleaned, packaged and priced goods as well as repairing and refurbishing them. This range of activities seems to have given small proprietors opportunities to act as brokers between the large markets and the localised, particularistic needs of a neighbourhood. It also enabled them to develop their profitability by exercising various craft-like skills as well as commercial ones.

Histories of shopping tend to compare the small nineteenth century shopkeeper with the modern multiples and department stores, and to conclude that the role of the shopkeeper has become narrower and confined to buying and selling. However many contemporary small proprietors have retained a more diffuse role. Observation, as well as the interviews revealed a variety of skills and activities which were undertaken in the small enterprises. There was the craft of the florist, but also racket-stringing in a sports shop, repair of guitars in a music shop, dress design in a fabric store, alterations and repairs carried out in several clothing shops, cleaning and repairing paraffin stoves by an ironmonger and the skills of cutting and preparing food exercised in a butchers' and delicatessen stores. One florist even grew some of the flowers he sold. It is not surprising, then, that Scase and Goffee (1980) observe that small proprietors tend to see themselves as tradesmen.
and artisans rather than businessmen. The proprietors in the sample often commented on the importance of these skills in attracting customers.

Ross and Anderson (1972) use the term "occupational pluralism" to describe activities which are carried out in addition to established role behaviour. This occupational pluralism was important to the small proprietors not simply because it brought in more cash but because it enabled them to overcome, to some extent, the problems of limited and erratic markets. A cycle dealer, for example, pointed out that not only was his trade very seasonal, but that an increasing range of large stores now sold bicycles at low prices. However these stores did not repair cycles and so he had been able to build up this side of his business so that it had become the mainstay of his enterprise. The greengrocer-cum-florist commented that "there's a limit to how many pounds of potatoes you can sell" so he had taught himself the skills of floristry and developed some unique patterns which brought in non-local trade. It was often through this "occupational pluralism" that the individual proprietor was able to adjust his enterprise to a changing social and economic environment. The sample included a family business which had started off as a shoe-repairers with some sales of luggage as a sideline. As the custom for luggage dropped off the business had moved into selling, as well as repairing shoes and had built up a reputation for stocking children's shoes. As it became increasingly difficult to find skilled labour to carry out repairs, and a flood of cheap imports made repairs relatively more expensive, this side of the business was now being run down and the space given over to the sale of handbags. Thus what appeared on the surface as a stable, conservative family business had, by adjusting the balance of main-line and side-lines, been able to adapt successfully to the changing environment.

The formal retail or service activities do not fully account for the diffuse role of the small proprietor. There are, in addition, non-audited transactions such as giving advice and building up personal relations with customers. Although
in a different "sphere of exchange" these activities are often an important part of the trading process. By offering useful advice about equipment and its use the hardware retailer can build up some continuity in custom and develop informal channels for advertising the business. Several of the proprietors recognised that this informal activity helped to compensate for their prices which were higher than those of the multiples. A ladies fashion retailer saw the value of building up a discrete, trusting relationship with women who required unusual fittings which he could supply either by special orders or by making alterations to existing stock. In this way the petty bourgeoisie use cultural knowledge to manipulate social relationships in order to adapt to the structural constraints on small enterprise.

Small enterprises are sometimes considered to have a useful function in the economy because they increase consumer choice and reinforce competition (Mitchell, 1980). It was not altogether clear from this study that small enterprises make a substantial contribution to consumer choice, other than in the prosaic sense that every additional outlet does. The stock of goods which they supplied was for the most part a more limited version of what could be bought in the larger stores and a number of enterprise were in effect duplicating each other. There was some addition to choice through the services which they provided but their main contribution to choice probably lay in their location, away from main shopping centres, their longer opening hours and the personal nature of many of their transactions.

This general account of the economic niches occupied by the businesses in this sample disguises some significant differences between the two main groups. Sikh owners were largely confined to groceries, clothing and businesses which were specifically oriented to the Asian market, in particular, fabrics. About a quarter of the Sikh enterprises were supplying a largely ethnic market. This represents a higher proportion than Mullins (1979) reports from his study of Croydon but this is explained
by the more concentrated Asian settlement pattern in Ealing. All of the groceries in the main sample were run by Sikhs but four of the five leisure and hobby shops were white-owned. There were nine white owners running various specialist retail enterprises compared with only one Sikh. The differences were less marked in the service sector except that whites predominated in the manual, skill-based services. This pattern of a higher level of white diversity has been recorded in other similar studies (McEvoy et al, 1980; Jones, 1981/2). The only unusual feature of the Ealing data is the apparently small percentage of Asian newsagents. This is explained by the nature of the sample which was focused particularly on Sikhs. Sikhs often hold religious proscriptions on the use and handling of tobacco. As most newsagents are also tobacconists they tend to avoid this type of business. In fact all the newsagents in the sample were owned by members of other ethnic minority groups, mostly Gujeratis.

Sikhs, then, were mostly serving ethnic markets or occupying lower order and less profitable niches. The outlets for ethnic goods and services help to maintain the cultural identity of the Sikh community but are not necessarily a secure investment for their owners. Ethnic markets are sheltered from competition with white-owned businesses but may become vulnerable to fierce competition from co-ethnics. Ethnic businesses tend to cluster together in areas of ethnic settlement. The proximity of other, similar businesses can be an advantage as the area becomes a 'comparison' shopping centre (Ward, 1985) attracting shoppers from outside the locality. There is no doubt that Southall has assumed this character. However when the main comparison is price the businesses are thrust into fierce competition with each other, each lowering their margins in the hope of increasing turnover. In addition, a comparison shopping centre needs an infrastructure of transport networks, parking facilities and so forth. However as the multiples and department stores pull out of areas of ethnic settlement the locality tends to suffer from lack of local authority investment of this type. The Sikhs themselves tended
to see the development of Southall into a highly competitive market as a result of "a typically Indian way of trading".

"Indians came here and saw the fabric shops and thought people must be making a lot of money so they all set up in fabrics".

However it is also a function of the limited opportunities for ethnic enterprise.

The ethnic community is also constrained by the spending power of the ethnic community. Werbner (1980) and Jones (1981/2) argue that for Asian business to become soundly established it must break into the white market. However Jones also points out that the cross-cultural niches which are most accessible to ethnic minorities - those where interpersonal contact is fleeting, such as newsagents - are also the ones which are least profitable.

McEvoy et al (1980) and also Mullins (1979) suggest that Asians have tended to take over niches "abandoned" by white business. It is true that it is rare to come across a white-owned corner grocer or newsagent but the Sikhs had also claimed some ethnic markets which were clearly never served by white proprietors. The attraction to Sikhs of shops such as grocers is probably not simply that they can be set up with very little capital, (a grocery can, if necessary, be stocked on credit from a buying chain), but that it also needs comparatively little expertise. The knowledge required to stock a grocer's from a local cash and carry is probably little more than that needed for ordinary household shopping. As customers themselves are familiar with types and brands of goods they do not need skilful serving. In contrast a tool shop, for example, requires a substantial capital outlay and considerable specialist knowledge for both buying and selling. Even the greengrocer needs some special expertise to reduce wastage and buying successfully in the big London fruit and vegetable markets seems to be dependent on informal agree-
ments. Specialist knowledge of this nature has often been transferred to white owners through their families or from previous work experience, whereas the Sikhs are unable to utilise "cultural capital" of this sort in the British environment.

Bonacich (1973) argues that a "sojourner mentality" on the part of immigrants leads to a preference for enterprises which can be easily started up and also easily liquidated. Only one proprietor in the sample said that she had chosen a business which could be quickly sold at a good profit but the specialist nature of many of the white-owned businesses would mean that, should they wish to sell, potential buyers would be more difficult to find.

Wilson and Stanworth (1986) report that Asians have an advantage over Afro-Caribbean firms in that they have more opportunity to buy-up existing businesses. A well developed ethnic market would appear to lend itself to a high percentage of acquisitions rather than start-ups. With an acquisition the new proprietor takes over customer goodwill and can made a better assessment of the likely earnings from the business. The financial risk is less but, as Wilson and Stanworth (1986) point out, the purchase price is higher. However the apparent advantage of the Asians is put into perspective by a comparison with white owners. Table II shows that white owners were nearly twice as likely to have started through an acquisition, often of a family business.

3. Economic Niches of the Small Enterprise

It was argued in earlier chapters that small businesses formed a distinctive economic category not merely on quantitative grounds but on qualitative criteria. Some of these criteria referred to the dependent and peripheral position of small enterprises in the economic system. It was argued that the petty bourgeois enterprise is subject to the vagaries of its environment; that the owner had insufficient economic power to control the markets
### TABLE II

**Start-ups and Acquisitions**

<table>
<thead>
<tr>
<th></th>
<th>Sikhs</th>
<th>Whites</th>
<th>Others</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Start-ups</strong></td>
<td>20</td>
<td>10</td>
<td>5</td>
<td>35</td>
</tr>
<tr>
<td><strong>Acquisitions</strong></td>
<td>13</td>
<td>23</td>
<td>9</td>
<td>46</td>
</tr>
<tr>
<td><strong>Non-response</strong></td>
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<td>1</td>
<td>2</td>
</tr>
<tr>
<td><strong>Total sample</strong></td>
<td>33</td>
<td>34</td>
<td>15</td>
<td>82</td>
</tr>
</tbody>
</table>
and comes to perceive the enterprise as subject to ill-defined and unpredictable contingencies.

The full extent of this dependency will become more apparent in subsequent sections but certain aspects of it emerge from an analysis of the characteristics of the economic niches occupied by these small proprietors. This is set out in Table III. The most commonly mentioned problem with the particular type of business which they ran was the erratic or seasonal nature of their trade. As Scase and Goffee (1980) point out, it is precisely those markets which are variable and where tastes and fashions are rapidly changing which large firms avoid thus creating niches for smaller concerns. Thirty five owners mentioned the variability of demand:

"A regular retail shop know roughly what they will take in a week or a month. It's impossible to say with this, impossible. I might not take anything for two or three days, then you could earn a month's salary in one day. It's no good if you need a regular - if you've got a mortgage to pay off once a month. I wouldn't suggest it."

(antique dealer).

"The women demand the changes. It's the craziest market in the world, it changes so fast. You can get stuck with a lot of stock - it's crazy, this market."

(fabric shop owner).

The second most common problem with their trade was the extent of competition, mentioned by thirty three proprietors. Although some retailers, particularly food shops, complained of competition from supermarkets, most proprietors recognised that it was other small concerns, similar to themselves, who were their main competitors. In some cases it was even more peripheral enterprises which were seen to pose a threat, market-stalls, for example, or people who mend cars in the road in the summer with no overheads. The picture of small concerns, all fiercely
TABLE III

Proprietors' Perceptions Of The Problems Associated With Their Type Of Business

<table>
<thead>
<tr>
<th>Problem</th>
<th>Sikh</th>
<th>White</th>
<th>Others</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Erratic or seasonal demand</td>
<td>16</td>
<td>17</td>
<td>2</td>
<td>35</td>
</tr>
<tr>
<td>Competition</td>
<td>15</td>
<td>13</td>
<td>5</td>
<td>33</td>
</tr>
<tr>
<td>Cashflow/margins</td>
<td>5</td>
<td>7</td>
<td>3</td>
<td>15</td>
</tr>
<tr>
<td>Long or unsocial hours</td>
<td>4</td>
<td>5</td>
<td>5</td>
<td>14</td>
</tr>
<tr>
<td>Location/premises</td>
<td>7</td>
<td>4</td>
<td>0</td>
<td>11</td>
</tr>
<tr>
<td>Complexity</td>
<td>6</td>
<td>3</td>
<td>1</td>
<td>10</td>
</tr>
<tr>
<td>Difficult work</td>
<td>3</td>
<td>5</td>
<td>1</td>
<td>9</td>
</tr>
<tr>
<td>Regulations</td>
<td>5</td>
<td>2</td>
<td>1</td>
<td>8</td>
</tr>
<tr>
<td>Getting supplies</td>
<td>2</td>
<td>5</td>
<td>1</td>
<td>8</td>
</tr>
<tr>
<td>Other *</td>
<td>11</td>
<td>15</td>
<td>7</td>
<td>33</td>
</tr>
<tr>
<td>Non-response</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total responses</td>
<td>74</td>
<td>76</td>
<td>26</td>
<td>176</td>
</tr>
<tr>
<td>Total sample</td>
<td>33</td>
<td>34</td>
<td>15</td>
<td>82</td>
</tr>
</tbody>
</table>

*This category included a wide variety of trade-specific problems
competing with each other was described by one owner:

"A lot of people think if they're the only one cutting the price they'll do a lot of business. But of course we're not all going to stand by and watch somebody take our bread and butter away, so you compete. So therefore you have to come down in price. A lot of shopkeepers go out of business of course, because they're not making enough profit". (owner, model railway shop).

Bechhofer et al (1974a) confirm that small shopkeepers perceive other similar shops as their main competitors, rather than large stores. Golby and Johns (1981) contradict this, saying that small retailers suffer from undercutting by the supermarkets. Their conclusion may be a result of the fact that they included larger 'small businesses' in their sample. It was noticeable, too, that competition, and the response to it was generally seen in terms of price rather than other aspects of the business. The evidence from this study seems to confirm the picture of small firms competing intensely at the periphery of the economy, whereas large firms are able to create oligopolistic environments.

Fifteen respondents mentioned the low margins associated with their trade or insecure cash flows. These relate to the seasonal nature of the business and intense competition. Fourteen owners referred to the long or unsocial hours they were obliged to work. This also reflects the peripheral nature of small business niches, where crucial trade is done outside conventional business hours. Eleven owners mentioned problems with the location of their business. The non-specialist shops were dependent on good quality sites to attract trade and even the more specialist businesses were often tied into the character of the neighbourhood. Changes in the locality were perceived as an uncontrollable influence on the business and reflect the dependent position of the small enterprise:

"The character of the area has changed quite a
lot; old people have either died or move away - young couples have moved in who either haven't got spare cash or their outlay is entirely different. Things which I used to sell to the old people like paraffin and bits and pieces, the young couples have changed over to central heating or have bought gas fires."

"Hanwell has gone down a lot, the big stores like Sainsburys and Tesco have moved out. They used to bring in trade. Now there are insurance agents and dry cleaners and building societies. They don't bring in any trade. The Council made a mistake there." (menswear retailer).

Other factors about their business which the owners perceived as problematic included the complexity of dealing with numerous suppliers and stocking a large number of different lines. Few of them seemed to have any real system of stock control and several were perplexed by the need to fit in with the ordering systems of seemingly countless suppliers. Some trades were seen as "difficult" or involving "aggravation" such as disputes with customers over bills in a cafe or goods returned because they were unsatisfactory. The proprietors commonly seemed bewildered by this constant need to deal with irregular occurrences such as wrong deliveries. Most of them would have rejected the idea of imposing any system on their business just because they experienced it as continually coping with the unexpected.

There was, then, evidence that many small proprietors found themselves in peripheral niches, in terms of their market, their location or in terms of buying from larger concerns. There was often a sense of powerlessness, almost fatalism in the face of these contingencies. This was particularly marked among the older proprietors:

"There were two industrial estates. There again quite a few firms have gone out of business and
redundancies have affected... I used to get, they used to come and buy cleaning materials, but I have lost both the direct customers as well as the people who were working there were mostly locals, they lost their jobs. In this particular parade of shops there are only two shops left. The butchers shop closed down - the lady she died - so there is no custom from that. I don't really know at this juncture which direction to take. The cashflow has again become desperate; the sales figures have gone down from last year. The cost of buying, every time I buy the prices never the same. I have to find money for the same amount of stock and at the same time the overheads. I have been caught in this situation here. I have tried almost everything. I don't really know how to get out of the situation I am in."

It had been anticipated that those proprietors who came into business with a background of higher qualifications would be less likely to enter the most dependent and peripheral sectors of small enterprise. It had been reasoned that they would have both financial resources and personal skills to avoid some of the least attractive niches. However, owners with higher education or professional qualifications seemed, if anything, slightly more likely than other proprietors to mention a high level of competition, erratic demand, or long hours. It would seem that formally recognised qualifications offer no support for avoiding the peripheral niches of small enterprise, although another explanation might be that these owners were less tolerant of their position.

It had also been anticipated that the Sikh proprietors would experience greater disadvantages in their economic niches than white owners. However there was no difference between the two main sub-groups in the number of references to trade-related problems of various types. As Wilson (1983) says of his comparison of black and white businesses in Brent "market-related problems were of over-riding concern
to both groups, surpassing even finance and premises". (p4).

Sikhs were somewhat more likely than white proprietors to mention problems with their premises, ranging from the actual location, to their size, or restrictions in the lease. The difficulties faced by ethnic minorities in respect of premises are well documented. Mullins' (1979) study in Croydon records that forty percent of his Asian respondents would have preferred a different location. This is a higher figure than in Ealing; this probably results from the slightly different way the questions were posed. The business character of Southall, where most multiples have moved out, also means that some Sikhs have been able to acquire prime high street sites. Problems of burglaries and vandalism were occasionally mentioned by Sikhs and this type of difficulty is also recorded in other studies of Asian enterprise (Wilson, 1983). It is not, of course, confined to Asians but they seemed more frequently to express a vulnerability in this respect.

4. Reasons for Choosing the Type of Business

The proprietors were asked why they had chosen their particular line of trade. The question was intended to explore the kind of decision-making that had been involved as well as the proprietors' perceptions of their economic niche. Formal models of economic behaviour see the identification and exploitation of a market as a crucial aspect of business formulation. However Gill (1985)'s study of the start-up process found that few business owners saw themselves as responding to consumer need and few started with a business idea which was either innovative or well worked out. He argued, however, that an appropriate business idea made a more secure foundation for the business. The owners in this sample seemed to be equally lacking in innovation or planned business development. There was very little business decision-making which corresponded with the conventional economic models which stress market identification and profit maximisation. The analysis is set out in Table IV.
<table>
<thead>
<tr>
<th>Reason</th>
<th>Sikhs</th>
<th>Whites</th>
<th>Other</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Family Trade</td>
<td>7</td>
<td>15</td>
<td>2</td>
<td>24</td>
</tr>
<tr>
<td>Personal Know-how</td>
<td>7</td>
<td>8</td>
<td>3</td>
<td>18</td>
</tr>
<tr>
<td>Personal interest</td>
<td>3</td>
<td>9</td>
<td>1</td>
<td>13</td>
</tr>
<tr>
<td>To make money</td>
<td>8</td>
<td>2</td>
<td>3</td>
<td>13</td>
</tr>
<tr>
<td>Simple business</td>
<td>4</td>
<td>3</td>
<td>3</td>
<td>10</td>
</tr>
<tr>
<td>Availability</td>
<td>6</td>
<td>2</td>
<td>1</td>
<td>9</td>
</tr>
<tr>
<td>Secure business</td>
<td>3</td>
<td>4</td>
<td>1</td>
<td>8</td>
</tr>
<tr>
<td>Easy to start up</td>
<td>3</td>
<td>2</td>
<td>1</td>
<td>6</td>
</tr>
<tr>
<td>No reason</td>
<td>2</td>
<td>1</td>
<td>1</td>
<td>4</td>
</tr>
<tr>
<td>Other</td>
<td>7</td>
<td>7</td>
<td>4</td>
<td>18</td>
</tr>
<tr>
<td>Non-response</td>
<td>2</td>
<td>0</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>Total responses</td>
<td>52</td>
<td>53</td>
<td>21</td>
<td>126</td>
</tr>
<tr>
<td>Total sample</td>
<td>33</td>
<td>34</td>
<td>15</td>
<td>82</td>
</tr>
</tbody>
</table>
The single most frequently mentioned reason underlying the choice of a type of business was family influence. In other words there was an "ascribed" element in the decision-making or, to use Weber's (1947) conceptualisation, it was "traditionally orientated" action. Many proprietors were simply carrying on an activity passed down to them by their kin.

The next most commonly mentioned rationale was a specific skill or expertise which the proprietor possessed and used to underpin the business. In some cases this decision-making might also be conceptualised as "traditionally orientated" action, as, for example, when an owner said, "it's all I know. It's all I can do". Scase and Goffee (1980) reported from their study of small-scale enterprises that owners will not develop their businesses into areas where they do not feel "personally competent" and this seems to have a constraining factor among the proprietors in this sample.

However some of those proprietors who based their business on their skill had done so after a more systematic appraisal of the opportunities open to them. In other words their decision corresponded more closely to Weber's (1947) "zweckrational" or rational goal-oriented action. This was also true of the owners who had considered the economic or commercial characteristics of the niche they intended to occupy. Few proprietors had specifically looked for a business which would offer opportunities for growth or expansion or even just high returns. It was more common to choose a line of business where there was little competition or which was perceived as a steady, low risk trade. Some owners felt it was desirable to take up a business which would be simple and undemanding or which had a regular cash flow. There was thus little evidence of a strong entrepreneurial drive but support for the view of the small business owner as essentially conservative in his or her appraisal of opportunities. On the other hand, McClelland and Winter (1971) suggest that successful entrepreneurs do not inevitably aim to maximise profits. They prefer situ-
ations over which they can exert some control rather than ones which are excessively risk-laden. Given the limited resources of many prospective proprietors, the choice of a stable and low risk line of trade is probably a shrewd decision.

Thirteen owners had selected a trade, or sometimes a sideline, which they personally found interesting or satisfying and an end in itself. This might be described as "wertrational" or rational, value-oriented action:

"You get a lot of satisfaction out of floristry. You feel very satisfied when you make a nice arrangement. It's a fascinating business, floristry."

Of course, many respondents mentioned several reasons for their choice, blurring the distinctions between Weber's (1947) types of action. However his work indicates that he did not anticipate finding "pure" examples of his categories in the social world, but regarded them rather as analytic distinctions. More problematic, and more surprising, were the responses from ten proprietors who said that their choice of type of business had been quite fortuitous. They said that the business had just happened to be on the market when they were looking for one, or that it had offered accommodation as well as business premises, or they claimed that they could not recall any particular reason behind their choice:

"that was what was here. If it had been a grocer I'd have been a grocer." (fabric shop owner).

"None, no (reason) at all. Anything I feel like I do it. No special skill or anything like that. People say this business is good, that business is good but I don't think that way." (grocer).

In some cases this type of response was part of a more general attitude that all you need to be successful in
business is hard work and thus other factors are unimportant:

"at that time I was desperate to get into any sort of business to earn something. I was quite confident that I could enter any business that I happened to get." (hardware retailer).

There were some distinct differences between the two main sub-samples in terms of the reasons for their choice of business. White proprietors were much more likely to mention the family as a significant influence. It might have been anticipated that a higher proportion of Sikhs would have made "traditional" choices, but for them the commercial characteristics of a business were more important. The continuity of family businesses had, of course, been broken by the migration of the Sikhs and it seems that they did not feel they could appropriately establish the same type of business in Britain.

There were no differences between the two groups in the number of proprietors who mentioned a specific expertise in guiding their choice, but Sikhs were more concerned to find opportunities for high returns:

"we wanted something that we could scent success as far as the earnings were concerned."

The Sikhs were also more concerned to avoid competition. It would seem that the significant features of Sikh business attitudes are not so much the entrepreneurial drive which is sometimes attributed to Asian businessmen, but the emphasis on commercial rather than personal considerations: few Sikhs had chosen a business because of its interest, for example. Paradoxically the Sikhs seemed more able than white owners to disengage business decisions from diffuse social and personal factors.

Despite their presence in some ethnically-oriented businesses Sikhs rarely mentioned their cultural ties as a fac-
tor predisposing them to a choice of this market. This may have been a tacit assumption in the interviews with, for example, fabric retailers. One of these proprietors explained that he had tried to enter the English fashion business but, being unable to judge the buying accurately, had resumed selling saris. There were only occasional references to identifying an ethnic market but there was an interesting example of a Sikh grocer who deliberately catered for the elderly white population in his locality because he recognised that most other food shops were inappropriate to their needs.

It is interesting to note that questions about their choice of business often prompted comparisons with the sale of food, particularly from Sikhs. The imagery of the small businessman seems to accord a special place to the sale of food which is seen as an essential commodity and therefore assuring good sales:

"These days nothing is certain in any sort of business except food, because people have got to eat. No matter what happens the food business will carry on."

"If there is no money people prefer to buy food rather than clothes."

Among white owners, though, the sale of food was seen as a simple but low profit activity which needed a lot of hard work:

"Unlike the greengrocer's you don't have to open at half past eight."

5. Business Strategies

Bechhofer and Elliott (1981) argue that the persistence of the petty bourgeoisie is dependent on its capacity, as a stratum, to adapt to a changing environment. Although individual proprietors may not be very flexible the re-
production of the stratum requires an inflow of enterprises which are a response to new economic or social conditions. Bechhofer and his associates have often stressed the conservative and traditional outlook of small shopkeepers and it is true that, compared with other types and sizes of business, they do appear cautious and resistant to change. But this view perhaps ascribes to other sectors of the economy a higher level of change and risk-bearing than is in fact the case. Many giant companies have succeeded not through risk-taking but through controlling their environment.

Markusen and Teitz (1985) suggest that there are three strategies which small firms may use to respond to the uncertainty of their environment. These are branching: setting up another branch as security against changes in the environment; product diversification: producing or selling at different stages of the product; product differentiation: exploiting specialised markets.

Twenty eight proprietors owned other businesses and about half of these were separate branches but the same line of trade, whilst the rest were different businesses altogether. There was no real difference between the whites and the Sikhs in this respect, although there was perhaps a slight tendency for the Sikhs to start other businesses of a different type. About one third of the Sikhs owned another business, a figure which corresponds quite closely to Aldrich et al (1984).

If their business histories, which were examined in the previous section, are also taken into account, then it begins to seem that Sikhs are just as likely as whites, if not more so, to diversify and to move in and out of various types of business. The conventional distinctions among retail outlets, such as hardware, food, confectionery, seemed to exercise more influence over the white owners than the Asians. Whereas white proprietors seemed to feel there was an ethical code which governed their choices and inhibited them from "poaching" on other proprietors'
trade, the Sikhs did not perceive any need to restrict their lines of trade in this way. This caused considerable resentment among white owners who saw "Indians" as flouting the unwritten rules of shopkeeping:

"It's not like in the old days; now shops sell everything; they all want to be supermarkets. It's the Indians. They buy up shops and change them into a bit of everything."

"They've always been these lines because other lines I want to stock are sold by other local shops. I don't look at it that I should sell pots and pans. I've got a forecourt where I could sell gardening stuff, but there's a gardening shop up the road."

The changes and adaptations made by the individual proprietors tended to be gradual and small-scale and constrained by their limited resources. However ten proprietors had at some time changed their whole line of trade, more commonly in response to lack of success than as a growth strategy. One had changed from soft-furnishings which he had inherited from his father to model railways which he found interesting. Another had changed out of electrical goods, which were not doing very well, to a travel agency.

Diversification was more common than specialisation, but several owners seemed to have no particular direction to their changes. They indicated that they frequently adapted the lines which they stocked in response to what they perceived as customer demand. Forty six proprietors said that they had altered their property in some way, This is probably a reflection of the difficulties which small proprietors have in finding suitable business accommodation. Small business premises are not seen as attractive propositions by local councils or property developers, and so the owners have to make adaptations to the property they acquire to make it suitable for their trade. It often
seems that they prefer to use their own labour to reconstruct and decorate the premises, thus demonstrating another of the non-commercial skills of the small proprietor. However, the slow process of refurbishing the premises this way can deter customers, as several owners indicated.

The Sikh owners mentioned alterations to the premises more often than the whites. This is probably partly a result of their special difficulties in obtaining suitable premises (Cater, 1984) but also because they were more active in starting up rather than taking over businesses. Other than this there were no clear differences between the two main sub-groups in the number of type of changes they reported.

The question about changes which they had made in the business sometimes prompted a reply about changes which had taken place around them, in the nature of shopkeeping. Elderly white proprietors in particular seemed to hold a romantic view of a better past when the small proprietor was able to pursue a specialist trade, making a steady but acceptable income and forming personal relations with customers:

"I think there were advantages that we're losing now. You were well-known by a family that always returned and always came back. People have got the habit of saying "my jeweller" but of course the loyalty isn't around like it used to be."

"Everybody's got a camera now. They want cheap plastic things without any character to them. Look at that record player. That's a really good player, beautiful, the best ever made those were, but I can't sell it now. Nobody wants it if it's not all plastic and glossy."

These owners were lamenting, it seems, a loss of status, and their dependence on change in buying habits which robbed them of their special expertise.
6. Conclusion

The analysis of the interview data is now beginning to indicate the relationship between the attitudes and skills of the small proprietors and the opportunities and constraints of the environment in which they operate. Both sets of factors shape the petty bourgeois stratum. The niches which these proprietors occupy are typical of the periphery of the market economy. They are subject to fluctuations in trade, intensely competitive, dependent on the character of the neighbourhood or the policies of suppliers. Discontinuity and risk-bearing are forced upon the small proprietor, and the environment is experienced as uncertain and uncontrollable. However the proprietors do not respond to this by developing systems or by purposeful planning. Their choice of line of trade was determined by personal factors and by contingencies rather than market research. The changes they made in their businesses were often small-scale adaptions to problems thrust upon them rather than the deliberate pursuit of growth. The proprietors' preference for non-bureaucratic, independent work situations, together with their limited resources, reinforced the uncertainty of their environment.

The Sikhs appeared to have clearer commercial ambitions but lacked the resources with which to realise them. Whilst sometimes showing a startling disregard for the characteristics of particular trades they were in practice confined to a comparatively narrow range of businesses. Thus they were either operating within the constraints of the ethnic markets, and competing against each other, or moving into the simplest, but most peripheral sectors of wider markets. The prejudices of the host society and their lack of relevant craft-like skills seem to prevent them entering more specialist and diffuse niches which offer more scope for business skills. Curiously it seems to be the white proprietors' control of cultural resources which acts to their economic advantage, by allowing them to take up more specialist trades and trades where the manipulation of relationships with customers is particularly
advantageous. White owners were more able to respond to structural constraints by acting as social entrepreneurs, in Barth's (1972) sense of the term. Sikhs were more commonly operating in trades where service is more impersonal or in ethnic markets where cultural know-how is no longer the basis of differentiation but has forced Sikhs into intense competition with each other.
X Finance and the Small Enterprise

1. Raising capital is often seen as a major problem for small firms. The Bolton Report (1971) attributed this to the small business owner’s lack of information and expertise in searching for and securing finance. The Wilson Report (1983) perceived a structural problem when it commented on the disadvantageous position of small firms in the money market. The banks have been criticised for excessive caution in their lending to small firms (Bannock 1981) and in particular to certain ethnic minorities (Home Affairs Committee 1980). However, much of this commentary takes the perspective of the lending institutions rather than that of the small business owner. The analysis stems from economic models which regard the small firm as a weak competitor in the markets for money and expertise. Perspectives which treat the small business owner as a social actor shed a different light on the process of financial decision-making. Although some prospective proprietors anticipate difficulty in raising finance (Randall and Barrow, 1981) there is not a great deal of evidence that this is invariably a problem in practice.

The small proprietors in this sample were invited to talk about their sources of funding, their attitudes to profit and their expectations of growth. The commentary on small business finance had led to the hypothesis that small business owners would make extensive use of informal sources of finance at the start-up stage but it was anticipated that formal financial institutions would be more willing to lend once a track record had been established. Owners were asked whether they drew a regular income from the business and whether they thought it desirable to retain profits in the business or use them to supplement their income. The responses were intended to contribute to a picture of the extent of systematic business practice and to an understanding of the small owner’s attitudes to business growth. The peripheral economic position of the small firm had led to the expectation that income would be irregular and capital accumulation difficult. Other studies have
indicated that small owners hold ambivalent attitudes to growth and are often reluctant to expand. (Bechofer et al, 1974; Scase and Coffee, 1980; McEldowney, 1985). The owners were not asked for qualitative financial data because this might have undermined the relaxed nature of the interview which was primarily concerned with attitudes and perceptions. However, the owners were asked whether their turnover had increased or decreased over the last two years. This made it possible to ascertain the extent to which they were "small-but-growing" businesses as opposed to "small-and-declining".

It was hypothesised that Sikh businesses would be more likely to be growing rather than declining because Asian business is commonly represented as a buoyant sector. However, empirical studies have sounded a note of caution in this respect (Jones, 1981/2). It was anticipated that the Sikhs would make extensive use of informal sources of finance. The capacity of ethnic communities to generate cheap and generous supplies of capital is often regarded as one of the main supports of ethnic enterprise (Auster and Aldrich, 1984; Mars and Ward, 1984). It was hypothesised that, as a "sojourner" community, the Sikhs would be more oriented to growth than consumption (Bonacich, 1973).

2. Business Form

Of the eighty-two businesses in the sample, thirty-six were sole traders and thirty-two were partnerships. There was little difference between the Sikh and white-owned enterprises in this respect. However, of the fourteen limited companies, ten were white-owned. It is hard to explain this preference for the more complex form of ownership except that some of the more specialist concerns may have felt they were bearing sufficient risk to warrant it. The limited company structure is generally seen as more appropriate for businesses where the owner is able to draw a fairly high income so this may have been an indication that the white-owned businesses were more secure financially.
Both Sikh and white-owned businesses were characterised by extensive family involvement in the partnership arrangements. The family members were usually spouses but Sikh businesses were occasionally formed by partnerships between brothers. Partners and directors were normally actively involved in the business.

3. Start-up Capital

The emphasis in small firm policy on securing capital for small businesses from formal institutions (Beesley and Wilson 1984) presumes that these sources are appropriate for the small enterprise. The banks have special expertise in assessing risk and have an interest in building up a long-term and profitable relationship with the small owner (Bannock 1981). However, Storey (1982) points out that his research did not support the view that the banks are well-placed to filter out the potential failures and back the more successful enterprises. Casson (1982) suggests that the family, with their close personal knowledge of the would-be proprietor are in a good position to both assess risk and keep an eye on the use of their loan.

Table I shows that the most common source of start-up capital in this sample was the bank, closely followed by personal savings. Seventeen owners said that their family had put money into the business and twelve had used money from another concern. Nine said that they had help from friends and only four had used redundancy payments. Storey (1982) indicates that younger entrepreneurs are more likely to use family resources whilst the person who starts up in business in later life is more likely to be able to use his or her own savings. However, there was no distinct pattern in this sample except that owners who were under thirty at start-up had been especially dependent on family or friends.

Allen et al (1977), working in Bradford in the 1960s found that Asian businesses were largely financed from informal sources within the ethnic community. Bechhofer et al (1974a),
TABLE I

Sources of Start-up Capital

<table>
<thead>
<tr>
<th>Source</th>
<th>Sikhs</th>
<th>Whites</th>
<th>Others</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank</td>
<td>20</td>
<td>7</td>
<td>11</td>
<td>38</td>
</tr>
<tr>
<td>Personal savings</td>
<td>15</td>
<td>11</td>
<td>6</td>
<td>32</td>
</tr>
<tr>
<td>Family</td>
<td>10</td>
<td>4</td>
<td>3</td>
<td>17</td>
</tr>
<tr>
<td>Other business</td>
<td>4</td>
<td>5</td>
<td>3</td>
<td>12</td>
</tr>
<tr>
<td>Friends</td>
<td>6</td>
<td>1</td>
<td>2</td>
<td>9</td>
</tr>
<tr>
<td>Redundancy</td>
<td>2</td>
<td>1</td>
<td>1</td>
<td>4</td>
</tr>
<tr>
<td>Other</td>
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<td>0</td>
<td>4</td>
</tr>
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<td>16</td>
</tr>
<tr>
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<td>3</td>
<td>2</td>
<td>5</td>
</tr>
<tr>
<td>Total responses</td>
<td>60</td>
<td>30</td>
<td>26</td>
<td>11</td>
</tr>
<tr>
<td>Total sample</td>
<td>33</td>
<td>34</td>
<td>15</td>
<td>82</td>
</tr>
</tbody>
</table>
using data from Edinburgh shopkeepers, also collected in
the sixties, found that personal savings were their main
source of start-up capital. The extensive use of bank
funding reported in this study was therefore unanticipated
and even more surprising was that the Sikhs had used bank
loans almost twice as often as white owners. Jones (1981/2)
however, reports a comparable pattern which he too finds
surprising: "With regard to sources of starting capital
the much greater Asian reliance upon the formal channels
of banking is a flat contradiction to the predicted pattern.")
(p470). It would seem that over time the banks have become
more adaptable to the needs of small business, and consumer
attitudes to borrowing and the use of credit have almost
certainly become more favourable. Asians have a reputation
as astute businessmen and there is evidence that bank mana­
gers see lending to Asians as a sound proposition (Home
reports that Asians often deal with financial intermediaries
from the ethnic community who have developed a particular
expertise in putting a case for a loan. Very few Sikhs in
the Ealing sample reported any difficulty in getting a loan
and several commented on their good relationship with their
bank manager.

Although some Sikhs used Indian banks the majority dealt
with the main clearing banks. Some expressed a reluctance
to deal with Indian banks, saying that they had a particu­
larly long drawn-out process of handling loans and should
only be used as a last resort. Sikhs tended to make more
use of funds from family and friends than whites, but the
big discrepancy in the raw figures is mitigated by the fact
that the question of start-up funds was irrelevant to a
larger number of whites, usually because they had inherited
the business. Other studies (Brooks 1983; Wilson 1983;
Aldrich 1980) report a similar pattern but Aldrich et al
(1984), suggest that the actual amount raised from Asian
families is small. Individual Sikhs were noticeably more
likely than whites to combine several sources of funds to
make up their start-up capital. This might be taken to
indicate a more entrepreneurial attitude to exploiting a
range of borrowing opportunities. However, Storey (1982) suggests that there may be a link between multiple sources of funding and low-growth enterprises. Whether or not this is the case, it does appear that the Sikhs have developed a considerable competence in relationships for securing finance and this knowledge and skill may become a valuable resource within the ethnic community (Werbner, 1980), helping to give the community a greater capacity for enterprise than, for example, groups such as West Indians (Home Affairs Committee 1980).

4. Further Finance

Table II shows that once the business was established the white owners seem to have made more use of bank borrowing. This may have been because, as hypothesised, banks are more willing to lend at this stage or it may have been that their attitudes to borrowing changed as they became more experienced in running the business. The Sikhs, however, were more likely to use some form of development finance than white owners. In the sample as a whole twenty owners said that they had had no need of further finance. Some of these had been able to generate funds from within the enterprise and some felt that borrowing was undesirable:

"I would not want to borrow from the bank, They lend too easily. The rates fluctuate so you don't really know what you are taking on. You could find yourself in a lot of trouble. I have put some of my own money in when I have been expanding the stock."

(white car spares dealer.)

There were also some businesses such as the greengrocers where everything is paid for in cash and there is no advance stocking-up so there is little need for even an overdraft. Only one owner had continued to seek support from his family once the business was established but five Sikhs had borrowed from friends.
<table>
<thead>
<tr>
<th>Sources of Further Finance</th>
<th>Sikhs</th>
<th>Whites</th>
<th>Rest</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>No need</td>
<td>7</td>
<td>12</td>
<td>1</td>
<td>20</td>
</tr>
<tr>
<td>Bank</td>
<td>21</td>
<td>14</td>
<td>10</td>
<td>45</td>
</tr>
<tr>
<td>Friends</td>
<td>5</td>
<td>0</td>
<td>0</td>
<td>5</td>
</tr>
<tr>
<td>Personal savings</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>Family</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Other</td>
<td>5</td>
<td>1</td>
<td>2</td>
<td>8</td>
</tr>
<tr>
<td>N.A.</td>
<td>2</td>
<td>1</td>
<td>0</td>
<td>3</td>
</tr>
<tr>
<td>N.R.</td>
<td>0</td>
<td>5</td>
<td>3</td>
<td>8</td>
</tr>
<tr>
<td>Total responses</td>
<td>40</td>
<td>28</td>
<td>15</td>
<td>83</td>
</tr>
<tr>
<td>Total sample</td>
<td>33</td>
<td>34</td>
<td>15</td>
<td>82</td>
</tr>
</tbody>
</table>
Golby and Johns (1971) comment on the very cautious attitude to borrowing which they found among small proprietors. They suggest that borrowing represents a loss of independence and is therefore eschewed. Ten years later the practice of borrowing seems to be accepted more willingly. Some owners recognised that it was a valuable business strategy but this had not always been their attitude:

"But from a number of years we always understood that getting the overdraft for £200 from the bank was a failure. So till you mature and start assessing yourself as a potential customer to the bank. So you don't ask you won't get it." (Sikh travel agent.)

"I borrow money from the bank and keep putting in the business because I really like to do things the proper way." (Sikh newsagent/grocer.)

On the other hand, there was a small number of owners, all Sikhs, who expressed a reluctance to borrow which was couched in almost moral terms. They saw borrowing as only a last resort:

"You should not spend what is not in your pocket. It is not a good idea. But if you are really short then you have no choice." (Sikh jeweller.)

"Be honest, all honest all the time. Take that much amount which you can return. So people they respect you... I want to live with respect. I don't want too much money." (Sikh owner of ladies wear shop.)

5. The Owner's Income

The proprietors were asked whether they took a regular income from the business or whether they simply took
money as they needed it. There was a particularly poor response to this question which may have been seen as an intrusion into their private affairs. It can be seen from Table III that thirty-three owners paid themselves regularly from the business, almost invariably on a weekly basis. Twenty-eight took out money when they needed it or when they thought the business was healthy enough to allow it. The extent of regular drawing was greater than anticipated, but Bechhofer et al (1974a) also report this pattern. Although small owners may have limited resources and are vulnerable to market forces it seems that, as property owners, they can achieve some control over their own earnings even if they are not drawing an especially high income. There was a tendency for white owners to prefer regular payments which may have reflected the fact that their businesses were, on average, older and therefore more likely to yield a predictable sum. It may also, though, reflect a different attitude to trading on the part of the two groups. The white owners preference for regular payments seems consistent with a cautious attitude to business and a desire for security in the sense of a dependable income, whereas the Sikhs seemed more able to tolerate the uncertainty and discontinuity associated with small business. The ability to draw on income from joint families may also make a regular income from the business less significant to them.

Scase and Goffee (1980) point out that small owners are sometimes able to use the business to finance certain material items to improve their standard of living. Several owners in this sample took advantage of tax regulations and wholesale buying to augment their earnings and it is very likely that occasional sums of money were taken from the business on an ad hoc basis (Bechhofer et al, 1974a).

Bechhofer et al (1974a) found that eighteen percent of their sample were using income from wage-employment to support the business. In this sample only nine businesses (ten percent) were operating with this kind of external assistance.
TABLE III

Self-payment

<table>
<thead>
<tr>
<th>Basis of payment</th>
<th>Sikhs</th>
<th>Whites</th>
<th>Others</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regularly</td>
<td>9</td>
<td>17</td>
<td>7</td>
<td>33</td>
</tr>
<tr>
<td>Irregularly</td>
<td>15</td>
<td>11</td>
<td>2</td>
<td>28</td>
</tr>
<tr>
<td>Non-response</td>
<td>9</td>
<td>6</td>
<td>6</td>
<td>21</td>
</tr>
<tr>
<td>Total sample</td>
<td>33</td>
<td>34</td>
<td>15</td>
<td>82</td>
</tr>
</tbody>
</table>
These were all quite young businesses and the owners generally saw this arrangement as temporary:

"what we are doing, we are subsidising by means of our families and making a living out of it, which isn't really true business."
(Sikh haberdasher.)

However, four owners saw the business as a permanent supplement to their wage-earnings. They had jobs with irregular shifts and, with the help of their family, they were able to both run a shop and maintain a full-time job.

6. Use of Profit

The proprietors generally felt that it was desirable to plough money back into the business rather than use it to improve their standard of living. This is shown in Table IV. Other studies have found a similar emphasis on retaining money in the business (Storey 1982). The strategy was frequently described in terms of deferred gratification:

"Obviously you have got to plough profits back in. It's no good having a good standard of living and then suddenly being without anything. Better to have a bad standard of living for five years and a secure future."
(White guitar shop owner.)

"Ploughing back is a factor which I think after a few years everybody would like to do. You want to see your business grow. You are gambling a little more and putting in a little more, which is definitely at the cost of other things."
(Sikh travel agent.)

"Both really. Let's be honest. Anybody wants their standard of living to go up but at the
<table>
<thead>
<tr>
<th>Use of Profits</th>
<th>Sikhs</th>
<th>Whites</th>
<th>Others</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ploughed back</td>
<td>13</td>
<td>12</td>
<td>6</td>
<td>31</td>
</tr>
<tr>
<td>Improved income</td>
<td>3</td>
<td>10</td>
<td>1</td>
<td>14</td>
</tr>
<tr>
<td>Both</td>
<td>4</td>
<td>5</td>
<td>0</td>
<td>9</td>
</tr>
<tr>
<td>Not applicable *</td>
<td>7</td>
<td>0</td>
<td>1</td>
<td>8</td>
</tr>
<tr>
<td>Non-response</td>
<td>6</td>
<td>7</td>
<td>7</td>
<td>20</td>
</tr>
<tr>
<td>Total sample</td>
<td>33</td>
<td>34</td>
<td>15</td>
<td>82</td>
</tr>
</tbody>
</table>

* generally because the business was not making profits
same time if you want a business, you want it to be, shall we say, getting better and better, worth more. One suffers to do the other. But if you don't do the one you don't get the other." (white electrical business owner.)

Although two of these quotations indicate that the owners were aiming for business growth, comparatively few seemed to regard ploughing back as a means of substantial expansion. It was commonly seen as a method of gaining some security, as the first quotation indicates or as in the case of the owner who simply said "your business is your pension." In some instances, owners referred to unforeseen contingencies, such as the need to increase the security of the premises for insurance purposes which forced them to retain profits which they might otherwise have taken out.

Bonacich (1973) describes thrift and a future time orientation as characteristic of a sojourner mentality and she argues that this predisposes certain ethnic minorities to adopt the middleman, trader role. The table indicates that a higher proportion of Sikhs who answered the question were indeed ploughing back profits into their enterprise whilst there was a slightly greater tendency for white owners to aim for a high standard of living. The fact that the white owners included a number who were nearing retirement should be taken into account when interpreting this data but it does offer some support for the view that the Sikhs had a greater interest in capital accumulation.

7. Past Performance

At first sight Table V seems to show that the number of businesses reporting an improved turnover (taking inflation into account) was greater than those in decline. However, the difference is almost entirely taken up by those enterprises which fell outside the two main sub-samples. These were generally bigger concerns. The rest of the businesses were fairly equally divided between those which seemed to be
# TABLE V

## Proprietors' Estimate of Past Turnover

<table>
<thead>
<tr>
<th></th>
<th>Sikhs</th>
<th>Whites</th>
<th>Others</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Up</strong></td>
<td>10</td>
<td>14</td>
<td>10</td>
<td>34</td>
</tr>
<tr>
<td><strong>Stable</strong></td>
<td>3</td>
<td>6</td>
<td>3</td>
<td>12</td>
</tr>
<tr>
<td><strong>Erratic</strong></td>
<td>5</td>
<td>1</td>
<td>2</td>
<td>8</td>
</tr>
<tr>
<td><strong>Down</strong></td>
<td>10</td>
<td>13</td>
<td>0</td>
<td>23</td>
</tr>
<tr>
<td><strong>Not applicable</strong></td>
<td>3*</td>
<td>0</td>
<td>0</td>
<td>3</td>
</tr>
<tr>
<td><strong>Non-response</strong></td>
<td>2</td>
<td>0</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td><strong>Total sample</strong></td>
<td>33</td>
<td>34</td>
<td>15</td>
<td>82</td>
</tr>
</tbody>
</table>

* Businesses which were recently set up
growing and those in decline, reflecting the common image of this sector of the economy as both the seed-bed for new enterprise and the graveyard of those which have run their useful course. Despite the popular image of dynamic Asian enterprise, there was little difference on this dimension between Sikh and white-owned businesses. Neither the age of the business nor the age of the owner was related to the trend in turnover. It was not possible to identify any distinctive factor accounting for growth except a slight tendency for those businesses reporting an improved turnover to be of a fairly specialist nature.

8. The Business Outlook

Considering that Britain is in the grip of an economic recession and that many of these enterprises were in a declining sector, namely retail distribution, the owners were surprisingly optimistic about the prospects of their business. Other studies also report this attitude (Wilson, 1983; Economists Advisory Group, 1983). The owners may have been influenced to some extent by some discussion in the media at the time of an expected upturn in the economy, but this was not explicitly mentioned. Table VI shows that there was little difference between Sikhs and whites in their answers but there was, as would be expected, quite a close correlation between those who had experienced an improved turnover and those who anticipated future growth. The Wilson Report (1983) commented that the most important influence on the successful operation of small firms is the general fiscal and economic environment. These proprietors would have agreed with the latter point but tax was rarely mentioned in this context. Those who were pessimistic about the future of their business tended to attribute this to the economic recession or to local competition. McEldowney (1985) indicates that small proprietors in his sample took a similar view of the problems which beset their business. The Ealing proprietors tended to see wider social and economic trends through a perspective acquired in the course of running their business. Not only was their assessment of the future closely related to past performance of the busi-
TABLE VI

Proprietors' Views of the Prospects for the Enterprise

<table>
<thead>
<tr>
<th></th>
<th>Sikh</th>
<th>White</th>
<th>Others</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expected improvement</td>
<td>10</td>
<td>10</td>
<td>3</td>
<td>23</td>
</tr>
<tr>
<td>Stable/satisfactory</td>
<td>5</td>
<td>6</td>
<td>7</td>
<td>18</td>
</tr>
<tr>
<td>Expected deterioration</td>
<td>9</td>
<td>13</td>
<td>1</td>
<td>23</td>
</tr>
<tr>
<td>Don't know</td>
<td>7</td>
<td>3</td>
<td>4</td>
<td>14</td>
</tr>
<tr>
<td>Non-response</td>
<td>2</td>
<td>2</td>
<td>0</td>
<td>4</td>
</tr>
<tr>
<td>Total sample</td>
<td>33</td>
<td>34</td>
<td>15</td>
<td>82</td>
</tr>
</tbody>
</table>
ness but the type of custom they attracted conditioned their view of society:

"There's real hardship around today, all the unemployment." (white butcher in one of the poorer parts of Southall. I observed him selling a bag of scraps at closing time.)

"I don't think people now save up for anything. I mean, credit is so easy. People generally are pretty affluent I think. We're all pretty well off." (white cycle dealer in more affluent part of the sample area.)

An antiques dealer was more reflective about his view of social conditions:

"You are aiming at a generally middle-class client who isn't affected by the recession so much. Let's face it, the middle class and the wealthy are wealthier now than they were ten years ago. You are catering for a relatively well-heeled section of the local population."

9. Conclusion

Although they operate on the periphery of the dominant economy small owners are able to use formal institutions to resource their enterprises. This is interpreted in small business policy documents as desirable for the health of the business. However the attitudes of the banks are not altruistic: they have recognised in small businesses a source of profitable custom (Bannock, 1981). It is beyond the scope of this study, but it would be interesting to investigate the relationship between the banks and small firms and to explore the extent to which each benefited from their transactions. Such a study would need to take into account the fact that small proprietors commonly have the option of drawing on informal sources of finance. The informal sources of finance are not only available to ethnic owners, as is sometimes implied, but also to white proprietors. In
this sample some Sikhs were using multiple sources of finance and although this might be interpreted as evidence of their entrepreneurial flair it might also reflect problems of access to sufficient resources. In the past, borrowing money was often frowned upon by the less affluent sectors of society who saw it as a sign of poor financial management. Today the market economy and its credit system seem to have penetrated this most prudent stratum and there were only occasional expressions of disapproval of borrowing.

Income and capital accumulation are closely related to the class structure. The petty bourgeoisie may not enjoy an exceptionally high income but a substantial proportion of the sample had at least a regular income. More significantly, they were able to make some savings through the business. However this form of saving is probably less secure than the more conventional middle class methods.
XI Buying and Selling

1. Small service businesses exist on the fringes of the distribution system. Although from the point of view of their customers they may act as significant outlets and although it could be argued that they have much closer contact with consumer preferences than larger concerns, they are generally regarded as insignificant from the point of view of their suppliers. Large firms prefer to make a few substantial deliveries to an outlet rather than deal with small, erratic orders for widely dispersed enterprises. However, astute buying is necessary for successful retailing and a small service business needs to ensure a dependable supply of materials and parts to maintain its quality of service. This chapter analyses the proprietors' answers to questions about their choice of suppliers. It had been anticipated that problems with suppliers would be widely reported on account of the small business owner's lack of influence in the distribution system. It had also originally been anticipated that Sikhs would show a more "traditional" pattern of decision-making but the data already analysed has cast doubt on the assumptions underlying this hypothesis. The second part of this chapter turns to the process of attracting custom and selling goods and services.

2. Types of Suppliers Used

The overall picture of the type of suppliers used was broadly similar to that of Dawson and Kirby (1979) in their survey of small shopkeepers and is set out in Table I. The most commonly used supplier was the wholesaler and there was no real difference between the Sikhs and the white owners in this respect. Manufacturers and cash 'n carry were the next most popular suppliers, with Sikhs particularly dependent on the latter. The proprietors who fell outside the main sub-samples made the greatest use of cash 'n carries. This can be explained by the high number of newsagents and confectioners in this group. Occasional comments and observation suggested that the cash 'n carry was used in a rather ad hoc fashion. Its accessibility meant that the proprietors had no need to plan ahead but
TABLE I

Type of Suppliers Used

<table>
<thead>
<tr>
<th></th>
<th>Sikhs</th>
<th>Whites</th>
<th>Others</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wholesalers</td>
<td>27</td>
<td>30</td>
<td>12</td>
<td>69</td>
</tr>
<tr>
<td>Manufacturers</td>
<td>16</td>
<td>17</td>
<td>5</td>
<td>38</td>
</tr>
<tr>
<td>Cash 'n Carry</td>
<td>12</td>
<td>6</td>
<td>8</td>
<td>26</td>
</tr>
<tr>
<td>Buying group</td>
<td>1</td>
<td>4</td>
<td>5</td>
<td>10</td>
</tr>
<tr>
<td>Other</td>
<td>4</td>
<td>1</td>
<td>2</td>
<td>7</td>
</tr>
<tr>
<td>Non-response</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total responses</td>
<td>60</td>
<td>58</td>
<td>32</td>
<td>150</td>
</tr>
<tr>
<td>Total sample</td>
<td>33</td>
<td>34</td>
<td>15</td>
<td>82</td>
</tr>
</tbody>
</table>
could collect supplies as they were needed. Although this meant they did not have to hold unnecessarily large stocks it seemed to discourage a buying plan whilst the frequent journeys must have been quite costly. Dawson and Kirby (1979) report that larger retailers were less likely to use cash 'n carries. In this study there were insufficient larger shops to make comparisons but cash 'n carries were not confined to partnerships, as Dawson and Kirby (1979) suggest.

Only ten owners had joined any form of buying group. One of these was a Sikh, who belonged to a major grocery buying chain. The others belonged to small, often quite informal groups. The line of trade seemed less relevant to this kind of arrangement than informal contacts with other business owners. Bechhofer et al (1974) report that few of the small shopkeepers in their survey belonged to buying chains and they attribute this partly to lack of information and partly to discrimination against very small shops by the chains. A respondent in this sample suggested another, albeit related reason. He said that he had once belonged to a buying group but found that he could not maintain the regular payments they required. The erratic cash-flow of small traders may therefore also help to explain their low involvement in chains.

3. The Choice of Suppliers

In his study of co-operatives Carlisle (1985) outlines three models of buying behaviour. Although these models are derived from theoretical analyses of large organisations it is interesting to see to what extent they also have relevance for the small business. The first model assumes that buyers will aim for a minimum price, and is based on conventional economic concepts of perfect competition and perfect information. Although the buyers in Carlisle's (1985) sample of co-operatives did not commonly adopt this model, the small business owners in the Ealing sample gave price as the most significant factor in their choice of suppliers. This is apparent from Table II. The second model Carlisle (1985) cites takes into account
TABLE II

Factors in the Choice of Supplier

<table>
<thead>
<tr>
<th></th>
<th>Sikhs</th>
<th>Whites</th>
<th>Others</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Price</td>
<td>16</td>
<td>15</td>
<td>6</td>
<td>37</td>
</tr>
<tr>
<td>Quality</td>
<td>8</td>
<td>9</td>
<td>0</td>
<td>17</td>
</tr>
<tr>
<td>Availability of goods</td>
<td>6</td>
<td>11</td>
<td>0</td>
<td>17</td>
</tr>
<tr>
<td>Personal relationships</td>
<td>4</td>
<td>2</td>
<td>4</td>
<td>10</td>
</tr>
<tr>
<td>Convenience</td>
<td>4</td>
<td>4</td>
<td>2</td>
<td>10</td>
</tr>
<tr>
<td>Quick reliable</td>
<td>1</td>
<td>5</td>
<td>0</td>
<td>6</td>
</tr>
<tr>
<td>Service to small buyers</td>
<td>3</td>
<td>3</td>
<td>0</td>
<td>6</td>
</tr>
<tr>
<td>Other</td>
<td>7</td>
<td>7</td>
<td>5</td>
<td>19</td>
</tr>
<tr>
<td>Non-response</td>
<td>1</td>
<td>3</td>
<td>1</td>
<td>5</td>
</tr>
<tr>
<td><strong>Total responses</strong></td>
<td>50</td>
<td>59</td>
<td>18</td>
<td>127</td>
</tr>
<tr>
<td><strong>Total sample</strong></td>
<td>33</td>
<td>34</td>
<td>15</td>
<td>82</td>
</tr>
</tbody>
</table>
considerations of quality, reliability and so forth. In this sample quality had a high priority but reliability was less important than the convenience of the supplies. Convenience, or lack of it, is part of the cost of supplies to a small buyer but it was time, as much as money, that seemed to concern these proprietors. The third model outlined by Carlisle (1985) is the "source loyalty" model which points to the tendency to stick with known suppliers. Carlisle (1985) found this a useful model because it recognises that buying has a routine quality and does not involve a great deal of deliberation on each occasion. It is in a sense a 'non decision-making' model although Carlisle (1985) points out that using known suppliers also minimises the risk involved in transferring to new sources. This sample appeared in practice to follow this model. 'Non decision-making' was apparent from some of the qualitative material. There seemed to be little switching of suppliers and buying was not regarded as an important business skill. Some proprietors perceived little choice at all and felt obliged to depend on well-known firms whose goods were widely advertised. Others were simply guided by habit or had inherited their suppliers when they took over the business. There were, however, a small number of proprietors who adopted a more deliberate approach and made careful comparisons among potential suppliers. There seemed to be no significant differences between these two groups in terms of the size or type of business nor in the proprietor's level of education.

None of the three models takes account of the importance to this sample of the availability of the goods they wanted. There seemed to be problems of finding spare parts and of obtaining goods which would give a shop some means of appearing to increase customer choice. One children's wear retailer, for example, complained that the type of specialist wholesaler geared to his end of the market was dying out. In this sense, non-decision making was not a matter of inertia but was forced upon the proprietors. However it is also possible that these problems were caused by a lack of information. The proprietors may
have been cut off from the kind of information networks which link suppliers and bigger outlets. One further factor in the buying decisions which emerges from the analysis in Table II is the role of personal relationships. This was not as significant a factor as might have been expected: the image of the small business run on cosy, personal lines is perhaps something of a myth. However, even the bureaucratic, impersonal distribution system of the large firms seems to leave room for informal ties between buyer and selling agent, but presumably the small business is not seen as worth this kind of attention.

Most of the proprietors were making extensive use of the major supplying organisations in their trade. Only eight respondents, seven of whom were white, said that their suppliers were exclusively "small". Most proprietors were therefore selling goods which were widely available to customers in other outlets, though this was probably partly attributable to the type of business appearing in this sample. More exclusive and "up-market" retailers are rarely found in this part of the Borough. One owner, however, indicated that by dealing with a number of suppliers he could achieve some distinction from larger outlets:

"The big advantage of being independent is that we can get stuff for customers as opposed to the multiples whose managers are restricted to what the company... I mean, we deal with so many suppliers that invariably somebody will have something." (white jeweller.)

Some other proprietors, however, complained about the large number of suppliers they felt they had to deal with. This is probably proportionately considerably higher than a larger concern and creates a heavy burden of paperwork.

Another way of creating some differentiation in the market was described by five proprietors. They had come to an agreement with some of their wholesalers not to supply anyone else in the locality: as Mills(1951) observes, small business owners endorse the value of competition but prefer,
in practice, to avoid it. Other respondents indicated that suppliers sometimes adopted this or similar policies voluntarily. Three proprietors mentioned the problems of gaining rights to sell newspapers, which are strictly controlled by the wholesalers and a hardware dealer pointed out that some manufacturers would only supply to larger and more prestigious shops in order to maintain their brand image.

4. Relationships with Suppliers

Given the weak position of the small enterprise in the distributive chain it is surprising that, as shown in Table III, thirty-six respondents said they had no problems with suppliers. Thus only just over half of the sample, fifty-six percent, referred to difficulties. This figure corresponds very closely with the fifty-two percent in Dawson and Kirby's (1979) survey who gave a similar reply. However, the more qualitative approach in the Ealing study indicated that those proprietors who said they had no problems with supplies often qualified this by saying that deliveries were sometimes late or mixed up. They stressed, though, that this was "not a real problem". What is most interesting in this data, then, is not so much whether or not problems were experienced but what was defined as a problem and how far the proprietors were prepared to tolerate an inefficient service.

Sikhs expressed fewer problems than whites. This corresponds with Wilson's (1983) survey in the neighbouring borough of Brent but it is not clear whether they are more tolerant than whites or whether they use different and more efficient suppliers. The Brent sample reported unreliable delivery, shortages of goods and unfavourable credit arrangements for small enterprises. These were the same problems as those mentioned in Ealing although in the latter sample credit was rarely mentioned. Whites referred to a greater range of problems than Sikhs but these were often specific to their line of trade, such as the delivery of broken china. White owners also seemed particularly concerned about delays in
TABLE III

Problems with Suppliers

<table>
<thead>
<tr>
<th></th>
<th>Sikhs</th>
<th>Whites</th>
<th>Others</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>None</td>
<td>19</td>
<td>10</td>
<td>7</td>
<td>36</td>
</tr>
<tr>
<td>Unavailability of goods</td>
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<td>12</td>
<td>0</td>
<td>18</td>
</tr>
<tr>
<td>Delays</td>
<td>3</td>
<td>9</td>
<td>2</td>
<td>14</td>
</tr>
<tr>
<td>Difficulties at start-up</td>
<td>4</td>
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<td>1</td>
<td>5</td>
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<tr>
<td>Other</td>
<td>7</td>
<td>13</td>
<td>3</td>
<td>23</td>
</tr>
<tr>
<td>Non-response</td>
<td>2</td>
<td>0</td>
<td>2</td>
<td>4</td>
</tr>
<tr>
<td>Total responses</td>
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<tr>
<td>Total sample</td>
<td>33</td>
<td>34</td>
<td>15</td>
<td>82</td>
</tr>
</tbody>
</table>
deliveries, possible because their more specialist type of businesses were especially vulnerable to the non-availability of items.

Wilson's (1983) study in Brent indicated that Asians there had not developed what he termed "dependent trading linkages" with Asian suppliers. Questions about the ethnicity of suppliers were dropped at the pilot stage of this survey, partly because of the difficulty of formulating comparable questions for the white sub-sample and partly because the Sikhs seemed reluctant to answer them. It was often possible, however, to gain some information from spontaneous comments and from observation of invoices, deliveries etc. On this basis it seemed that only eight Sikhs were trading almost exclusively with Asian suppliers and there was no evidence of a closed Asian economy. The development of Sikh trading must have benefitted some Asian wholesalers, import/export merchants and manufacturers but the Sikhs were also providing outlets for other segments of the distribution system. In this sense the role of Sikh trading in conserving Asian earnings within the ethnic community was limited and they were also acting as a vehicle through which money is circulated back into the dominant economy.

5. Links with the Distributive System

Comments from the proprietors gave some indications of the way they experienced their vulnerable position on the edge of the distributive system. These comments often arose spontaneously in the interview and they are presented here, not as a systematic analysis but as a qualitative exploration of a complex, structural phenomenon manifesting itself in its various forms at the local level. For example, manufacturers of certain products are able to create a sudden but short-lived upswing in demand for their goods by intensive promotion. This demand is slower in making itself felt in the small shop with its smaller flow of customers. By the time the shopkeeper is convinced of the demand, has placed orders and received the goods, customer interest may have flagged or been attracted away by a rival campaign:
"A sudden urge of interest in something. Everyone's coming in and saying, oh I want this and that. Then you go and order say ten guitars, and it's four months coming. By the time they come, that bubble might have burst and you're stuck with ten guitars that no-one wants." (white music shop owner.)

Whereas the large store can be sufficiently confident of demand to order in advance, the small trader tends to react to customer preferences as they express themselves. He or she is not, therefore, well placed to benefit from the large manufacturer's campaign.

Demand for products may also be boosted by introducing new versions. The small shopkeeper is left with old stocks which have become unsaleable. A larger firm might write off the loss or put them in the annual sale. The smaller firm cannot so easily bear the loss, and needs the cash to finance new orders. The bureaucratic systems of large suppliers may conflict with the more erratic style of small businesses:

"There is absolutely no goodwill between a customer and a company. Almost gone. Raleigh is so large that I would be a number. Now the fact that I've been doing business with them and my father before me, for donkey's years. If I miss paying their bill for a fortnight they'd send me a dirty letter instead of a nice letter. Or I have a guarantee claim. Then she starts wanting to know part reference numbers. Now I can't give that. I'm not that efficient. I don't sort of work like that." (white cycle dealer.)

The centralisation of wholesale creates particular difficulties for small traders. The time between deliveries is increased, making them hold larger stocks and communication with suppliers becomes more time-consuming and expensive when it is at a distance. Another aspect of concentration of suppliers is the difficulty the small proprietor has in retaining market differentiation:
"A series of smallish suppliers which gradually are going out of business because they reach the retiring age and that sort of supplier is not being replaced at all. Gradually all the shops are coming round to stocking exactly the same sort of thing. It's difficult to break out of the little rut you have got yourself into because of insufficient supplies." (white children's clothes dealer.)

Manufacturers' response to recession also rebounds on the small enterprise. Several owners complained that manufacturers were keeping fewer goods in stock, thus lengthening the period between order and delivery. Service businesses found this affected their capacity to carry out repairs and alterations quickly. Some manufacturers now insist that the retailer places an order before they begin making the goods. The retailer has no guarantee that the manufacturer will amass enough orders to start producing the goods, so he or she is in danger of being left without sufficient numbers of lines:

"In fact what a lot of manufacturers are doing now. Before they buy the material they send their rep. round with swatches and you order so many of a certain fabric. But sometimes you don't get the order because they haven't bought the material." (Sikh men's outfitter.)

This highlights the contradictions within the distributive system: retailers are unable to get stocks which they believe they could sell and service proprietors cannot obtain parts to do business because manufacturers regard the production and stock-holding as uneconomic. Although the small business owner is "close to the market" he or she cannot translate that closeness into trade without the co-operation of large firms operating within a very different financial context.

6. The Market

Small business owners are commonly supposed, on account of
the size and simplicity of their operation, to have more direct contact with the market than larger firms, and to be able to respond quickly and flexibly to consumer demand (Confederation of British Industry, 1970; Woodcock, 1980). In this section the proprietors' perceptions of their markets are analysed and data is presented on the ways in which they attempt to generate custom. It has to be stressed that, unlike conventional market surveys, this data represents the proprietors' own accounts of how they see their markets. It does not include data from customers but concentrates instead on how the small business owner's strategies are related to the opportunities and limitations which he or she sees in the environment.

The proprietors were invited to describe the features of their enterprise which they thought made it attractive to customers or clients. Their responses are summarised in Table IV. Nearly half of them thought that the location of the business was important in this respect. In some cases this was because it was on a main road or a strategic corner; sometimes its distance from other similar businesses was seen as significant. For a number of Sikhs, being in the centre of Southall was important because the concentration of Asian businesses there brought many potential customers into the area. In other parts of the interviews a substantial number of owners had complained about the inadequacy of their location. This might seem contradictory but is not necessarily so. If the situation of the enterprise is perceived as a major source of custom then the proprietor who has been unable to find attractive premises will feel particularly disadvantaged. Even some of the owners who felt their situation was adequate were not saying that it maximised custom: a better site would have produced a better turnover.

The fact that the proprietors regarded their business location as so significant serves to illustrate one aspect of the dependency of small enterprise. The site of their business was something over which they had little control. Most had bought or rented premises because they were cheap,
TABLE IV

Factors Which Attracted Custom

<table>
<thead>
<tr>
<th></th>
<th>Sikhs</th>
<th>Whites</th>
<th>Other</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Situation</td>
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<td>12</td>
<td>7</td>
<td>37</td>
</tr>
<tr>
<td>Specialism</td>
<td>13</td>
<td>15</td>
<td>6</td>
<td>34</td>
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<tr>
<td>Price</td>
<td>9</td>
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<td>3</td>
<td>22</td>
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<tr>
<td>Personal service</td>
<td>9</td>
<td>7</td>
<td>3</td>
<td>19</td>
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<td>Quality</td>
<td>3</td>
<td>8</td>
<td>4</td>
<td>15</td>
</tr>
<tr>
<td>Loyalty</td>
<td>2</td>
<td>6</td>
<td>7</td>
<td>15</td>
</tr>
<tr>
<td>Reliability</td>
<td>1</td>
<td>3</td>
<td>0</td>
<td>4</td>
</tr>
<tr>
<td>Other</td>
<td>11</td>
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<td>0</td>
<td>15</td>
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<td>Nothing</td>
<td>3</td>
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<tr>
<td>Total responses</td>
<td>69</td>
<td>65</td>
<td>30</td>
<td>164</td>
</tr>
<tr>
<td>Total sample</td>
<td>33</td>
<td>34</td>
<td>15</td>
<td>82</td>
</tr>
</tbody>
</table>
or just happened to be available, or they had inherited the site along with a family business. Even those who had exercised some choice in the matter had no control over changes in the locality which influenced their custom. At the same time, the proprietors' perception of the role of the location of their enterprise may have reflected a certain fatalism about their trading position. In the same way as Scase and Goffee (1980) suggest that the belief of small business owners in the power of market forces legitimates poor performance, so the proprietors' insistence on the importance of their location may have been a way of accounting for low turnover in terms which did not reflect on their own abilities.

The proprietors' own abilities, though, played some part in their accounts of their business's performance. Being friendly, polite, honest, reliable, or just giving "good service" were commonly seen as the reason why they attracted customers:

"Most people come to us because we, over the years, have given good service. We do our job properly and we enjoy doing it, and my staff wouldn't be allowed to stay here if they didn't do the same. You've got to be a servant to the customer. You've got to be prepared to please, which is the old-fashioned idea of looking after your customer."

(white shoe shop owner.)

Providing a "personal" service was mentioned by a number of proprietors as the basis of their drawing power. An analysis of the context in which this was mentioned revealed that the term was used with two distinct meanings. Some owners meant a "personal" service in the sense that they provided goods or services which were adapted to the individual specifications of the customers. Others meant that they had developed informal, personal relations with their customers, although the goods and services they offered were not necessarily distinct in any other way. As one family butcher put it:
"I have the same customers in here week after week. I know their first names and I know what time of day they'll come in, and I've got a good idea of what they'll ask for."

The distinction between the two senses of the term is not always made explicit in discussions of the economic niches occupied by small enterprise and both types of adaptation are used by small proprietors to compensate for lack of other differentiation in such trades as food, clothing, newsagents and hardware:

"People like the shop, like the atmosphere. You have to create a personality in a shop. Price is not all that important in a newsagent. The friendly atmosphere."

However it is not always clear how important to customers the friendly service is, and it is probably the personalised service which gives the proprietor a greater market advantage:

"They come because they like the place. They like to be served by the same person. The big shops don't cater for the individual. They cater for the masses. The big businesses don't care for the individual needs. The little one wanting to make a sale will try their utmost to get a certain commodity for the customer. The big shops don't cater for customers with sort of disabilities, extra long sleeves, customers with one leg shorter than the other. Very, very short people need a little bit of specialised treatment. They come to the little man."

(Sikh men's outfitter.)

Shopkeepers who rely on friendly relations with customers to maintain their trade are vulnerable to competition from other small traders who are equally capable of putting on a smile and greeting customers by name. Those who can provide a service which customers cannot find elsewhere may
be in a slightly more secure market position, and may persuade customers that it is worth paying a higher price than in larger stores (Milne, Thorpe and Dyson, 1981).

Also frequently mentioned as a means of carving out a market was the "specialism". About one third of the proprietors described some service which was difficult to obtain elsewhere or a depth of stock in a particular range of goods. Often associated with the specialism was a technical knowledge which enabled the proprietor to offer advice and build up his customers in that way. One respondent, for example, had specialised in selling and servicing a narrow range of scooters and this had enabled him to build up a strong reputation among afficianados and even to secure the occasional export order. The specialism not only allowed him to corner this particular market, but meant that costs of ordering and stocking spare parts were kept to a minimum.

It was more common, though, for proprietors to aim to create a less clearly defined and more localised market specialism, through flexibility or reliability. Some shopkeepers said they were known for their willingness to sell in smaller quantities than other stores; florists developed distinct styles of work and a video-library owner claimed to be the only one in the area which delivered to people's homes. These types of specialisms were less risky than the narrow, but clearly defined markets described above. Equally, they provided a weaker drawing power for custom.

In contrast to those who felt that specialising was essential to the success of a small business there were a few proprietors who felt that they generated more business by offering a wider range of goods and services than their competitors. A Sikh photographer whose main business came from weddings and passport photos also said:

"I've got so much experience. I can do industrial, medical, photography. Most photographers can only do one specialism but I've got very extensive experience."
The Bolton Report (1971) pointed out that although small firms commonly operate in limited markets, these limited markets do not necessarily confer a great advantage as they may equally well be served by large firms. Specialist markets, whilst providing some protection from competition, may also place limits on growth (Mitchell, 1980). Another strategy for avoiding open competition is the development of customer loyalty, and this was mentioned by fifteen of the respondents. Customer loyalty was often closely related to providing a personal service, in both senses of the term. Scase and Goffee (1981) argue that a common way in which small enterprises cope with erratic trade is to build up a network of social relationships so that a sense of social obligation colours the economic transaction. The proprietors in this sample were less deliberate in their approach to customer loyalty than Scase and Goffee (1981) report. As these authors had a sample of service firms, mostly builders, this may explain the difference. Some of the owners in the Ealing sample seemed to regard customer loyalty as simply a result of their being in business for a number of years. A notable exception to this was a men's outfitter who had previously run a tailoring business. He kept a "book" of what he termed "active" customers with whom he kept in regular contact and who made up the backbone of his trade.

It was surprising to find that as many as twenty-two proprietors mentioned price as a feature of their attractiveness to customers, whereas a rather smaller number mentioned the importance of quality. It might have been expected that the small proprietor would find it difficult to reduce prices and would aim at quality instead. This finding could not be explained by new firms trying to get established on the basis of low prices as the firms in this category included some of the longest-running in the sample. On the other hand most of the businesses in the sample were located in the less affluent areas of Ealing where price may be more important to the consumer than quality. These answers may also reflect the constant concern of the media with prices such that small proprietors feel it is important to compete in this way. However, as Milne, Thorpe and Dyson (1981)
point out, attempting to compete by reduced prices may simply starve the business of capital.

There were some differences between Sikh and white owners in the factors which they perceived as significant in attracting custom, although these differences were less marked than expected. The location of the business seemed to be more important to Sikhs. This was probably in part a result of their links with the general trading that Southall generated and in part a result of the fact that Sikhs were more likely to own "corner shops" where location is crucial. The Sikhs and the white owners gave similar weight to low prices and to the need to specialise. However the specialisations to which the Sikhs referred were usually a small side-line rather than the main basis of their trading. Only one white owner, but several Sikhs mentioned their diversity as an asset: the reluctance of white proprietors to move into unfamiliar trading areas and the tendency of Sikhs to diversify within their business career has been discussed in a previous chapter. Quality was perceived as more important by white owners, a reflection of their stronger position in manual service trades. White owners also attached more importance to customer loyalty, whereas Sikhs occasionally complained of its absence. In this sense the more "traditional" trading pattern was found among whites while the Sikhs seemed to be operating in more competitive markets.

There were three owners, all Sikhs, who said they could think of nothing about their business which attracted customers:

"There is no reason to come here. The bigger stores are cheaper and have a better selection. Customers can't be sure of getting what they want."

These were extreme examples of the peripheral positions to which small enterprise may be consigned, but they also indicate the caution with which the popular image of the entrepreneurial Asian proprietor should be approached.
The most common method of advertising the business was "word of mouth", mentioned by nearly half the sample. This is set out in Table V. This costs the proprietor nothing and many of them expressed their pride at being able to rely simply on their reputation:

"You don't need to advertise in Southall. You just have to be good. People will come back to you, and that's that. If you're good to them they'll be visiting you all the same."

"We don't advertise at all. Our customers advertise for us. That's the attitude and that's the way we like it. With advertising you can get kind of false representations."

Yet by depending on "word of mouth" the small business proprietors are falling back on a process over which they have no real control and which is not amenable, of itself, to business skill.

Most formal advertising was done through the local paper, with a small number of proprietors placing boxes in the Yellow Pages or taking space in specialist magazines. Several owners said that they thought the display in their frontage was a useful way of advertising special offers or new products. Some had leaflets delivered around the neighbourhood. Fifteen owners offered the startling reply that they did not know how customers knew about the business or made no special effort to attract them. Several other proprietors mentioned the difficulty of knowing whether or not various forms of advertising were worthwhile and the high cost of both the local paper and Yellow Pages deterred several owners from placing advertisements with them.

It had been hypothesised that Sikhs would rely more on informal methods of generating custom than white owners. This was because it was assumed that they would have closer links with "traditional" methods of trading and that the social networks of the ethnic community would provide a
TABLE V

Methods of Advertising

<table>
<thead>
<tr>
<th>Methods of Advertising</th>
<th>Sikhs</th>
<th>White</th>
<th>Others</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Word of mouth</td>
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<td>23</td>
<td>6</td>
<td>40</td>
</tr>
<tr>
<td>Local paper</td>
<td>10</td>
<td>9</td>
<td>2</td>
<td>21</td>
</tr>
<tr>
<td>Leaflets</td>
<td>9</td>
<td>2</td>
<td>2</td>
<td>13</td>
</tr>
<tr>
<td>Specialist magazines</td>
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<td>2</td>
<td>1</td>
<td>5</td>
</tr>
<tr>
<td>Window display</td>
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<td>4</td>
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<td>17</td>
</tr>
<tr>
<td>Other</td>
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<td>7</td>
<td>4</td>
<td>15</td>
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<tr>
<td>None</td>
<td>7</td>
<td>4</td>
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</tr>
<tr>
<td>Non-response</td>
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</tr>
<tr>
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<td>33</td>
<td>34</td>
<td>15</td>
<td>82</td>
</tr>
</tbody>
</table>
vehicle for disseminating information. However, twice as many whites as Sikhs cited word of mouth as a means of gaining business. This could be interpreted as indicating that the nature of the business is more significant than ethnicity in shaping business strategy: the specialist nature of the white-owned businesses made them more likely to be the subject of personal recommendation than the Sikh food or clothing stores.

The two groups made similar use of local papers but Sikhs were more likely to leaflet the area, often using their children to carry out the delivery. These findings broadly correspond to the results from a survey in a nearby borough (Wilson, 1983). However a study in Lambeth (Brooks, 1983) showed that Asians were more reluctant than whites to advertise. It is hard to account for this discrepancy without knowing more about that particular trading environment.

Sikhs mentioned posters or other features of their frontage more often than white owners. To the observer accustomed to white shopping habits, however, the displays in Asian shops, both outside and within the businesses, often seemed haphazard and unattractive. There was a surface appeal to the pocket, with many shops advertising discounts or "cut-price" or incorporating the words into the business title. The shops themselves often seemed untidy, with goods piled in cardboard boxes or left in the window to fade and gather dust. Goods of different types were crowded together and broken or damaged stock remained on the shelves. Hall (1982) argues that historically, display only became important to shopkeepers when they could no longer rely on personal acquaintances for custom. The visual appearance of many small Asian shops compares quite strikingly with photographs of English shops at the turn of the century. However, the interviews did not support the idea that the Asian proprietors relied more on informal contacts and less on systematic advertising.

7. The Trading Area

The proprietors were asked to estimate how many of their
customers or clients were drawn from the immediate vicinity and how many from further afield. This is of course only a rough indication of the extent to which the business is dependent on the local market, but most owners seemed able to answer quite definitely, and those who claimed a wider trading area were often able to support their claim by reference to cheques or to delivery addresses.

The majority of businesses, as was expected, drew most or all of their regular custom from the locality in which they operated. About one quarter were able to extend their market to a wider area in West London and a quarter drew some custom from other parts of London and beyond. There was no significant difference between the Sikhs and the white owners in their account of their trading area. The reputation of Southall as a market for Asian goods, especially fabrics, and its location in respect of Heathrow airport and areas of Asian settlement such as Slough, meant that businesses catering for the ethnic market were able to take advantage of the general drawing power of the area. This compensated for some of the disadvantages of the ethnic market which were discussed in a previous chapter. Asian food shops in Southall were also able to attract lucrative Arab custom from the West End. White-owned enterprises which had a widely dispersed clientele tended to be those which offered some specialist service, such as a glazing firm whose work in coloured glass had secured them contracts with interior designers.

The geographical dimensions of the market are by no means the only factors which contribute to the stability of a small firm. However a business which attracts custom from a wider area has some protection against adverse changes in the immediate locality and has scope for growth if this is what the owner intends. On the other hand, there were among the interviewees one or two examples of apparently thriving firms which were operating entirely within a local area but whose reputation and attention to the market had allowed them to build up a regular and persistent clientele. One of these was the men's outfitter, referred to earlier, who attributed his success on the one hand, to keeping in touch with cust-
omers who lived or worked in the immediate area, and on the other hand, to offering a flexible, personalised service. Another example was a small shoe shop which specialised in fitted children's shoes and had developed relations of trust with their regular customers. They had also made, over the years, judicious changes in their balance of main and sidelines to respond to shifts in the market. However, the owner of this shop was also aware of the limitations of a localised market:

"When you've only got a very localised trade, how can you draw a person to a very localised shopping area when there is nothing else there? Many years ago we tried (advertising). It was successful for about three or four months and after that it petered out. As though you'd served the area that wanted a good fitting shoe. Those adverts went out as far as Uxbridge and after they'd been that was it. You'd lost it."

The Bolton report (1971) argued that the declining importance of local markets has been a significant factor in the demise of small enterprise. However, it is not easy to generalise about the effect of improvements in personal mobility through public or private transport: whilst they may reduce some types of localised custom, such as that for clothes or food, increased access to transport may benefit the more specialised concern.

The proprietors were not specifically asked about the ethnicity of their customers as this proved problematic at the pilot stage. However, observation at the initial approach and during the interviews provided some indication of the extent to which businesses drew custom from various ethnic groups. It seemed on this basis that the location of the business was at least as significant as the ethnicity of the owner in determining the type of customers using the business. The nature of the enterprise was, of course, also important. Thus Sikh-run sari shops in areas of dense Asian settlement attracted an almost entirely Asian clie-
tele, although white and Arab customers were sometimes observed. A Sikh-run grocery in an area of mixed settlement seemed to have customers from both main ethnic groups. A white babywear retailer in the heart of Southall commented on the high proportion of Asian customers but the white owner of a fishing tackle shop was moving out of Southall because "Asians don't go fishing". These impressions broadly corresponded with the more quantitative analysis provided by McEvoy et al (1980) in their survey of Southall.

8. Credit

The small proprietor has traditionally supplied goods and services on credit to the local community. The interviews suggested, however, that this provision is no longer widespread and that those proprietors who did allow credit did so quite selectively. Thirty-five owners, nearly half the sample, said they never gave credit on a personal basis although some of them accepted recognised credit cards. This, however, was an expensive scheme for the small business proprietor to operate. Two owners were linked with trading cheque schemes. Credit was commonly seen as unnecessary or undesirable. It was even a means of losing custom because a debtor would be too embarrassed to return to the business where money was owed.

Twenty-five owners said they gave credit occasionally, normally to people they knew very well and nineteen said they did so on a regular basis. Those who sold to "trade" generally felt obliged to allow a period for payment, whilst others made certain stipulations, such as only allowing credit to householders or to people who placed regular orders. There were occasional instances of proprietors who gave credit purely on "intuition" and a small number of proprietors felt some social pressure to give credit:

"Sometimes they (customers) are so close to you that you can't refuse, you know."

(Asian woman newsagent.)
"You've got to give it. They think more of you if you do. In these days especially, people haven't got much money." (white butcher).

"If you say no, then it's a bit of a let down." (Sikh newsagent).

There was little evidence of any systematic attempt to collect in outstanding debts. Most proprietors who had money owing to them were content to wait for it to be repaid:

"My husband has a very trusting nature. We always get it back. They give their address and we always get it back. We just wait for them to come back with the money and they do."

There were, inevitably, accounts of debts written off but few owners kept any record of what was owed them. Eleven proprietors said that they sent letters to people who were slow in paying their bills. These were generally other traders rather than personal customers. Five respondents said that they either had taken or were about to take legal action to recover debts. For most owners the trouble and expense of recovering debts was not worth the money it would bring in. More importantly, it seemed that exercising pressure for the payment of outstanding sums would jeopardise the friendly social relations they had established with customers:

"It's all right if it's a big company and you can send a threatening letter, but I know the people and have close contacts with them and don't want to lose their accounts so I have to go rather carefully."

It seems that what are sometimes called the "transaction costs" in pursuing a formal, rationalised business strategy are greater than the loss incurred by allowing bills to go unpaid. Macauley (1963) suggests that even large-scale
businesses find that legal remedies are inappropriate to certain types of business relationships and warns against the assumption, based on the Weberian model, that formal, rational economic behaviour is the most cost-effective. If large businesses entertain reservations about the use of legal remedies it is not surprising that small proprietors have considerable doubts about their efficacy.

It had been hypothesised that Sikhs would be more likely to give credit than white owners. It had been anticipated that a more closely-knit community system would both provide information about credit worthiness and create social pressure for repayment. The interviews, however, showed no real difference between the two groups in their attitude to credit, a finding borne out by McEvoy et al (1980). This was unexpected, as some Sikhs themselves commented that the expectation of credit was part of "the Indian way of trading". It appears that the initial hypothesis was based on an over-romantic concept of the ethnic community and that whilst credit may be a recognised part of some types of trading, the financial problems it creates have led to an adaptation of business strategies. It did seem, though, that Sikhs were more willing to talk about whether they gave credit and under which circumstances. The topic seemed to create embarrassment among white owners, who were often unwilling to discuss it beyond a perfunctory comment.

Credit, then, no longer occupies the pivotal role in retailing which historians ascribe to it at the turn of the century (Alexander, 1970). More secure and better paid employment, a wider choice of retail outlets and the less stable nature of communities may all have contributed to this change.

9. Conclusions

The quantitative data presented in this chapter corresponds broadly with other surveys of a similar population. The qualitative data adds to this by indicating the very limited nature of the small proprietors' decision-making. Twelve of the proprietors had given virtually no consideration to
their choice of suppliers and of the rest only seven seemed to have a distinctive buying strategy and a sense of their own capacity to act rather than to react to events. Although the proprietors talked more effusively about their markets there was little sense of a deliberate market strategy other than the exploitation of what they perceived as the particularistic characteristics of their trade.

Although the small business needs to achieve a distinctive place in the market the owner's capacity to do this depends largely on the range and type of goods which are available through suppliers. Even the service enterprise must have a reliable supply of stocks in order to maintain the speed and quality of operation which are the mainstay of a good trade. However, the mode of operation which suits the economic demands on large enterprises often conflicts with the needs of small business owners and leaves them, vulnerable, on the outer edges of the distribution system.

If relationships with suppliers leave the proprietor little opportunity for manipulation of resources and relationships, then relations with the market might offer more scope for entrepreneurial behaviour. However, here too there seems to be little awareness of either the need, in a business sense, for a market strategy, or of the potential for market development. The proprietors were primarily oriented to their market on a local, particularistic basis. Rather than make systematic attempts to research and appeal to their markets they constructed what amounted to a folklore of selling, in which friendly personal service and a pleasant atmosphere are the basis of their living. Whilst a few owners recognised a value in advertising, others saw it as an affront to their pride. There was a strong hint of complacency as the proprietors described the "good value" or "good service" which attracted customers. From time to time they compared their businesses with other, usually unspecified, enterprises which failed to come up to the same standards. Large shops, in particular, were seen as uncaring and unhelpful but other small businesses were seen as
"bodgers" or "rude". The previous owner of a business was often castigated for letting it "go down" and giving the present owner an uphill task to restore its fortunes. In the same way as the small proprietors perceived hard work or self-confidence as the necessary attributes for starting up a business, so personal qualities were seen as the strength of their trading position. Their approach seemed to be an attempt to inject the commercial transaction with something akin to a craftsman's skill. By emphasising good service they defined their relationships to their customers in terms which both gave them some control over the process of selling and afforded them some personal satisfaction.

The differences between the Sikhs and the white owners seemed to be more easily explained in terms of the type of businesses they were running rather than as a result of differences in business culture. If anything it was the white owners who adopted the more informal, particularistic approaches to the market. The particularism, expressed by both groups, is both an adaptation to the kind of niches in which small proprietors operate, and a limitation to their operations. Personal contacts, an individually-tailored service, a qualitatively distinct relation with customers can undoubtedly be used in certain trades to create and maintain a satisfactory trading position. But ad hoc changes to accommodate customer preferences, dependence on local markets and an aversion to more formal means of market development create a vulnerability to broader social and economic trends and inhibit growth. The proprietors, mainly Sikh, who were prepared to use both the personal, particularistic relations and the more impersonal strategies of promotion, such as advertising, were probably in a better position to develop their business. For the majority, however, the reproduction of the petty bourgeoisie is both sustained and contained by the particularistic market orientation.

It is sometimes argued that the close contacts with customers which the small business owner maintains are a source of
new ideas and the basis of a versatile response to the market. Whilst the interviews certainly provide evidence of immediate contact with the market they also indicate a sense of bewilderment at its changes. This is counteracted by a dependence on intangible, personal qualities. Furthermore, the proprietors' scope for flexible market decision-making is limited by their lack of power in both the property market and in their relations with suppliers. The picture of the small firm responding creatively to market changes is not only idealistic but ideological. It assumes a market where changes in consumer preferences are autonomous and self-generated, whereas in reality changes in demand commonly derive from the trading strategies and advertising campaigns of large corporations (Jeffreys, 1954; Galbraith, 1967). The need to react to the market is often a sign of weakness: powerful firms control and shape their market rather than respond to it.
XII  Employing Staff in the Small Enterprise

1. The nature and extent of employment in small manufacturing firms has had considerable attention in the research literature but the service sector has often been overlooked. Early writing focused on the quality of the work environment in the small firm. It was seen as characterized by personal, diffuse relationships and work satisfaction (Ingham, 1970). This view has been subject to criticism in more recent research which indicates that small firms have a high labour turnover and that the limited choice of relationships in a small firm may generate resentment (Curran and Stanworth, 1979; Rainnie, 1985). The dual labour market model also suggests that small firms may offer 'secondary' type employment with poor wages, no training and little job security. Curran and Stanworth (1979) have also explored the relationship between the small firm owner and the workforce. This theme has been taken up by Goffee and Scase (1982) who argue that the social and economic environment in which the small firm operates conditions the type of employer-employee relationship which is feasible. This argument is examined in greater detail below.

In the past few years the economic recession has turned attention to the capacity of small firms to create jobs. The work of Birch (1979) in the United States has been widely quoted by policy-makers as showing that small firms have considerable potential for creating employment. However, further research, both in Britain and the U.S. has indicated the need for caution in making such assertions (Storey, 1982; Birley, 1985). The statistical analysis of employment opportunities in small firms has been complemented by qualitative work, such as that by Scase and Goffee (1982) which shows that small owners often experience considerable anxiety about entering into an employment contract and may sacrifice growth rather than delegate work to others.

Few of the businesses in the survey reported in this thesis had sufficient numbers of staff to justify an investigation into the nature of the employment relationship. The data
covers the extent of family employment because this is often seen as significant to the operation of small firms and particularly crucial in ethnic enterprise (Mars and Ward, 1984). The data also explores some of the decision-making processes relating to the recruitment of staff but the numbers involved are small. It had been hypothesised that Sikh owners would rely more on informal sources for recruiting labour. It was anticipated that they would have access to informal information networks within the ethnic community. It was also hypothesised that the Sikhs would make greater use of family labour. The analysis revealed that, whilst the latter hypothesis was confirmed, there was little difference between the two main sub-groups in the recruitment process.

2. Employment Relationships in the Small Firm

The common view that small firm owners develop a paternalistic relationship with their employees has been explored by Newby (1977) in his work on agricultural employment. He argues that, whilst a small firm has the option of developing paternalistic relationships because there is opportunity for some personal contact between employer and worker, the owner does not inevitably adopt this strategy. He describes paternalism as essentially a stable, hierarchical form of social relationship where status is legitimated by a diffuse, benevolent stance on the part of the employer and by an acquiescence in the allocation of rights and obligations on the part of the employee. The employee has limited access to alternative definitions of the employment relationship. However, Newby (1977) indicates that paternalism requires the employer to have sufficient resources to sustain the general benevolence which is part of the moral order of paternalism and to be able to maintain the clear status distinction between himself and his subordinates. Paternalism also needs a limited local labour market and social structural support for the kind of hegemony which it involves. Workers who participate in social institutions offering other views of the employment relationship may be less willing to accept a paternalistic definition of their position.
Goffee and Scase (1982) argue that paternalism is most likely to be adopted as a management strategy where the firm's product market is sufficiently stable to ensure the necessary material resources and where the labour market offers few ideological alternatives. They point out that in agriculture the capital holding of the farmer and the low wages of the workers reinforce the status distinctions which personal contact might otherwise undermine. The conditions which support paternalism in agriculture do not necessarily obtain in other industries. Goffee and Scase (1982) examined the building industry and concluded that there the small firm owner is more likely to adopt what they term a "fraternalistic" strategy towards the work force. In the building trade markets are erratic and do not generate the regular surplus necessary for a show of paternalistic benevolence. Labour is mobile both between firms and between paid and self-employment. Workers are exposed to a wider knowledge of employment relationships than the rural agricultural worker. Employers do not earn a great deal more than their men and this, coupled with the self-employment experience of many workers, minimises status differentials. Goffee and Scase (1982) argue that, rather than try to maintain hierarchical relationships, the owner of a small building firm stresses a relationship of peers. He sees himself as a craftsman rather than a manager and works alongside his men in a fraternalistic relationship. He allows them autonomy to exercise their trade skills and encourages good quality work through advice and discussion rather than imperatives.

The thrust of Goffee and Scase's (1982) argument is that in the building industry the opportunities for stable, hierarchical relationships and the maintenance of status distinctions do not exist. A more egalitarian style, a "fraternalism" among fellow craftsmen, is appropriate. In other words, they are suggesting that small firm employment relationships, as, indeed, those of large firms are conditioned by the social and economic environment in which they operate. It would be useful to examine their model in the context of other industries. Unfortunately the data from the interviews in Ealing is too
limited to test the model but it is interesting to speculate how it might be applied to small service and retail firms.

In the craft-type firms examined in the Ealing study: electrical repairs, floristry, garages etc., conditions are probably quite similar to those which Goffee and Scase (1982) describe in the building trade. Small owners are dependent on the skills of their workers to maintain the reputation of the firm. The owners work alongside them, carrying out very similar activities. Their capital holdings are small and status distinctions are difficult to maintain. Their earnings are often erratic and the opportunities to dispense munificence are limited. Although the owners in the Ealing survey reported quite a low turnover of labour there are certainly opportunities for labour mobility and the owners know that good workers can set up on their own. Their capacity to keep good workers probably depends on avoiding overt supervision, which would be resented, and developing relaxed, friendly, fraternalistic relations. As one put it:

"I make rules but none of them are ever adhered to. I don't think you could get much more informal really. Running it that way it doesn't get abused. I know that anybody who works for me, if I wasn't in the shop for three weeks or so I'd come in and the shop had been run and I hadn't lost any stock..."

(white electrical repair owner).

Small shops seem to offer a slightly different type of employment relationship and one which has some elements of paternalism in it. Labour in shops is often casual, part-time and mobile. The erratic cash-flow does not allow for non-contractual rewards and only certain types of shops, such as fresh-food stores, can offer perks in the form of unwanted goods to take home. The conditions for paternalism are limited. However, the general culture of shopping attributes some status to the role of owner. This is often reinforced by a difference in age and gender between the shopkeeper and assistants. Shop girls were sometimes
observed to address the owner as "Mr ...." whilst he referred to them by their first name. Although the shop-keeper generally serves at the counter he may delegate some more routine work to his assistants whilst dealing with special customers himself. He probably spends some time dealing with paper work, checking the till and carrying out other activities which set him apart a little from the assistants. The shop-keeper seems to supervise his assistants more overtly than the owner of a craft business. However, he cannot allow the relationship to become too authoritarian because he needs the assistants to maintain a courteous, pleasant relationship with customers, and direct supervision might endanger this attitude (Fox, 1974). The shopkeeper must also maintain a diffuse, rather than narrowly contractual relationship with his assistants because he is sometimes obliged to call on their help when deliveries are made late in the day or customers come in at closing time:

"You can't expect them (assistants) to be always here on time when there's a certain amount of buses not running. But by and large what you lose on the swings you gain on the roundabouts. They'll do that little bit extra if there's that little bit extra to be done." (white delicatessen owner).

The shopkeeper's relationship with employees cannot be called fraternalistic in the sense in which Goffee and Scase (1982) use the term but neither is there the opportunity for paternalism in the form which Newby (1977) describes. It perhaps inclines to what, in a slightly different context, has been called "pragmatic paternalism" (Gunnigle and Brady, 1984). The shopkeeper is obliged to maintain a certain diffuseness in his relationships with workers whilst operating in an environment that is not fully supportive of paternalism.

3. Size of Business

The businesses in this sample were, for the most part, very small (see Table I). Although sampling procedure allowed
TABLE I

Number of People Working in the Business

<table>
<thead>
<tr>
<th></th>
<th>Sikh</th>
<th>White</th>
<th>Others</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 full-time</td>
<td>14</td>
<td>9</td>
<td>4</td>
<td>27</td>
</tr>
<tr>
<td>2 full-time</td>
<td>8</td>
<td>16</td>
<td>5</td>
<td>29</td>
</tr>
<tr>
<td>3 full-time</td>
<td>6</td>
<td>5</td>
<td>1</td>
<td>12</td>
</tr>
<tr>
<td>4-5 full-time</td>
<td>3</td>
<td>3</td>
<td>2</td>
<td>8</td>
</tr>
<tr>
<td>6-10 full-time</td>
<td>2</td>
<td>1</td>
<td>3*</td>
<td>6</td>
</tr>
<tr>
<td>Non-response</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total sample</td>
<td>33</td>
<td>34</td>
<td>15</td>
<td>82</td>
</tr>
<tr>
<td>1-3 part-time</td>
<td>21</td>
<td>17</td>
<td>10</td>
<td>48</td>
</tr>
<tr>
<td>4-6 part-time</td>
<td>3</td>
<td>1</td>
<td>1</td>
<td>5</td>
</tr>
<tr>
<td>7+ part-time</td>
<td>0</td>
<td>1</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>No part-time staff</td>
<td>8</td>
<td>15</td>
<td>3</td>
<td>26</td>
</tr>
<tr>
<td>Non-response</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Total sample</td>
<td>33</td>
<td>34</td>
<td>15</td>
<td>82</td>
</tr>
</tbody>
</table>

*including one which had 12 full-time workers.
for up to ten full time employees or their part-time equivalents, most businesses were clustered at the bottom end of the scale. Fifty-six businesses (sixty-eight percent of the total sample) had either one or two persons, including the owner, working there. Forty-eight (fifty-eight percent) had between one and three part-timers. A slightly higher number of Sikhs were running their business entirely unaided, but when the total labour force of each sub-group was calculated, treating a part-time as half a full time worker, there was very little difference between them. The Sikhs employed on average 2.4 persons and the whites 2.7 persons. Allen et al's (1977) study of Asian businesses in Bradford, Wilson's (1983) in Brent and McEvoy et al's (1980) in Ealing all report very similar figures. Allen et al's (1977) study was carried out over ten years ago and the fact that the size of firms in recent studies is so similar seems to indicate that there has been little growth in this sector of Asian enterprise. Although the number of businesses may have grown (Aldrich et al, 1981) their capacity to provide employment has not. Several writers have suggested that it may be difficult for Asian shops to generate sufficient surplus to plough back into the business (Jones, 1981/2) but it may also be the case that Asians who do have the capacity to expand tend to move into other forms of business such as wholesaling or manufacturing or to increase the number of branches of the business. White businesses of this type also seem to remain small: Bechhofer et al's (1974) study of small shops in the early seventies compares with the white sub-group in this research. This suggests that it is not purely ethnic disadvantage which limits Asian enterprise but the type of economic niche in which they are located.

Sikh businesses in this study had a higher proportion of part-time help than their white counterparts. This stands in contradiction to McEvoy et al's (1980) findings and the discrepancy is hard to explain unless a different definition of part-time worker were used in the respective investigations. Sikhs seemed to use a quite extensive array of very casual
helpers who may not have been taken into account in the study of McEvoy et al (1980). Wilson and Stanworth (1985) argue that this kind of casual help is very useful to a small shopkeeper and they suggest that Asians may find it easier to obtain than whites on account of more extensive kinship systems.

4. The Family Business

In an earlier chapter it was shown that both white and Sikh owners had had close links with their families during the process of becoming a small proprietor. For the white owners these links seem to have faded when the business was a going concern. Fourteen whites said that no member of their family was working in their business compared with only three Sikhs (see Table II). In most of the cases where kin were working in a white owned enterprise there was just one member of the family, usually the owner's spouse. Sikhs were more likely to employ more of their family, often their siblings. However, no Sikh business employed more than four family members.

From a slightly different angle it can be seen that thirty nine percent of Sikhs and eleven percent of whites employed only their family. This degree of dependence on the labour of kin corresponds quite closely with Brooks (1983) study of Lambeth, where he found that forty-one percent of Asians and fifteen percent of whites were running family concerns. Wilson and Stanworth (1985) emphasise the importance of low cost labour to the survival of the firm in its early years. Family are not only prepared to work irregular and unsocial hours, as they point out, but they can be trusted: a factor of considerable importance to the small businessman:

"My brothers, they come and help me Saturdays and Sundays; they'll be working like labour 'cos this is a family business. So it's a big advantage. Little money outgoing. See, I can trust while they work. They won't fiddle the stuff. This is the only success of the business." (Sikh grocer).
TABLE II

Family Employed in the Business

<table>
<thead>
<tr>
<th></th>
<th>Sikhs</th>
<th>Whites</th>
<th>Others</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 member</td>
<td>14</td>
<td>17</td>
<td>6</td>
<td>37</td>
</tr>
<tr>
<td>2 members</td>
<td>10</td>
<td>2</td>
<td>4</td>
<td>16</td>
</tr>
<tr>
<td>3 members</td>
<td>5</td>
<td>1</td>
<td>1</td>
<td>7</td>
</tr>
<tr>
<td>4 members</td>
<td>1</td>
<td>0</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>None</td>
<td>3</td>
<td>14</td>
<td>2</td>
<td>19</td>
</tr>
<tr>
<td>Non-response</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total sample</td>
<td>33</td>
<td>34</td>
<td>15</td>
<td>82</td>
</tr>
</tbody>
</table>
The extent of family labour in white small business should not be overlooked but it would appear that Sikhs are more likely to go beyond the simple husband and wife arrangement and draw on siblings and other kin.

5. Recruiting Staff

Many large firms, as well as small ones, recruit staff by informal methods, and this was the most common pattern in this sample (see Table III). Recruitment by word of mouth is not only cheap but it helps to foster the goodwill of staff by making employment a personal favour. It also enables the proprietor to draw on an informal information network in identifying employees who would fit well into the enterprise (Morris, 1984).

"Basically it's just people I know who are already in the trade. Try to get someone in the trade by advertising. You don't know what you're going to get. Qualifications come second to ability. I've either worked with them in the past or I know of them... I've never taken anybody on from cold."

(white electrical repair owner).

Out of the whole sample only thirteen owners used a formal medium of recruitment; nine of these had used job centres and most of them spontaneously complained about the quality of applicants they got this way. Scase and Goffee (1982) report a similar finding. This study did not permit any further exploration of the reasons behind this dissatisfaction. It may be that small firms are disadvantaged in their dealings with job centres because they can only place the occasional unemployed person whilst larger firms may be more valued clients. Alternatively it is possible that the applicants who would be most attractive to an employer do not find their jobs through job centres.

Various studies have suggested that the personal qualities of employees are of particular significance to small employers (Curran and Stanworth, 1979; Gibb and Ritchie, 1981).
TABLE III

Staff Recruitment

<table>
<thead>
<tr>
<th>Method</th>
<th>Sikh</th>
<th>White</th>
<th>Rest</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Word of mouth</td>
<td>11</td>
<td>9</td>
<td>5</td>
<td>25</td>
</tr>
<tr>
<td>Job centre</td>
<td>1</td>
<td>5</td>
<td>3</td>
<td>9</td>
</tr>
<tr>
<td>Notice in window</td>
<td>3</td>
<td>2</td>
<td>1</td>
<td>6</td>
</tr>
<tr>
<td>Newspaper</td>
<td>1</td>
<td>2</td>
<td>1</td>
<td>4</td>
</tr>
<tr>
<td>Other</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Not applicable</td>
<td>22</td>
<td>17</td>
<td>8</td>
<td>47</td>
</tr>
<tr>
<td>Non-response</td>
<td>0</td>
<td>2</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td>Total responses</td>
<td>16</td>
<td>19</td>
<td>10</td>
<td>45</td>
</tr>
<tr>
<td>Total sample</td>
<td>33</td>
<td>34</td>
<td>15</td>
<td>82</td>
</tr>
</tbody>
</table>
In this sample, however, skill and experience were the most commonly preferred attributes (see Table IV). Character was also seen as important. Young, female workers were mentioned by some owners as being particularly suited to work in shops. Differences between Sikhs and whites were minimal. Although whites seem to give more emphasis to skill the proportions in the two sub-groups are very similar when the fact that more whites were employing non-family labour is taken into account.

6. The Organisation of Labour

The interviews were intended to produce some data on the extent to which the proprietors engaged in formalised business behaviour in respect of their staff. The respondents were asked whether each of the people working in the business had a clearly specified job to do. In many cases the proprietors indicated that they felt that the question was inappropriate because their business was so straightforward that it was inconceivable that they would have anything other than an ad hoc way of allocating tasks. There were occasional indications that behind this apparent flexibility were taken-for-granted assumptions about who did the books or placed the orders. Although this attitude led to a disappointingly small data base it is interesting to note that some owners seem to regard running the business as a single indivisible process rather than a series of discreet tasks which could be allocated to different persons. If this view of the business is commonly held among small proprietors then it could help to explain why they often find it difficult to identify business problems on which they should seek advice or training.

Bearing in mind the small numbers involved, the data seems to indicate that there may be a difference between Sikhs and whites in terms of their attitude to organising staff. However, even the ten whites and two Sikhs who did say they had a distinct division of labour tended to qualify this by adding that some interchange of work occurred from time to time and that certain unskilled jobs, like sweeping up,
TABLE IV

Characteristics Required of Employees

<table>
<thead>
<tr>
<th></th>
<th>Sikhs</th>
<th>Whites</th>
<th>Others</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Experience/skill</td>
<td>5</td>
<td>10</td>
<td>4</td>
<td>19</td>
</tr>
<tr>
<td>Suitable character</td>
<td>5</td>
<td>4</td>
<td>2</td>
<td>11</td>
</tr>
<tr>
<td>Young</td>
<td>4</td>
<td>2</td>
<td>1</td>
<td>7</td>
</tr>
<tr>
<td>Female</td>
<td>2</td>
<td>3</td>
<td>2</td>
<td>7</td>
</tr>
<tr>
<td>Qualifications</td>
<td>0</td>
<td>2</td>
<td>2</td>
<td>4</td>
</tr>
<tr>
<td>Smart appearance</td>
<td>0</td>
<td>3</td>
<td>0</td>
<td>3</td>
</tr>
<tr>
<td>Older</td>
<td>0</td>
<td>2</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>Other</td>
<td>3</td>
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<td>1</td>
<td>4</td>
</tr>
<tr>
<td>None</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>Not applicable</td>
<td>22</td>
<td>17</td>
<td>8</td>
<td>47</td>
</tr>
<tr>
<td>Non-response</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Total responses</td>
<td>20</td>
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<td>14</td>
<td>61</td>
</tr>
<tr>
<td>Total sample</td>
<td>33</td>
<td>34</td>
<td>15</td>
<td>82</td>
</tr>
</tbody>
</table>
were done by everyone. At first it seemed that the difference could be explained by the fact that white owners were more likely than Sikhs to be running service enterprises. A craft-based business might involve clearly identifiable skills which would need to be carried out by a competent member of staff. However, although most of the owners with definite job allocations were indeed running service businesses, so were many of those who insisted that their arrangements were quite flexible. It was shopkeepers who had tended to feel that the question was quite inappropriate to them. The fact that Sikhs were more likely to be employing family labour may have led them to adopt a more relaxed attitude to the organisation of work.

7. Conclusions

The data base for this analysis of the recruitment and organisation of labour was very small and the conclusions to be drawn are therefore limited. The role of family labour in the small enterprise, particularly the Sikh enterprise is confirmed. However, both whites and Sikhs make extensive use of informal networks in recruitment of employees: this is not a specifically ethnic factor but rather a method which is acceptable to a wide range of employers. The small business is flexible in its use of labour and the use of kin in the workforce seems to make this particularly marked among Sikhs. There was some suggestion from the qualitative data that small proprietors may adopt a holistic view of their enterprise, making it difficult for them to identify discreet tasks which could be apportioned to staff.
Over the last few years there has sprung up a proliferation of advice and training services for small business owners. They are designed to improve the quality of decision-making in the small enterprise and to improve access to finance, premises and so forth. These services are largely a response to the increased significance attributed to small businesses in current economic strategy and in the political culture of the eighties (Ritchie, 1984). However, some concern has been expressed about the contribution of these services to the support of the small firm sector (Scott, 1985) and, in particular, the very small, service-sector firm (Kirby 1981; Storey 1982).

It would not be surprising to find that small business owners are resistant to the use of external support services. The individualism of the small proprietor has been well-documented. Much of the satisfaction of running a business derives from the independence it gives and, it has been argued, an internal locus of control, a belief that life-events are a consequence of one's own actions, is conducive to successful business development (Pandey and Teway 1979). Furthermore, it was suggested in a previous chapter, that small business owners adopt the cultural symbolism surrounding their role so that they come to believe that to seek assistance with their enterprise would be an admission of failure. However, the decision-making skills of the owner-manager must embrace a wide range of business operations, covering all aspects of the business. While the concentration of decision-making in one person may allow a fast, flexible response to situations (Bolton 1971) it also puts a premium on the owner's capacity to identify and solve problems. It has become evident from the data analysed up to this point that the small proprietors in this study tend to take a limited view of the scope for decision-making and this was further reflected in this section of the interview. It had been hypothesised that the Sikhs would make greater
use of informal networks in taking decisions than white owners, and this was broadly confirmed. However the overall picture was of very limited use of either formal or informal sources of advice.

2. Making Decisions

The majority of proprietors in the sample said that, whether or not they consulted other people, at the end of the day they took all the main decisions by themselves. Ten whites and six Sikhs said that decisions were made jointly with their business partners and three Sikhs and one white owner said that they involved family, other than partners, in running the business. Stanworth and Curran (1973) found that second-generation owners took a more managerial attitude to the business, compared with the individualism of the founders. In this sample, admittedly of a rather different nature, there was no difference between founders and inheritors in their approach to decision-making.

Twenty-three owners said that they never discussed the business with anyone else (see Table I). Thirty-two proprietors discussed decision-making with partners or co-directors, who were usually members of their family. Twenty-one owners had business friends whom they consulted albeit in a rather casual way, and eleven owners mentioned professional advisers such as accountants and solicitors. The overall picture was of the rather isolated role of the owner-manager who only takes into his or her confidence a small number of advisors. Some owners found it difficult to perceive running the business as a decision-making process:

"There's no decisions really, to take. The shop literally runs itself. There's no hardship about running the shop." (white chinaware owner).

The reactive nature of decision-making in the small enterprise was expressed in a remarkably open comment:
### TABLE I

**People With Whom The Proprietor Discusses Business Decisions**

<table>
<thead>
<tr>
<th></th>
<th>Sikhs</th>
<th>Whites</th>
<th>Others</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>No-one</td>
<td>8</td>
<td>14</td>
<td>1</td>
<td>23</td>
</tr>
<tr>
<td>Partners</td>
<td>12</td>
<td>11</td>
<td>9</td>
<td>32</td>
</tr>
<tr>
<td>Friends</td>
<td>9</td>
<td>5</td>
<td>7</td>
<td>21</td>
</tr>
<tr>
<td>Family</td>
<td>12</td>
<td>3</td>
<td>4</td>
<td>19</td>
</tr>
<tr>
<td>Professional advisers</td>
<td>5</td>
<td>3</td>
<td>3</td>
<td>11</td>
</tr>
<tr>
<td>Other</td>
<td>1</td>
<td>3</td>
<td>3</td>
<td>7</td>
</tr>
<tr>
<td>Non-response</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>Total responses</td>
<td>47</td>
<td>39</td>
<td>27</td>
<td>113</td>
</tr>
<tr>
<td>Total sample</td>
<td>33</td>
<td>34</td>
<td>15</td>
<td>82</td>
</tr>
</tbody>
</table>
"Most decisions that are arrived at are forced on us by necessity rather than by positive, actual decision process."

(white childrenswear owner).

White owners were more likely than Sikhs to say that they never talked to anyone else about their business. Sikhs, on the other hand, were more likely to involve family members in the decision-making. However, there were also Sikhs who positively rejected the involvement of kin in their enterprise, asserting either that an owner should rely on his or her own judgement or that family advice was ill-informed. Sikhs were also more likely to consult business friends than white owners. Wilson and Stanworth (1986) suggest that ethnic minorities suffer from an inadequate supply of business information and that relations with professional advisers may be "tenuous". However, they also indicate that Asians may be able to draw on an ethnic network of advice and Reeves and Ward (1984) point out that there is a high proportion of solicitors, accountants and similar professionals within the Asian community. On the other hand, as Werbner (1984) warns, dependence on the experience, formal or informal, of a single ethnic group may encourage a rather limited range of business activity.

3. Advice Services

Thirty-one proprietors belonged to some kind of trade association, generally the local chamber of commerce or a trade-specific organisation. There was no difference between the Sikhs and the whites on this dimension, despite Wilson's (1983) finding in Brent that Asian membership of trade associations was "negligible". The difference may be due to a fairly active chamber of commerce in Southall with an Asian president.

One of the main reasons why small businesses do not make full use of advice and training services seems to be their low level of awareness of them (Economists Advisory Group
1983). Some writers have argued that it is probably the least successful small businessmen who have the least knowledge about support provision, although there does not seem to be direct evidence of this. As small proprietors are often unclear about the kind of services on offer it is difficult to research their attitudes towards them. Small owners commonly seem to hold a critical attitude to the provision although they have not experienced it. This may serve as a rationale for not seeking out advice which the small owner resists for more ambiguous reasons.

Only eight proprietors in this sample had used any form of advice service and they expressed satisfaction with their dealings with them. The vast majority had never used any support service and they offered a variety of reasons for this (see Table II). Seven Sikhs but no whites said they had never heard of small business advice services, suggesting that these services need to develop a higher profile within the ethnic community. The most commonly mentioned reason for not using advice services was that the owner had no need of advice or that he or she could not imagine any way in which a support service could help.

"I've never bothered. I don't see how they could help me much to be honest. I'm established. I know what I want to do but it's doubtful if we could ever achieve it. I can't see how they could help." (white shoe shop owner).

"It's difficult to know what they could offer. The cash flow is the main problem." (white dealer in gas fires).

In these two comments there is a juxtaposition of, on the one hand, as assertion that there is no role for advice in the business with, on the other hand, an identification of a problem. Other interviews also indicated that an owner might be dissatisfied with some aspect of the business but still hold that help was not necessary or appropriate.
<table>
<thead>
<tr>
<th>Reason</th>
<th>Sikhs</th>
<th>Whites</th>
<th>Others</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not heard of them</td>
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<td>3</td>
<td>10</td>
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<tr>
<td>No need</td>
<td>7</td>
<td>15</td>
<td>7</td>
<td>29</td>
</tr>
<tr>
<td>Too busy</td>
<td>8</td>
<td>2</td>
<td>2</td>
<td>12</td>
</tr>
<tr>
<td>Outsider cannot help</td>
<td>2</td>
<td>6</td>
<td>1</td>
<td>9</td>
</tr>
<tr>
<td>Are incompetent</td>
<td>3</td>
<td>5</td>
<td>0</td>
<td>8</td>
</tr>
<tr>
<td>Difficult to contact</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td>Other</td>
<td>5</td>
<td>7</td>
<td>5</td>
<td>17</td>
</tr>
<tr>
<td>Non-response</td>
<td>1</td>
<td>2</td>
<td>1</td>
<td>4</td>
</tr>
<tr>
<td>Not applicable</td>
<td>3</td>
<td>4</td>
<td>1</td>
<td>8</td>
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<tr>
<td>Total responses</td>
<td>33</td>
<td>36</td>
<td>18</td>
<td>87</td>
</tr>
<tr>
<td>Total sample</td>
<td>33</td>
<td>34</td>
<td>15</td>
<td>82</td>
</tr>
</tbody>
</table>
It seems that these proprietors could not conceive of systematic solutions to business problems but believed that the enterprise was subject to forces outside their control.

Sikhs were more likely than white owners to say they were too busy to use advice services. Other studies have recorded the long opening hours of Asian businesses (McEwry et al 1980) and a shopkeeper may find difficulty in leaving the shop for any length of time. However part of the cultural ethos surrounding small business stresses the importance of hard work and this may encourage the small owner to believe that diligence is more crucial to the success of the enterprise than expertise (Durham Small Business Club, 1984). Nine owners insisted that outsiders could not help the small proprietor because each business has unique characteristics only apparent to someone who has worked on it. This particularism has been recorded elsewhere (Golby and Johns 1971) but it is interesting to note that what might be seen as a "traditional" business attitude was expressed more frequently by white owners than Sikhs.

"I pride myself on knowing more than they could tell me after all these years of serving the customers. They have good advisers but they don't know anything about my business."

(white clothing owner).

Eight owners were convinced that advice services would be incompetent and the rest offered an assortment of reasons for not using support facilities. These included the feeling, not entirely unjustified that such services were not interested in the retail sector nor the very small enterprise. Difficulties of getting in contact were mentioned, the cost involved was seen as an impediment; some owners thought they were useful at start-up and others thought they could only help an established concern. In sum, these owners seemed to be constructing an ad hoc rationale for not using advice services to obscure a more deeply ingrained resist-
ance to looking for outside help. The owners who simply said that they believed a businessman should depend on his own judgement were probably expressing a quite widely-held gut feeling:

"I think in life you've got to make your own decisions and the best way to learn about business is through mistakes... you've got to make your own judgements." (white video rental owner).

"If you put yourself into depending on some other people's decision you will never decide, because the other man doesn't know about your pocket or your thoughts." (Sikh grocer).

It is useful to make a comparison with investigations into the use of legal advice services by the general public. Several reasons have been identified for their underutilisation, including concern about the possible cost and a failure to recognise when a problem may have a legal remedy (Carlin and Howard, 1979). The importance of being referred to the legal service by a trusted and knowledgable acquaintance is also stressed (Zander, 1978). In fact Zander (1978) concludes that informal channels may be more useful in facilitating access to legal services than formal systems. Similar results have come from studies of the use of medical services (Price, 1981). Some parallels can be drawn with qualitative data extracted from the interviews with the small business owners. A concern (misplaced) about cost and a failure to perceive problems as amenable to solution through management systems were among the reasons why advice services were not used. However, the informal advice network to which some of the proprietors were loosely attached seemed to play no role in referring them on to formal sources. Their network of business contacts presumably held similar definitions of business strategy to themselves and thus could not provide access to alternative perspectives. However, the overall picture from this section of the interview was of business owners who were largely cut off from any
significant source of management advice partly on account of their work situation and partly through a dogged individualism.

4. Plans for the Business

Towards the beginning of the interview the proprietors were asked why they had decided to go into business. In the penultimate section they were asked what they now considered to be the advantages and satisfactions of running a business, and what factors they believed led to success with a small enterprise. In practice comments on both of these topics often emerged earlier in the interviews. This section brings together those comments and also examines data on the owners' plans for their business and the problems which they experienced as a result of their small size.

Studies of small businesses which have taken into account the attitudes of the owners have indicated that lack of interest in growth and a reluctance to expand are quite commonplace (McEldowney 1985; Scase and Goffee, 1981). These results stand in contrast to the political imagery surrounding the small business which sees it as a vehicle of economic development. In practice small business owners feel constrained by their own capacity for planning and organising and are often concerned about the problems of taking on staff. The need to retain control of the business seems more significant than a drive to expansion:

"I'd like to open another shop when I can raise the money, but I wouldn't have more than three shops. Already with two there is more administration and you need an office. With three you would need a head office and you wouldn't be able to keep in such close contact with everything. And there's the problem of getting staff."
(owner of gas fire business - white).

Table III shows that thirty-five owners in this sample
TABLE III

Proprietors' Plans For Their Business

<table>
<thead>
<tr>
<th></th>
<th>Sikhs</th>
<th>Whites</th>
<th>Other</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>No plans</td>
<td>14</td>
<td>14</td>
<td>7</td>
<td>35</td>
</tr>
<tr>
<td>Vague schemes</td>
<td>14</td>
<td>9</td>
<td>2</td>
<td>25</td>
</tr>
<tr>
<td>Were implementing plans</td>
<td>5</td>
<td>8</td>
<td>6</td>
<td>19</td>
</tr>
<tr>
<td>Non-response</td>
<td>0</td>
<td>3</td>
<td>0</td>
<td>3</td>
</tr>
<tr>
<td>Total sample</td>
<td>33</td>
<td>34</td>
<td>15</td>
<td>82</td>
</tr>
</tbody>
</table>
had no plans at all for their business. Some said that they were too old to consider any new developments and some said that the economic climate was not conducive to making plans:

"Can't really plan. It doesn't work, planning. The economic situation, the weather, they all affect the business." (Sikh clothing trader).

Many, like the proprietor above, simply did not feel that future projection was possible or appropriate for a small enterprise:

"Plans? I'll be content if it pays one man's wages. It would be easy to expand without having the money for it. You run up a lot of debts because you see other businessmen doing well but it's not so easy." (Sikh garage owner).

Of those proprietors who did have plans in mind nineteen had definite schemes and had taken some preliminary steps towards implementing them. These were not necessarily plans for growth: they included three owners who were in the process of selling up. Three others were moving to other premises and six were making small-scale alterations to their enterprise. This tends to confirm Dawson and Kirby's (1979) view that much investment in small shops is for modernisation rather than growth. Only seven proprietors had actually initiated any real business development.

Stanworth and Curran (1976) believe that small owners may not be interested in growth but may feel inhibited from saying so. The strong social value attached to economic growth makes it seem undesirable to express a negative attitude towards it. This may explain why a number of proprietors in this sample mentioned vague plans to which they had clearly given no serious consideration. Wilson (1983) reports a similar phenomenon. Gill (1985), on the other hand, suggests that the small business environment inhibits the development of a long term strategy. These interviews suggest that the environment, or more precisely,
the proprietors' perception of the environment, is a significant factor in their reluctance to plan ahead. There were no differences between the main sub-groups in terms of whether they had plans for their business nor in the extent to which they had made progress with their schemes. Three Sikhs, but no whites, were thinking of changing their line of trade, a strategy which seemed to be more common among Sikhs than white owners. Gill (1978) records a link between a willingness to plan and the age of the small business owner but in this sample the younger proprietors were no less conservative than their elders.

5. The Problems of Small-scale Enterprise

Table IV shows that the most commonly mentioned problem was competition, closely followed by recession. It had been anticipated that government paperwork would represent a major problem because both the small business lobby and the government say this is so (Department of Trade and Industry, 1985). However, only six owners mentioned this problem without prompting. When asked specifically about paperwork a further nine agreed that it was a problem, although they were not only referring to government paperwork but also invoices from their large number of suppliers. Overheads were also a fairly common problem but again they were often mentioned in response to prompting. Other problems mentioned occasionally included finding suitable staff, pilfering, unco-operative officials of various kinds, the risk of physical attack by thieves and other similar types of problems.

Dawson and Kirby (1979) report that shops with owners who had been running them all their working lives were more likely to have financial problems than other retail outlets. In this sample there was no direct relationship of this kind although white owners, who were on average older than the Sikhs, reported a greater number of problems in total. This was largely because they mentioned paperwork and overheads more frequently. This might be taken as an indication that the white owners were culturally
### TABLE IV

Problems of a Small Business

<table>
<thead>
<tr>
<th>Problems</th>
<th>Sikhs</th>
<th>Whites</th>
<th>Other</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Competition</td>
<td>8</td>
<td>8</td>
<td>4</td>
<td>20</td>
</tr>
<tr>
<td>Recession</td>
<td>6</td>
<td>2</td>
<td>7</td>
<td>15</td>
</tr>
<tr>
<td>Paperwork</td>
<td>6*</td>
<td>9*</td>
<td>0</td>
<td>15</td>
</tr>
<tr>
<td>Overheads</td>
<td>4</td>
<td>10</td>
<td>0</td>
<td>14</td>
</tr>
<tr>
<td>Cashflow</td>
<td>1</td>
<td>1</td>
<td>2</td>
<td>4</td>
</tr>
<tr>
<td>Tax</td>
<td>0</td>
<td>4</td>
<td>0</td>
<td>4</td>
</tr>
<tr>
<td>Other</td>
<td>8</td>
<td>14</td>
<td>3</td>
<td>25</td>
</tr>
<tr>
<td>None</td>
<td>2</td>
<td>5</td>
<td>1</td>
<td>8</td>
</tr>
<tr>
<td>Non-response</td>
<td>5</td>
<td>1</td>
<td>1</td>
<td>7</td>
</tr>
<tr>
<td>Total responses</td>
<td>35</td>
<td>53</td>
<td>17</td>
<td>105</td>
</tr>
<tr>
<td>Total sample</td>
<td>33</td>
<td>34</td>
<td>15</td>
<td>82</td>
</tr>
</tbody>
</table>

* All the Sikh owners and three white owners were prompted.
more attuned to the political rhetoric surrounding small enterprise.

6. The Experience of Running a Small Business

Golby and Johns (1971) reported that running a business is rewarding because it provides independence and a sense of achievement. It can be seen from Table V that the owners in this study echoed their findings. Their principal satisfaction from running the business lay in the sense of independence which it gave them:

"You are the boss of your own the master of your business. You take decisions as and when you want to. Don't have to consult anyone else. Supposing something you really want to do one day. You can close on that day. You are in fact in charge of everything. It makes you kind of independent."
(Sikh fish bar owner).

Scase and Goffee (1981) suggest that this independence is more apparent than real when the constraints of the market are taken into account. However, these owners did not seem to be looking for independence in the entrepreneurial sense of freedom to exploit opportunities. It was more a freedom from rigid hours and petty rules, from the personal subordination of working for someone else. They cherished the autonomy in their work situation, in Lockwood's (1958) sense of the term, rather than the freedom to create their own destiny.

Many owners also mentioned a sense of personal satisfaction deriving from their intense interest in the business and the sense of achievement it engendered:

"It's much better to eat half than to work for somebody else. It's very thrilling, very interesting. ....the incentive to produce never goes out because it is your own. The time is immaterial and your interest is deeper." (Sikh travel agent).
### TABLE V

The Rewards of Running a Small Business

<table>
<thead>
<tr>
<th></th>
<th>Sikhs</th>
<th>Whites</th>
<th>Others</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Independence</td>
<td>17</td>
<td>15</td>
<td>7</td>
<td>39</td>
</tr>
<tr>
<td>Personal satisfaction</td>
<td>11</td>
<td>20</td>
<td>4</td>
<td>35</td>
</tr>
<tr>
<td>Financial rewards</td>
<td>8</td>
<td>3</td>
<td>3</td>
<td>14</td>
</tr>
<tr>
<td>Only job open</td>
<td>2</td>
<td>4</td>
<td>0</td>
<td>6</td>
</tr>
<tr>
<td>No real rewards</td>
<td>3</td>
<td>3</td>
<td>2</td>
<td>8</td>
</tr>
<tr>
<td>Negative factors</td>
<td>9</td>
<td>12</td>
<td>4</td>
<td>25</td>
</tr>
<tr>
<td>Other</td>
<td>13</td>
<td>8</td>
<td>5</td>
<td>2</td>
</tr>
<tr>
<td>Non-response</td>
<td>0</td>
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<td>2</td>
<td>3</td>
</tr>
<tr>
<td>Total responses</td>
<td>63</td>
<td>65</td>
<td>25</td>
<td>153</td>
</tr>
<tr>
<td>Total sample</td>
<td>33</td>
<td>34</td>
<td>15</td>
<td>82</td>
</tr>
</tbody>
</table>
Part of this satisfaction came from the opportunity to make decisions and to avoid the tedium and routine of other kinds of work:

"I make my decisions. I like the challenge. The job that I was doing had its own challenge but many a time it lost its challenge. Whatever you created was never yours. You never saw your work."
(Sikh fabric dealer, formerly a civil servant).

"I think its quite rewarding really because you're making decisions. Before I wasn't making decisions. I was just going through the motions doing something for somebody else. But there was no challenge.'
(Sikh sportshop owner).

The ability to make decisions seemed to appeal to the Sikhs more than to the white owners. The white owners found particular satisfaction in meeting people through the business and the companionship which this provided:

"Well actually we get a lot of friendship here... our social life is all mixed up with our business life. They are all pleasant people that we have known over many years. We really get to know about their life-styles... it's just general discussions."
(white pet shop owner).

But another shopkeeper felt that this aspect of the business was changing:

"It used to be such fun. ....But customers aren't what they used to be. They don't stay and chat as much as they used to. We used to have a joke with all of our customers."
(white sweet shop owner).

For many owners personal satisfaction came more from the work situation and the social relationships involved than
from running the business to a high level of efficiency or profitability.

"It's not the money you're after. You are liked everywhere. You keep yourself occupied, don't get bored, you have an easy life."
(Assian newsagent).

Bechhofer et al (1974) comment that the small shopkeeper regards the virtues of working for oneself and succeeding through one's own efforts as having moral rather than economic implications. Collins and Moore (1964) also remark on the lack of mobility drive among their sample of small businessmen in the U.S.A. They describe them as being more concerned with a pursuit of the tasks themselves than with a love of work for its financial rewards and this seems equally applicable to the proprietors in the Ealing context. Financial benefits were rarely mentioned and then they often involved comparison with a previous job rather than the opportunity for wealth. Some owners mentioned the security which they felt was attached to owning their own business. This was not so much a financial security from the fact of property ownership but a sense of security in controlling their own working life and being removed from the vagaries of the labour market:

"It's more secure than being employed. You've got to keep looking for employers and then they may get rid of you."
(Sikh garage owner).

Although the owners were asked what they perceived as the advantages of running their own business, twenty-five respondents included distinctly negative features in their answers, and several others seemed to find it difficult to articulate the attractive attributes of being in business. The negative features included the constant stress and anxiety and the long hours of work:
"I'm caught in a trap now. The advantages which I saw in the beginning, independence, making my own decisions, the amount of return that I am getting and the worry. I have started seriously considering getting out now. But if I get out of it, at my age I am not going to get any more jobs." (Sikh ironmonger).

Gibb and Ritchie (1981), with a more highly educated sample of owners with a more heterogenous group of enterprises also found that personal stress was seen as a significant drawback to self-employment. Their respondents also mentioned frustration with factors beyond their control and the isolation of the owner-manager role. The Ealing sample were also conscious of the way the business was affected by the wider environment but they tended to accept this with a certain amount of fatalism. The isolation was overcome in the small shop by forging social relations with customers and this was not only seen as a rewarding aspect of the business but an essential part of giving good service.

White owners were noticeably more likely than Sikhs to find the rewards of the business in their personal interest in it, particularly in its social relationships. This accentuates a theme which was apparent at various points in the qualitative data from the interviews, from the reasons for going into business, the choice of enterprise, the way customers were attracted and attitudes to running the business. The white owners seemed, on the whole, to perceive the business as part of their diffuse personal interests, characteristics and social relationships. The Sikhs were more likely to regard the business in narrower, economic terms and see it as a distinct process of trading which required certain fairly specific skills and relationships.

7. The Successful Small Owner

The proprietors clearly believed that the success of a
small business lay in the personal characteristics of the owner. Of these, a willingness to get on with people and give good service was paramount. A capacity for hard work, personal drive and motivation were perceived as highly significant and other personal traits such as self-confidence were also mentioned. These are analysed in Table VI.

"Hard work. I don't think you have to be particularly bright. I think - if you're prepared to work hard enough in anything you must succeed... I mean, you need a little bit of luck as well, but eventually you must succeed. Not to make a fortune, but an acceptable standard of living." (white sportshop owner).

"The customer is always right even if he's wrong. You must have the right attitude to retailing, not exactly being born with it but having the right attitude." (white menswear retailer).

"People will only come to a person if he is honest and sticks to his word... We have to keep our customer's satisfied." (Sikh jeweller).

The emphasis on hard work leads Casson (1982) to describe the small businessman as having a "petty-bourgeois mind which seeks to purchase autonomy through increased hours of work." (p303). In the sense that comparatively few owners mentioned business skills as being important to success Casson (1982) is right to identify an emphasis on the quantity rather than the quality of application.

Sikhs were more likely than white owners to identify some specific aspects of the business, usually buying or pricing, as one of the keys to success, but none referred to the conventional factor of finding a gap in the market. One or two owners showed an awareness of general business decision-making which distinguished them from both those
### TABLE VI

**Success in a Small Business**

<table>
<thead>
<tr>
<th></th>
<th>Sikhs</th>
<th>Whites</th>
<th>Rest</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Be obliging</td>
<td>12</td>
<td>19</td>
<td>5</td>
<td>36</td>
</tr>
<tr>
<td>Hard work</td>
<td>11</td>
<td>8</td>
<td>5</td>
<td>24</td>
</tr>
<tr>
<td>Good judgement</td>
<td>8</td>
<td>5</td>
<td>4</td>
<td>17</td>
</tr>
<tr>
<td>Know your trade</td>
<td>4</td>
<td>7</td>
<td>1</td>
<td>12</td>
</tr>
<tr>
<td>Confidence</td>
<td>4</td>
<td>5</td>
<td>1</td>
<td>10</td>
</tr>
<tr>
<td>Drive</td>
<td>4</td>
<td>4</td>
<td>0</td>
<td>8</td>
</tr>
<tr>
<td>Luck</td>
<td>2</td>
<td>4</td>
<td>1</td>
<td>7</td>
</tr>
<tr>
<td>Initiative</td>
<td>3</td>
<td>2</td>
<td>1</td>
<td>6</td>
</tr>
<tr>
<td>Honesty</td>
<td>2</td>
<td>1</td>
<td>2</td>
<td>5</td>
</tr>
<tr>
<td>Other</td>
<td>19</td>
<td>20</td>
<td>5</td>
<td>44</td>
</tr>
<tr>
<td>Don't know</td>
<td>3</td>
<td>1</td>
<td>1</td>
<td>5</td>
</tr>
<tr>
<td>Non-response</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total responses</td>
<td>72</td>
<td>76</td>
<td>26</td>
<td>174</td>
</tr>
<tr>
<td>Total sample</td>
<td>33</td>
<td>34</td>
<td>15</td>
<td>82</td>
</tr>
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</table>
who pointed to a single feature of the business and those who believed in vague personal attributes:

"Basically in business you've got to be in touch with the various trends, like what is happening in the other businesses. You have to be aware of ups and downs, coming in, reading the paper. Being in touch with your supplier, not just thinking he can supply anything he wants to. Sometimes you must try just for the sake of trying, another supplier. He might tell you some cheaper price. How this thing happen only because of your concerted efforts... flowing with the stream not staying on the bank." (Sikh fish bar owner).

"Mature, not in age, but in mind. To take the decisions. You must be prepared to take decisions. You must work very hard. You need an inventive mind. It's better if you are educated because then you can go to a lawyer or a bank manager and know what you are talking about the margins and so forth." (Sikh jeweller).

Several owners believed that caution or being "sensible" was needed for success. Risk-taking was very rarely mentioned impromptu during the interview. If, as was generally the case, owners did not spontaneously refer to it, they were asked whether it was necessary to take risks in order to succeed in business. Twenty-nine said that yes, a certain amount of risk was inevitable but that it was of a very limited sort such as buying a line of goods which might not sell or accepting a cheque which might bounce. Nine said that there was no risk in running a business and three said that there need be no risk if you knew what you were doing. A further four said that there was risk in running a business but then there was a risk in anything, such as crossing the road.

Only four proprietors regarded risk-taking as an intrinsic part of the process of becoming successful in business and
it is interesting to note that three of these were among the very few who mentioned risk without prompting. There was no difference between white owners and Sikhs in their attitude to risk. Overall the attitude seemed to be that limited risk was inevitable in business but serious risk-taking was a mark of the imprudent or careless businessman:

"You can't take too many risks. You got to take risks, but you've got to, you can't gamble everything and be in trouble, you know. I take risks that if they do go wrong I'm still in business, whereas some people will take risks where they've put everything in and they'll lose the lot. You've got to be sensible." (white scooter dealer).

Although small owners' aspirations for their business are often limited their philosophy of success seems to be derived, at least in part, from a wider symbolic tradition. Success or failure is attributed to the efforts of the individual and to personal attributes. There is almost a contradiction between their ready endorsement of the value of hard work and their recognition, in other contexts, of the external factors which affect their business. There seems to be a moral endorsement of the socially acceptable value of self-help coupled with a practical assessment of their own capacity and the economic position of their enterprise. Golby and Johns (1971) describe this philosophy as a Smilesian stereotype but this perhaps underplays what Curran and Burrows (1985) call the "lived experience" of the small enterprise at the expense of the symbolic vocabulary. Bechhofer et al (1974a) prefer to draw on Weber's concept of "economic traditionalism" to describe an outlook in which continuity and stability are a preferred way of life and business decisions are embedded in a personal moral system. The petty bourgeois aspirations seem to derive not so much from a concern to protect the interests of property but from a desire to retain their autonomy of work situation. It is not so much their class position in the Marxist sense which structures their beliefs but their experience of creating some freedom of action within the constraints imposed on
small enterprise by its economic environment.

8. Conclusion

There are an increasing number of studies of small businesses which attempt to measure their success in terms of quantitative criteria such as the number of jobs they create or profit and turnover. Few studies have examined the owner's own perceptions of success and how it may be achieved. This particular piece of research has only uncovered a small part of these subjective perceptions. It indicates in the first place the importance of disentangling the public symbolism surrounding small enterprise from the owner's day-to-day and down to earth assessments of his own goals. It also points to the fact that many owners see the satisfactions of running a small business in terms of the nature of the work situation it offers rather than in terms of financial rewards. Furthermore, it suggests that the small business owner's perception of how success is achieved emphasises personal interests and qualities rather than the initiative and systematic decision-making advocated by small business advisers. Public policy towards small businesses is likely to have a limited impact on the very small service enterprise, the type represented in this sample, unless it takes account of the attitudes and aspirations of the owners.
XIV Conclusion

The small firm has become a major focus of political attention, both at the symbolic level and in terms of public policy. Research on the small firm has tended to concentrate on its economic and financial dimensions or to take the form of case-studies which are used in the training of owner-managers. There has been comparatively little research which has adopted a distinctly sociological perspective. However, the growing academic attention to the social dimensions of what is sometimes called: "the future of work" (Hardy, 1984) may generate more interest in the nature of self-employment and the experience of running one's own enterprise. It is hoped that the research reported here has helped to push sociological analysis in that direction. This study has explored the relationship between culture and business behaviour in the context of the small enterprise and in doing so has given particular attention to the processes of decision-making involved in running a small business. The data collection was carried out through interviews with Sikh and white British proprietors. The aim was to use qualitative data to analyse and clarify the subjective perceptions held by these proprietors in respect of their enterprise and their role in running it. The study is clearly limited by its geographical location, by the types of businesses included and by the ethnic composition of the sample. It does not claim to make widely applicable general statements about small business but it aims to increase our understanding of the ethnography of own-account work. It is doubtful whether this type of qualitative data could be collected on a large-scale, representative basis. Knowledge of the attitudes and perceptions of owner-managers, of the culture of small enterprise, is more likely to be built up through a series of small-scale studies in the anthropological tradition which lead, incrementally, to a refinement of conceptual tools.

The main conclusions suggest that culture should not be
regarded as a monolithic causal factor in the structuring of ethnic enterprise. Culture highlights certain possibilities in the running of an enterprise and colours the owner's perceptions of the available opportunities. However the nature of the niches in which small businesses operate and the reproduction of the petty bourgeois stratum through the operation of the labour market also structure the experience of self-employment. There is also a symbolic significance attached to small enterprise in the wider socio-political value system and this appears to reflect back to the owner a self-image which is only partially displaced by the everyday reality of own-account work.

The small firm has sometimes been associated with traditional economic behaviour and has consequently been regarded as a remnant of a previous social formation. The more recent view of small business has associated it with high technology and developments in the social organisation of work, although it has to be said that the small shop and similar types of enterprise do not figure in this view of the future. It has been argued in this thesis that the small business is an integral part of the capitalist mode of production. It developed in its present form in response to the urbanisation and industrialisation of the nineteenth century and has continued to occupy a functional but subordinate position in the social and economic system of advanced capitalism. The small firm should not, therefore, be regarded as a historical anachronism but its continuity with the past should not be overlooked. The small business has continued to be a means by which individuals can use small amounts of capital to create a means of subsistence outside of the labour market. Some of the people who take this path are attracted by the opportunity for independence and self-determination which they believe to be associated with own-account work whilst others use it as an alternative strategy for earning a living when the more conventional forms of employment become unavailable or unsatisfactory.

Although the small business sector as a whole is subject to change as new products and services are marketed, the exper-
ience of work in small business seems to have changed comparatively little. The small trader or own-account artisan takes on a diffuse economic role encompassing a variety of work and personal skills. The development of personal, particularistic relationships with customers and clients has continued to be an important part of the trading system despite the new forms of selling which have permeated the mass markets. Family labour has remained an important feature of the small enterprise and the virtually unpaid work of children and spouses commonly secures the economic viability of the business as well as adding to its informal character. Small firms are frequently thrust into intensive competition with each other and nineteenth century market conditions seem to be replicated today by ethnic enterprises.

The subordinate position of the small enterprise in the capitalist economy has informed the major structural analyses which take account of the petty bourgeoisie. Marxists have found it difficult to accommodate the ambiguity of a social stratum which achieves some differentiation from the proletariat on the basis of property ownership yet which does not derive from it the power and superordination of the bourgeoisie. This thesis rejects the notion of the contradictory position of the petty bourgeoisie as an artefact of theoretical models. The petty bourgeois enterprise should be seen as an integral part of the capitalist mode of production. The empirical evidence presented here, as well as that from other sources, shows that the experience of running a small business is structured through the operation of the dominant economy. The owner's experience of the wage labour market, his or her dealings in markets for materials, wholesale goods, premises, finance and the factors which condition demand for the small trader's goods or services all reflect the subordinate position of the petty bourgeoisie within advanced capitalism. The fact that the petty bourgeoisie may attempt to overcome their subordinate position by dealings in informal networks does not mean that they should be regarded as outside the dominant economy. Such informal transactions are a common-place part of the capitalist mode of production whether it is at the level of big business or
the self-provisioning of a household.

The Weberian analysis provides a multi-faceted model of social class which offers a more useful basis for interpreting the experience of the petty bourgeoisie. The petty bourgeoisie do not sell their labour in the same sense as the wage-earning classes. However, they must sell their goods and services and to do this they are dependent not just on small accumulations of capital but on their own skills and aptitudes. In this sense they share some of the experiences of those who compete in the labour market. Just as those who enter the labour market may attempt to protect or improve their position by exclusionary devices such as the social definition of skill and expertise so the petty bourgeoisie attempt to differentiate their goods and services and to create market niches in which to operate. In this respect they have more in common with those sections of the wage-earning classes which typically improve their life-chances by individual efforts to gain training and valued experience than with those who more typically use collective means to protect their interests.

The social consciousness of the petty bourgeoisie has often been described, like its class position, in terms of contradiction and ambiguity. Part of this ambiguity seems to derive from the heterogeneity of the stratum. If social attitudes are a product of life-experiences and not simply a response to the current work situation, then it is not surprising that the petty bourgeois view of the social system contains various interpretations of their position. However, studies of the small business owner demonstrate a fairly persistent emphasis on individualism, independence and self-determination. Yet even here there is often a contradiction with accounts by small proprietors of the forces outside their control, such as economic and demographic trends, which limit their business operation. The expectation of self-determination is often expressed in terms of quite short-term, restricted ambitions to achieve a certain security and control over their working life. It seems to bear little resemblance to the political imagery of the small business which sees it
as a vehicle for self-advancement and financial achievement, although this political vocabulary seems to enter the small proprietors' accounts of their work situation. Despite his disparaging reference to petty bourgeois respectability (p326) it has more in common with what Pahl (1984) describes as a tradition of radical individualism which has informed the English experience of self-provisioning and dealing with official bureaucracy. In other words, the independence of the petty bourgeois value system is not the independence which is enshrined in the philosophy of the freedom of the market, because the petty bourgeoisie have insufficient resources to benefit from free markets. It is rather an independence within the work situation which is achieved at a day to day level through small-scale decision-making outside the confines of an employment relationship.

Although class analysis provides a necessary structural context for understanding the nature and experience of own-account work it has been argued that this does not give sufficient attention to the processes of decision-making and the social and economic transactions which are an integral part of petty proprietorship. The anthropological model of the entrepreneur allows for an understanding of the processual quality of small business and, particularly relevant to this study, recognises the significance of the cultural roles and relationships in which the owner is enmeshed. Such an approach gives more attention to the perceptions and definitions of reality which the small business owner uses in organising his or her work.

It had been anticipated that the distinctive cultural background of the two main subgroups in this study would be manifested in different business behaviour. In particular, it was assumed that Sikhs would draw more extensively on informal, community relationships in the operation of their enterprise, that they would run the business in the context of collective decisions and obligations rather than individualistic ones and that they would adopt a style of business behaviour which relied more on personal and particularistic transactions than impersonal and
universally oriented ones. However, although there were different patterns of business behaviour between Sikhs and white owners they were not necessarily in the direction outlined above. It became apparent that the implicit assumption that the Sikhs had access to a network of closely-knit mutually supportive community relationships whilst white business proprietors were isolated from informal networks was misplaced. The traditional concept of community, tinged with sentimentality, is no more appropriate to the Sikhs in a business context than it is to white proprietors. Both groups made use of informal relationships in running their businesses, albeit in different ways. The Sikhs made greater use of family and friendship networks in finding finance for their businesses but they also made greater use of the clearing banks. They employed family labour to a greater extent than the white owners and, perhaps as a result of this, involved their family to a greater extent in business decision-making. White owners, on the other hand, were more commonly running a business which they had inherited from their family or had chosen their type of business on account of family connections with the trade. White owners also seemed to give more attention to developing personal relationships with their customers and relied extensively on word of mouth for their advertising whilst Sikhs seemed more prepared to use impersonal media of communication. The community relations of the Sikhs did not shelter them from a high level of competition and undercutting from co-ethnic business owners.

Models of culture and business which see culture as a monolithic causal factor in business behaviour are inappropriate. Culture is better seen as the patterns and themes which structure relationships and channel the perception of opportunities. Business owners select from the opportunities which they perceive as available to them and construct transactions on the basis of both their personal objectives and their experience of the structural constraints on small enterprise. As members of an immigrant group Sikhs experienced different opportunities and constraints from the white owners. Family labour, for example, may have seemed
more appropriate in the context of their comparatively non-specialist businesses, whereas the know-how necessary to many white-owned businesses would not have been available through a kin network. The white owners were also, on average, older than their Sikh counterparts and thus their families were at different stages in their work careers. There was clearly no objection to using family labour among the white owners, however, when it was available and relevant to the perceived needs of the business. White owners are not operating outside a cultural context just because it is less distinctive than that of the Sikhs.

The informal relationships which are an integral part of economic behaviour, even in advanced capitalism, have had greater attention through recent work such as that of Pahl (1984) on the strategies which households use to get by, and of Morris (1984) on labour market behaviour. These studies offer a framework which implicitly recognises the cultural patterns which emerge in economic transactions. Rather than search for the distinctive cultural characteristics of the business behaviour of ethnic minorities, it would seem more useful to investigate the complex series of transactions and relationships which make up business processes. The anthropological models which assume that non-Western cultures legitimate a "traditional" form of business behaviour have overlooked the extensive use of informal strategies in advanced capitalism. There is no single form of business rationality. It is more useful to investigate the circumstances under which business owners use formal and informal transactions. The evidence reported in this thesis suggests that informal transactions are not only used to compensate for a subordinate position in the dominant economy, as, for example, in creating customer goodwill or gaining access to finance on acceptable terms. Informal transactions are also used to create and maintain the features of the petty bourgeois work situation which are especially valued by the small business owner. By limiting dependence on bureaucratic structures and by maintaining informal relationships and transactions the small proprietor can carve out an area of autonomy in
decision-making and can preserve some independence in their work situation, an independence which would not be found in wage-labour.

It has been argued that the differences between the Sikh and the white-owned businesses were not as marked as had been expected. There were significant similarities between the two sub-samples in the way they ran their enterprises and, it is suggested, these are largely a product of the structural constraints on the small business and the self-selection of the petty bourgeois stratum. Both whites and Sikhs had a limited knowledge of business practice when they started up and both groups preferred to use informal networks of help and advice. Both groups had experienced some dissatisfaction with previous employment although in the case of the Sikhs this would have been partly brought about by racial discrimination. Sikhs and white owners identified similar levels of problems in running a small enterprise and there was a marked degree of overlap between the specific difficulties which they encountered. The white owners made greater use of full-time members of staff whereas the Sikhs had more part-timers. This may have been a result of the more specialist nature of the white enterprises. Both groups believed that customers were attracted on the basis of price, the business site and the provision of a personal service. They both served essentially local markets. Credit was given reluctantly and monitored on an ad hoc, informal basis.

Suppliers were generally chosen by similar criteria except where the nature of the business demanded particular types of goods. The white owners, however, referred to more problems and of a different kind to those mentioned by the Sikhs. However this cannot be explained as preferential treatment among co-ethnics as Sikhs made only limited use of Asian suppliers. It seems more likely that the differences in the types of business between the two groups account for different expectations of suppliers. Both Sikhs and whites had similar perceptions of the future prospects for their businesses and were surprisingly optimistic in this respect.
It thus appears that the contingencies of running a small business, as they are experienced by the petty bourgeoisie, may be more significant than cultural differences.

However, despite the similarities between the two groups there were indications that running a small business had a different meaning for Sikhs. This is a conclusion which can only be drawn very tentatively: it emerges from the qualitative data and is the result not of asking particular questions but of tracing themes in the discourse of Sikh and white owners. The Sikhs seemed more inclined to distance their personal interests and commitments from the business and regard it solely as an economic concern. White owners seemed to perceive the business as more intimately tied up with personal objectives and satisfactions. White owners, for example, were more inclined to say that they had gone into business in order to pursue a particular hobby or skill or even simply as a source of personal satisfaction. They had more often chosen the type of business because they had a particular interest in it whereas Sikhs were more concerned with the financial potential. The white owners were less interested in diversifying their business and this should be seen in the light of their personal attachment to the enterprise. Several white owners relied heavily on the personal loyalty of their customers and seemed to feel a moral repugnance for advertising whereas the Sikhs were less inhibited about developing their market.

The Sikhs' use of advice services was limited because they had either not heard of them or were too busy to use them. White owners, however, were often reluctant to involve outsiders in what was, essentially, a unique, personal project. Whereas both groups appreciated the independence they experienced in running a business, the financial rewards and the challenge involved were mentioned more often by Sikhs. The personal satisfaction of petty proprietorship and the pleasure of meeting people through it were more significant for white owners. The white owners felt that success in a small business came, if it came at all, by "being obliging" to the customers, by a personal knowledge of the specific trade, by using common-sense and by not
worrying. In other words they put considerable emphasis on the personality and individual attributes of the owner. The Sikhs gave more attention to hard work and good business judgement. It seems then, that rather than the Sikhs running their businesses on the basis of a traditional, particularistic strategy it is white owners who are more likely to operate their enterprises in the context of diffuse personal objectives and interests. Whereas Sikhs are more likely to identify financial goals and employ impersonal business methods in achieving them, white owners seemed to perceive the business as an extension of personal and family concerns.

The entrepreneurial model which was used as the basis of the research places particular emphasis on the decision-making process involved in running a small enterprise. However, in the case of the proprietors in this study it also highlighted their lack of decision-making. A surprising feature of the interview data was the extent to which proprietors felt they had no choice over business processes and the frequency with which they mentioned constraints on decision-making. Entry to petty proprietorship was comparatively rarely the result of a single, considered decision and more often expressed as an experience of being pushed by external circumstances into a way of earning a living which was already familiar through work or family connections. The choice of a line of business was often determined by the family trade or work skills and a business which was simple to run was seen by some owners as desirable. Of those owners who employed staff, few were clear about the qualities they looked for in potential employees and most fell back on general ideas of experience and character. The heavy dependence on word of mouth as a means of advertising is another form of non-decision-making as it requires no action by the owner, and the tendency to simply wait for debtors to pay up also suggests a lack of purposive behaviour. A number of owners felt that they had little real choice in the matter of suppliers because the structure of the market and the distribution system forced them into a particular pattern of buying. Few proprietors perceived the process of running a business
as involving any real risk and this too may be related to their limited view of the possibilities associated with enterprise. Only thirteen owners out of the sample of eighty-two were able to refer to specific plans for their business and three of these were actually closing the business down. This lack of decision-making was partly forced upon the petty proprietor as a result of the dependent structural position of the small business and the proprietors' peripheral location in formal business information networks. However there also seemed to be a tendency to rationalise their poor financial performance by referring to their dependence on external factors such as the state of the economy or the decline of the neighbourhood.

The lack of decision-making seemed to be more characteristic of the white owners than the Sikhs. This, too, must be a tentative conclusion which arises from an overall appraisal of the qualitative data rather than from answers to specific questions. However, the apparently greater propensity of the Sikhs to recognise and take up opportunities for purposive business behaviour may be related to their tendency, outlined above, to perceive the business as a specific economic project rather than part of their diffuse personal concerns. Some of the most striking contrasts within the data were between those owners whose interviews were characterised by reference to perceived opportunities and to deliberate choices and those whose interviews were typified by reference to the power of external forces and a general lack of decision-making. Most interviews, of course, fell in between the markedly entrepreneurial type and the extreme fatalist. However it may be useful to demonstrate the characteristics of each type by reference to case-studies.

One of the best examples of non-decision-making was provided by a white butcher, aged forty-six. He had left school at fifteen and, after trying out some labouring jobs and completing his national service he had gone into his father's business. Although his father had had two branches he had decided to concentrate on one:
"it's when you split yourself that you run into trouble."

This butcher felt that he had a fairly secure line of business:

"people have got to eat. Even though some are going vegetarian it's not ever going to be very many that want grass for Sunday lunch."

He was, however, worried about the rising cost of meat which, he felt was becoming a bit of a luxury. He said he had not really made any changes in the business since his father left it, nine years earlier. He said trade was not as good as it used to be but he did not advertise; He relied on customer loyalty:

"There's not much passing trade, the same people come back."

Asked why these customers came back he said:

"I've never really thought about it; it's not really a problem."

He gave credit if asked, but had no system for ensuring that the debts were repaid:

"people just come into the shop and say, I owe you so much."

Butchers used to go up to the big London markets to buy their meat but now they buy from intermediaries. Asked how he chose his suppliers he said:

"I've always dealt with them. I'm satisfied and as long as you're satisfied you go on buying from them."

However he also commented that there were sometimes delays
in getting his orders.

This butcher's shop employed one full-time assistant:

"He came looking for a job, so I took him on."

The butcher talked to no one else about the business:

"...then you can blame yourself. The accountant tells me if I'm doing something wrong when he sees the books, the takings and spending."

Although he had heard of advice services he had no use for them:

"they can only give you new ideas and you say yes or no. There are technological changes. Places like Dewhursts are using electrical saws but I'm just a traditional butcher. I do it my own way."

He had, not surprisingly, no plans for the future development of his business. He felt that in the past two years his turnover, in real terms, had dropped. He "couldn't say" what the outlook for the business was. He enjoyed meeting people through the business but said that he would work for someone else if need be. A little later he described the business as:

"...a torment. I don't mean that I let it worry me. You'd be lost if you let it worry you, but it's a torment, filling in the forms which I don't really understand... I don't know what sort of person is successful you have to be helpful."

Although this proprietor had tried other jobs and, in that sense, had come into the business in a fairly deliberate way, the rest of the interview was characterised by a very limited decision-making. Despite fewer customers and falling turnover he could not perceive any real problems with the busi-
ness other than the paperwork. He saw no point in talking to anyone else about his enterprise and seemed to assume that as long as the accountant was happy with the books there was little else to be done. "New ideas" would be no use to him because he was "a traditional butcher". His single employee was the result of a chance encounter.

In contrast to the white butcher a young Sikh grocer had a clear sense of the direction and opportunities for his flourishing business. He had failed to get a place at university and his father and two brothers were in business so it had seemed "a good idea" to join them. His father had soon retired. The three brothers now ran the business jointly but the respondent's superior education seemed to account for his position as the dominant partner. The business had changed considerably over the last few years. They had expanded and improved the current premises after closing down a less profitable shop. They had started out as greengrocers "because you don't need much capital for that" but were now concentrating on dry foodstuffs. However:

"We have made a deliberate decision not to go into things like video... There is less competition with Asian food than English groceries. Vegetables have a quick turnover but now we have grown we can deal with the cash flow of dry goods."

He was currently concerned that they were outgrowing their present premises:

"We need storage space so we can buy in bulk and take whole ranges. Some of the lines may not go very quickly but you get good discounts."

The family left as much money as possible in the business but when they needed additional finance they had had a loan from a friend and a second mortgage from the bank. They employed six full-time employees of whom three were members of the family. They chose employees who were:
"prepared to obey us. The less education the better. Anyone can do this work. Older people are not suitable for the heavy work."

Staff were assigned different tasks:

"we have so many different lines it's best to make people responsible for different parts of the shelves."

However, their workers are not encouraged to stay for more than a year or two:

"because after that they get lazy."

They were able to attract customers through the posters on their main road site although they also relied on word of mouth. They sent out calendars once a year. They kept their prices low and people often came from outside the area and bought in bulk. They used to give credit but found they lost custom because people wouldn't come back until they could pay. They also found it too time-consuming to deal with credit. Suppliers were chosen:

"where we get a good deal. We look for consistency, good packaging. We try not to keep changing suppliers because we get a better deal with old ones."

The business was discussed only with the male members of the family. They would not use advice services because:

"each business is unique, help in general terms wouldn't be useful."

However, the respondent was following an evening course in business studies. Asked about the future of the business he said:

"We haven't done much in the last two years. We need to develop otherwise we will find that other
people will set up and compete with us. We'd like to do wholesale. We would like better premises where we can use trolleys. It would be more efficient. Every two years or so we should do something."
"There are endless possibilities. If this business became less successful we could start another. There are always things you can do."

This grocer had, in a sense, been "pushed" into business when other opportunities had closed down. However he had taken to it with a clear sense of purpose and strategy that was lacking in the previous case. He was, of course, able to draw support from his family and he was nearly twenty years younger than the butcher. Yet his perception of the business as an enterprise amenable to development and to deliberate decision-making suggests a quite different economic orientation.

The overall picture which emerges from the very small, service sector enterprises which make up this sample is one of businesses located in a dependent structural position yet which can afford their owners some sense of independence from the labour market. The political rhetoric surrounding small business seems to bear little relation to the cautious, conservative outlook of most of these proprietors. For them, small enterprise is not an avenue of economic advancement but a way of making a living without being subject to the controls of employment in a capitalist economy. Most owners did not see self-employment as a symbol of initiative or risk-taking. They had taken up own-account work as a strategy of earning a living which happened to be available to them. They ran their businesses through a series of social and economic transactions which reflected the meaning the business held for them. Although the ethnic enterprises displayed some distinctive characteristics the similarities between the Sikhs and the white owners were very pronounced. The cultural patterns of petty proprietorship seemed more significant than ethnic cultural differences. Within the sample, however, there were some proprietors whose business
attitudes seemed to distinguish them from the others. These were owners who had a clear concept of the business as a distinct economic entity and who constructed their business transactions with a sense of purposive choice. Paradoxically, most of these entrepreneurs were found among the Sikh respondents.
XV  **Recommendations**

1. Policy towards small business currently assumes that this sector is in need of special support. A wide range of services are available to small business through government agencies and legislation has been enacted with the objective of lifting restrictions on the way it operates. In addition, various voluntary bodies, often supported by large companies, provide advice and training for the owners of small enterprise. In the early nineteen seventies the thinking behind the Bolton Report (1971) encouraged the perception of the small firm sector as disadvantaged in an economy where capital had become highly centralised. Markets for finance, raw materials, professional services were dominated by the large conglomerates, and small businesses could not compete effectively within this environment. Today, however, help for small business is not seen purely in terms of adjusting the operation of markets so that small firms can survive. There is a belief that small firms can be used to create jobs, to inject the economy with a greater level of competitiveness and innovation and to restructure a lost entrepreneurial culture. Although academic research has persistently shown the limited capacity of small firms to create stable employment opportunities, and although the increase in self-employment is largely explained by the recession and the shift to the service sector, there is a strong political belief that small firms and their owners represent the spearhead of economic recovery. In view of the disjunction between political thinking and academic research in this area it would seem appropriate to clarify the objectives of small firm policy and to identify the kinds of intervention which are most likely to fulfill these objectives.

2. Help for ethnic enterprise is not a specific part of the national government programme for small business but it is part of the policy of certain local authorities and of some voluntary associations. Here, too, there seems to be a need to clarify the policy objectives. It has to be asked whether ethnic enterprise should be more fully linked to the over-
all infrastructure of advice and support. If the objective of supporting ethnic enterprise is to facilitate the maintenance of cultural identity then there is an argument for developing a separate network of support services or, perhaps more appropriately, self-help groups. However, if the objective is to contribute to the effective development and operation of ethnic business, then there would seem to be a strong case for integrating minority owners more fully with the existing services. It has been argued that the Sikh businesses in this study are not run on fundamentally different principles to the white-owned enterprises, so there seems to be no need for a separate service on that basis. In addition, it has been argued that Asian businesses suffer from being clustered in a narrow range of trades and that those which serve purely ethnic markets may be particularly vulnerable in the long term. A separate support service might tend to reinforce this clustering. However, if ethnic enterprise is to benefit more fully from small business support services then these services must be advertised more widely to ethnic populations. It was noticeable in the study reported here that whilst white owners often rejected the whole idea of outside help, the Sikhs did not use it because they had not heard of it or were too busy. It seems that if a way was found to communicate more effectively with the ethnic proprietors both these obstacles might be overcome. It would also be necessary for the general support services to become less heavily oriented to manufacturing and more concerned with services and distribution, as this is where most ethnic businesses are located. A shift in orientation of this nature is probably required anyway to respond to more general economic trends.

3. Most support services for small business operate at the level of the individual enterprise. Part of the problem of small business, however, stem from its position in the wider economy. The small proprietors' perception of the business being buffeted by external factors beyond their control is not entirely unjustified. Dependence on sub-contracting, a position at the periphery of the distribution system, vulnerability to developments in the neighbourhood are all
characteristics of small enterprise and there is a sense in which small business policy cannot be separated from more general economic policy. The relation between the fortunes of the small business and the social and economic environment suggest that intervention at the level of the individual enterprise is insufficient. Indeed, by subsidising some businesses, as, for example through the Enterprise Allowance Scheme, support schemes may well be increasing their competitiveness at the expense of other businesses in the same trade. Support might be better aimed at industries or segments of industries where small firms predominate. There is also a case for investigating more closely the role of small businesses in a locality and considering planning developments specifically designed to foster small enterprise. Although there is some movement in this direction in the case of manufacturing there seems to be little attention to the kind of environment which is suitable for small retail outlets. However this type of intervention in the local and national economy is unlikely to be politically acceptable. It is ironic that small business is represented as the epitome of the market economy, and yet the prosperity of such businesses appears to require constraining the operation of market forces.

4. A plethora of services for small business has come into existence and yet it seems that only a small proportion of owners takes up the advice or support which they offer. Comparison with the utilisation of other types of support services suggests that this is not an unusual phenomenon. Informal networks of information and advice seem to have greater appeal than one-off consultations and this might also be the case with small business. Owners seem to have misconceptions about the costs and functions of advice services and in some cases there is a low awareness of their existence. There is evidence, however, (London Borough of Ealing, 1985) that small business owners do follow business related programmes on radio and television, read the financial pages of newspapers and consult trade magazines. This indicates that there are vehicles for communicating with this potential clientele. It also seems that accountants
are extensively consulted by small owners, partly out of necessity and partly because the "books" are regarded as the key to the enterprise. There might, therefore, be a case for encouraging accountants to refer their clients to advice services or even to provide a wider range of services themselves.

The best efforts of the advice and support services will often be thwarted by the powerful philosophy of individualism adopted by small business owners. Proprietors commonly resent the idea of professional intervention in their enterprise and prefer to follow a policy of self-help. This implies that support services should devote some resources to supplying information rather than advice. Information can be used to improve decision-making in a non-interventionist way. An improved knowledge of suppliers, greater awareness of selling techniques, stock control systems, planning strategies and so forth might at least open up alternative ways of making business decisions for those owners who were interested in them. Part of the explanation of low take-up seems to arise from the failure of small business owners to perceive and formulate problems. Several owners in this study said that they had no need of help or had no problems which could be solved through professional advice. Yet at other points in the interview they mentioned lack of customers, problems obtaining supplies, difficulties in planning ahead or in pricing. No doubt professional advice services would be able to identify other business problems which did not figure at all in the owners' accounts of their enterprise. The general lack of decision-making also inhibited the owners' perceptions of business problems. Support services therefore need to enhance the capacity of small owners to formulate problems in order to increase their interest in solving them.

Given the low take-up of support services there is a need for research which identifies differences between small proprietors who do utilise the advice agencies and those who don't. This would help the support services to target their publicity and it would also contribute to a greater
understanding of why these services are under-utilised.

5. The support services for small business are normally based on the assumption that these enterprises would benefit from the application of formalised management systems to their operations. However small businesses exist within a web of informal and personalised relationships. The small business cannot be extracted from its social context without radically changing its character and its meaning for the owner. Advice services need to help proprietors find ways of identifying objectives which are both meaningful and satisfying to them at a personal level as well as realistic in a business sense. The proprietors' accounts of their business and their perceptions of the qualities needed to run a small enterprise represent a quite different vocabulary and a different conceptual perspective to that of the conventional business formulae. Support services need to find a way of introducing a greater awareness of alternatives and more purposive strategies in terms which are acceptable to these owners of very small, peripheral enterprises. Proprietors have narrow perceptions of problems and often regard the business as shaped by external factors. Yet at the same time there is often a belief in self-determination. The inconsistency in their belief systems must be recognised by advice services which should be able to help owners identify those factors in their environment which they can control. Small business clubs and networks, which involve discussions with other owners, may help proprietors to articulate their business problems, and prolonged contact with trusted advisers may be a better way of working with small owners than one-off consultations.

6. Policy towards small business often seems designed to replace informal, personal sources of support and help with formal ones. Professional advice and training and institutional sources of premises and finance are offered in the place of family and friendship relationships. However there are contradictory views on the effectiveness of informal, personal sources of support and there is little research into the quality of this kind of help and advice. Storey (1982).
for example, suggests that informal sources of capital are a sign of business weakness whilst Casson (1982) argues that family and friends are good judges of the viability of an enterprise. The apparent success of certain minorities in business is often attributed to their ability to mobilise informal support through community networks. Thus it seems that whilst formal support is promoted through small business policy, informal support is identified as particularly valuable to ethnic businesses. There is a need to know more about the quality of informal help and advice: whether family discussions help to clarify problems and formulate strategy; whether premises found through informal contacts are more satisfactory, whether family labour has appropriate skills and whether finance from informal sources provides flexible injections of badly needed capital or whether it is simply used to prop up enterprises that are basically unviable. Whatever the outcome of such research the extent of dependence on informal support should be recognised both in the training of small business owners and in the organisation of advice services.
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