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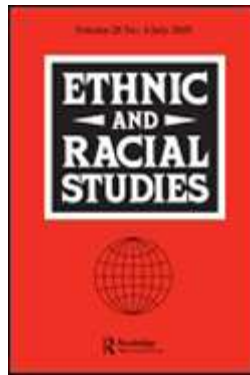
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**Economic activity in the South Asian Population in Britain:  
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## Economic Activity in the South Asian Population in Britain: The Impact of Ethnicity, Religion and Class

### Abstract

This paper expands the existing literature on ethnicity and economic activity in Britain by studying the impact of religion and class. It argues that while the class location of the different South Asian groups is important in determining their labour market outcomes, it does not operate independently from ethnicity; rather it is highly influenced by ethnicity in the process of determining the labour market participation of these groups. We use data obtained from the 2001 UK Census on Indian, Pakistani and Bangladeshi men and women aged 20-29. Our findings confirm that class structure of the South-Asian groups is highly ethnicised, in that the ethno-religious background and class are interwoven to the extent that the separation between them is not easy, if not impossible.

### Keywords

Britain, Ethnicity, Religion, Labour Market, Economic Activity, Class

## Overview

This paper strengthens our emergent understanding of the role of the complex relationship between class and ethno-religious background in producing economic inequalities in Britain. In this paper we argue that nowadays in Britain ethno-religion and class are two complemented active social determinants of labour market prospects. On the one hand, the current class structure is formatted along ethnic and religious lines, class seeming to be a main social mechanism through which ethno-religious inequality is produced. On the other hand, ethno-religion has an independent impact on the formation of classes. To explore our argument we utilise a sample of young South-Asian men and women aged 20-29 years obtained from the 2001 UK Census data. The article falls into five sections. In the first we trace arguments about the benign relationship between ethno-religion and economic activity and the mechanisms through which ethno-religious backgrounds influence the labour market prospects. In the second part we discuss the role of class and its relationship to ethno-religious background. In the third, we introduce methodological dimensions and discuss measures used to operationalise key variables. In the fourth we present our findings by deploying models of explanation founded on regression and log-linear analysis, and in the fifth section we discuss the implications of our findings for the understanding of the relationship between class, ethnicity and economic activity.

## Ethno-religious Diversity

Research into the socio-economic location of ethnic minorities in Britain in the 1980s was often characterised by an approach that assumed a broadly common position and one which could be contrasted with that of the White majority. This was exemplified in the way that the data was interpreted in Brown (1982) and caught in its title, *Black and White Britain*. This view marked a break from earlier empirical studies (e.i. Daniel, 1968, Smith, 1977) and enjoyed considerable political resonance at the time, but it was difficult to sustain by the end of the 1990s. The most extensive and systematic study in that later period, the PSI Fourth Survey, highlighted both commonality and diversity amongst the main non-White groups in Britain (Modood et al., 1997). It found grounds for concluding that all non-White groups suffered a disadvantage in the labour market. Later studies have shown that the nature and scale of this disadvantage was particularly harsh for Muslims (Brown, 2000, Modood, 2005, Platt, 2005, author, 2009).

In terms of ethnicity, the literature on these groups generally ranks Indians above Pakistanis and Bangladeshis in terms of their labour market outcomes and socio-economic attainment (Cheung and Heath, 2007, Heath and McMahan, 1997, Heath and Cheung, 2007, Mason, 2000, Mason, 2003, Modood et al., 1997). Pakistanis and Bangladeshis are more likely to experience long-term unemployment, are under-represented within the professional and managerial positions and have fewer chances of socio-economic mobility than Indians (Platt, 2005) (see also Modood et al 1997: 138-143). Furthermore, in relation to median male hourly wages in 2006-08 (as published in the report of the National Equality Panel (NEP), while Indian men earned £11.20 (slightly less than White British men at £11.40); Pakistanis earned £7.70, and Bangladeshis even less at £6.90 (NEP, 2010: 130-131). The pattern for women was broadly the same except, as in the 1990s, the gaps were smaller and Indian women had higher median wages than White British women (Modood et al 1997:114).

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Turning to the religion dimension, previous studies on the economic activity of the South-Asian population in Britain have found significant differences between the three main religious groups: Muslims, Hindu and Sikh (Brown, 2000, Lindley, 2002, Model and Lin, 2002, Platt, 2005, author, 2009). For example, in her study on migration and social mobility, Platt (2005) has identified religion as an important factor in determining the probability of a professional/managerial class outcome. She found that relative to being a Christian, being Hindu increased the likelihood for a professional/managerial class outcome, other things being constant, while being Muslim or Sikh decreased the likelihood for such a destination. By exploring the interaction between ethnicity and religion, she (see also Brown, 2000; and Author, 2009) has identified that in addition to the ethnic ranking that places Indians ahead of Pakistanis and Bangladeshis, there is a religious ranking within the Indian population placing Hindus at the top with Muslims being at the bottom. As we have shown in a recent study (author, 2010), the best way of capturing the complex relationship (and impacts) between ethnicity and religion is by including them in the analysis as a combined identity background, to which we refer as ethno-religious background (see also Author 2009).

How is this persisting pattern – with an Indian/Pakistani-Bangladeshi divide but one which is dwarfed by the scale of the disadvantage accruing to Muslims - to be explained? As a starting point, it is worth noting that all the five groups in this study are non-White. Their visibility and different skin colour is likely to trigger what Modood (2005) refers to as ‘colour racism’, which can turn into direct and indirect discrimination in the labour market causing what Heath and McMahon (1997) called an ‘ethnic penalty’ which all non-White groups suffered. However, this ‘ethnic penalty’ is not experienced equally by all the non-White groups. As mentioned earlier, there is strong evidence that the penalty devolving to the Muslim groups is higher. According to Modood (2005), the extra or the higher penalty facing Muslims in the British labour market is due to ‘cultural racism’. A recent study by the author has shown that skin colour and culture (religion) are the main mechanisms through which ethnicity operates to reinforce disadvantage among some groups (such as Muslims) or to facilitate social mobility amongst others (such as Irish) (Author 2009).

### **Ethno-religion and Class**

However strong the influence of the ethno-religious background, it does not operate independently from other factors. One of these factors that are closely associated with ethno-religion is social class which too is doing considerable work in creating the pattern we are interrogating here. We argue that while the class location of the different South-Asian groups is important in determining their labour market outcomes (Platt 2005), it does not operate independently from ethnicity; rather it is highly influenced by ethnicity in the process of determining the labour market participation of these groups (Virdee, 2006). For example, Khattab (author, 2003) argues that the type of employment relations (or a class position) a person may obtain is very likely to be affected by his or her ethnicity. Likewise, but in different order, Sa'di and Lewin-Epstein (2001) argue that “class seems to be the main social mechanism through which ethnic inequality is reproduced”. How is this relationship to be explained? According to Virdee (2006), racism and discriminatory practices of employers combine to produce one of the most important factors in determining racialised minorities' position in the class structure. Thus, the existence of racism, in our case cultural racism, would strongly influence the class structure of the groups under study and together shape the economic activity of these groups. This view is very well presented by Fenton (1999), who believes that ethnicity must be placed within the context of power and wealth (class):

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3 “The boundaries of ethnic groups are symbolically represented – as the  
4 bearers of a specific language, religion or, more generally, ‘culture’; but  
5 they are also materially constituted within the structure of power and  
6 wealth. Thus ethnicity should be regarded as materially and symbolically  
7 constituted, as a systemic feature beyond the reach of individual actors, as  
8 well as a dimension of individual action itself” (Fenton 1999: 25).  
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13 This leads us to conclude that any existing ethnic differences, for instance in education and  
14 the labour market, must result from the different location of each ethnic group within the  
15 class structure. But, if the class location is formed along ethnic lines (due to racism and  
16 discrimination in the labour market) as argued earlier, then the conclusion that class structure  
17 and ethno-religious background are inextricably linked with each other in a way that  
18 precludes any understanding of them separately is inevitable. That is to say, that in the  
19 surface processes, class seems to supersede ethnicity in generating social and economic  
20 inequalities, but in the underlying processes, class structure is highly-correlated with ethnicity  
21 (Author 2003).  
22  
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24  
25 The fact that the economic activity and labour market prospects of ethnic minorities are  
26 influenced by racism and discriminatory practices by employers should not be doubted.  
27 However, we should also not underestimate the impact of culture and attribute all the ethnic  
28 differences in employment to structural (class) differences. To explain our view further, take  
29 the example of Muslim women in the UK who, it is suggested, are less likely to become  
30 economically active due to religion and cultural values and norms (Abbas, 2003, Ahmad et  
31 al., 2003, Dale et al., 2002, Holdsworth and Dale, 1997), and when they become  
32 economically active, they are very selective in terms of what job they are prepared to do. The  
33 decision of a Muslim woman to become economically active and what job she is willing to  
34 do very often lies within the cultural norms of the family and expectations of the community  
35 (Herzog, 2004). These norms and expectations can vary by class but nevertheless distinguish  
36 Muslim women from their non-Muslim peers. In these cases, we do not expect class position  
37 and background to be the main source of action or the main determinant of the occupational  
38 attainment and social mobility. It can play a role, but its centrality is likely to be dissolved or  
39 highly influenced by the cultural norms of the group under investigation. Thus, many (but not  
40 only) Muslim women would act in a way that takes their cultural and community  
41 expectations into account, their class background acting as a secondary and qualifying factor.  
42 Hence, an independent impact of the ethno-religion over labour market outcomes should be  
43 expected.  
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## 48 **Methodology**

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50 To study the impact of ethnicity, religious background and class on labour market  
51 performance requires aggregate data that allow comparisons between groups, so that their  
52 average experience can be evaluated; unfortunately such data are rarely collected. Most  
53 surveys which have information on all of these variables – such as the British Household  
54 Panel Study in the UK – have too few representatives of the ethnic groups under  
55 consideration to provide a sample of sufficient size. In the absence of resources to undertake  
56 a bespoke survey, therefore, it is necessary to develop means of testing the arguments  
57 presented here using already-available data.  
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In this context, for the present study we use the Sample of Anonymised Records (SARs)  
derived from the 2001 UK Census. The SARs is a 3% sample of individuals with

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3 approximately 1.84 million records. While the data from the census are available for England,  
4 Wales, Scotland and Northern Ireland, in this study we have only used the data for England  
5 and Wales due to differences between the countries in the content and conduct of the census  
6 resulting from specific requirements in each. The SARs includes information on age, gender,  
7 ethnicity, health, employment status, housing, amenities, family type, geography, social class,  
8 education, distance to work, workplace, hours worked and migration.  
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11 The UK census is a cross-sectional survey which does not collect much information on  
12 respondents' backgrounds as against their current circumstances. There is nothing, for  
13 example, on their socio-economic class background – on the households in which they were  
14 raised and socialised. However, because the data are arranged in current households, it is  
15 possible to derive the class background for a sub-set of the respondents – although  
16 unfortunately not necessarily a random sample of people in the relevant categories. This has  
17 been done by taking all individuals with Bangladeshi, Indian and Pakistani ethnicities aged  
18 20-29 years – and, therefore, relatively recent entrants to the labour market – who are living  
19 in a household with at least one of their parents. If the household reference person is a parent,  
20 that person's occupational class is used as a proxy for the younger person's class background,  
21 in five categories – professional and managerial; other non-manual; skilled manual; semi-  
22 skilled manual; and unemployed/on benefit.  
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28 This procedure allowed the identification of 3,098 Bangladeshi, Indian or Pakistani  
29 individuals (1,846 males and 1,252 females) within the SARs file for whom we have  
30 information on not only their current labour market situation at the time of the census but also  
31 their self-assessed ethnicity, their religion, and their social class background. People in full-  
32 time education have been excluded from the analysis.  
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### 37 *Dependent variable*

38 Our dependent variable for these analyses is economic activity, measured using the question  
39 'economic activity last week' in the census. We recoded the 13 different categories into just  
40 three: people in employment (both self-employed and employees), unemployed people (those  
41 actively seeking work), and the economically inactive (which includes the retired - very few  
42 in the ages 20-29, those looking after home and children, and the permanently sick). People  
43 in employment are used as the reference group in the multinomial models.  
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### 48 *Independent variables*

49 Educational qualifications. The census scale has six categories but respondents with unknown  
50 qualifications have been excluded leaving: people with no qualification (the lowest level),  
51 GCSE grade D-G, GCSE grade A-C, A/AS level and the last (highest) level was degree or  
52 above. The variable was re-coded into three categories: higher qualification, A-level or lower,  
53 no qualification.  
54  
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56 Place of birth: this was coded 1 for overseas born and 0 for those born in the UK (the  
57 reference category).  
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59 Age: This was divided into two categories: 20-25 and 26-29: the latter was used as the  
60 reference group to inquire into whether class background was more important among younger  
adults.

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3 Marital status: the original 6-category question in the census was coded into currently  
4 married (or live with a partner) and currently unmarried (single, divorced).  
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6 Ethno-religious background was derived using the two variables on ethnicity and religion  
7 giving five categories that were large enough for separate analysis: Muslim-Indians (MI),  
8 Muslim-Pakistanis (MP), Muslim-Bangladeshis (MB), Hindu-Indians (HI) and Sikh-Indians  
9 (SI)..  
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## 12 13 14 **The General Patterns**

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16 Table 1 presents the distribution of young men and women by ethno-religious background  
17 and economic activity and also includes (in brackets) the comparable distribution for the  
18 whole relevant population. We only discuss the results from our sample, while showing its  
19 differences from the whole population (aged 16-59).  
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21 For *men* the data confirm previous studies in relation to the relative position of each group,  
22 with Muslim-Pakistanis and Muslim-Bangladeshis disadvantaged relative to Hindu-Indians  
23 and Sikh-Indians, whereas Muslim-Indians are closer to the other Indian groups than to the  
24 other Muslim groups (Brown 2000, Modood et al 1997, Mason 2003). For example, Muslim-  
25 Pakistani men have the highest unemployment rate followed by Muslim-Bangladeshi men  
26 (23% and 21% respectively). All three religious Indian groups have much lower rates (13%,  
27 11% and 14% for Muslims, Hindus and Sikhs respectively). Similarly, Muslim-Pakistanis  
28 and Muslim-Indians have a higher rate of economic inactivity (7% and 6% respectively) than  
29 the other three groups (2%).  
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35 Insert Table 1 about here  
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39 The pattern of the ethno-religious differences in terms of economic activity among *women* is  
40 much clearer than among men. The three Muslim groups are disadvantaged relative to the  
41 other two non-Muslim groups. However, young Muslim-Indian women are much closer to  
42 the other Indian groups than to the other Muslim groups. Hindu-Indian women have a better  
43 profile with 7% of them being unemployed, 3% economically inactive and 90% of them in  
44 employment compared to Muslim-Bangladeshi women, at the other end of the scale, with  
45 16% unemployed, 19% economically inactive and 65% in employment. It is worth noting  
46 here the large difference between young women and the whole population of women,  
47 particularly within the three Muslim groups. Economic inactivity is strikingly reduced among  
48 the sample population.  
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## 52 53 54 **Modelling Economic Activity**

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56 In this section we report on separate modelling of the variations shown in Table 1 for men  
57 and for women. Multinomial models are fitted contrasting those in employment (the  
58 comparator group) separately with those unemployed and inactive. Two models are fitted –  
59 the first excludes the class background variable and its introduction in the second allows an  
60 evaluation of its impact relative to ethnicity and religion. The tables report the odds-ratios of



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3 being unemployed or inactive relative to being in employment (employed). Hence, a  
4 coefficient that is less than 1 indicates lower odds of falling within the specific category  
5 relative to the reference category (being employed as in this study).  
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### 8 *Men*

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10 The first model in Table 2 shows that educational qualifications have a very substantial  
11 impact on labour market position: those without formal qualifications in particular are very  
12 much more likely to be either unemployed or economically inactive than are those with a  
13 degree or similar qualification. Those in the younger cohort (20-24) are also more likely to be  
14 unemployed than their older peers (aged 25-29) but much less likely to be economically  
15 inactive, whereas those who are unmarried are much more likely to be inactive than are those  
16 who are married. There are no significant differences between those born in the UK or  
17 elsewhere.  
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20 The key variables for the current discussion are those for ethnicity – combining ethnic  
21 identity with religion. Compared to Hindu Indians, the other two Indian groups – Muslims  
22 and Sikhs – have similar unemployment and inactivity rates. Muslim Pakistanis and  
23 Bangladeshis are much more likely to be unemployed than the three Indian groups, and  
24 Muslim Pakistanis – though not Bangladeshis – are also much more likely to be economically  
25 inactive.  
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28 Introduction of the class background variables in Model 2 makes very little difference to the  
29 size and significance of the individual characteristic variables other than those for ethnicity.  
30 With the latter, the same three variables are statistically significant as before – indicating a  
31 major difference between Indians on the one hand and Pakistani-Bangladeshi Muslims on the  
32 other – but the coefficients are substantially lower. That this is a consequence of introducing  
33 the class background variables is only clear in the case of economic activity; large, significant  
34 coefficients indicate that – irrespective of their individual characteristics and ethnicity – those  
35 from lower status backgrounds (living at home with a parent who was either unemployed/on  
36 benefit or in an unskilled manual occupation) were more much likely to be inactive than  
37 those from a professional background. The reduction in the effect of the ethno-religious  
38 background (after including class) is an indicator that some of the ethnic-religious influence  
39 is class-based.  
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### 49 *Women*

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51 Table 3 presents two multinomial models of economic activity among women. As for men,  
52 the first model shows that those either lacking or with lower levels of educational  
53 qualifications were much more likely to be either unemployed or economically inactive.  
54 Similarly, those in the younger cohort were more likely to be unemployed and less likely to  
55 be inactive, but there were no significant differences by either marital status or place of birth.  
56 Ethnicity generated more significant differences among men than women. Compared to  
57 Hindu Indians, Muslim Pakistanis and Bangladeshis were significantly more likely to be both  
58 unemployed and economically inactive; Sikh Indians were also more likely to be unemployed  
59 than Hindus.  
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3 The consequence of introducing the class background variables is very largely the same for  
4 women as for men with regard to the impact on the variables included in model 1 – no  
5 difference in the size and significance of the qualifications and age variables but a reduction  
6 in the size of the ethnicity coefficients. Class background itself has only a weak impact,  
7 however – and in terms of significance only on levels of unemployment.  
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16 We have seen that including class<sup>i</sup> into the model has indeed reduced the impact of the ethno-  
17 religious background but did not cancel it completely, suggesting that there might be some  
18 independent impact of ethno-religious background upon economic activity that does not  
19 operate though class. Moreover, since some of the regression coefficients for class are  
20 statistically significant, we can only assume that class too has some independent impact on  
21 the labour market outcomes among the South-Asian groups. In order for us to examine these  
22 patterns further, we have conducted a series of log-linear models in which the three variables  
23 of class, ethno-religious background and economic activity have been included. The results of  
24 these models are in Table 4.  
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34 Table 4 presents seven different log-linear models. In the first we examine the independency  
35 hypothesis that there is no relationship between the three variables. With a chi-square value  
36 of 548.02 the model is statistically significant indicating that it does not fit the data. In other  
37 words, we reject the hypothesis of independency. In the second model we test the hypothesis  
38 that the relationship between class background and economic activity is independent from  
39 ethno-religious background. Like the first model, this too does not fit the data and we have to  
40 reject the hypothesis since the chi-square value is statistically significant. Likewise with the  
41 following four models (3 to 6) we have to reject the null hypothesis since the chi-square  
42 values are significant.  
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45 In the last model, we interacted all the three possible pairs, and as expected the chi-square is  
46 small enough to be statistically insignificant with 32 degrees of freedom. In other words, this  
47 is the only model that fits the data well and suggests that economic activity is associated with  
48 both class background *and* ethno-religious background. Additionally, it suggests that both  
49 class background and the ethno-religious background are associated with each other. In other  
50 words, while both class and the ethno-religious background influence the labour market  
51 outcomes among the South-Asian groups, these two variables are also related to each other in  
52 that being in a given class can be a result of (at least partially) the ethno-religious affiliation  
53 and vice versa. This is an important finding that will be revisited in the discussion below.  
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## 59 Discussion and Conclusions 60

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In this paper we have analysed the impact of ethnicity in conjunction with religion and class background upon the economic activity amongst the three main South Asian groups in Britain: Indians, Pakistanis and Bangladeshis, presenting our findings in relation to young adult men and women separately. We have focussed particularly on how controlling for class background would affect the impact of ethno-religious affiliation. The data used refer to a sample that is slightly limited in terms of representing the entire South-Asian population, but is the best we could obtain in the light of datasets that provide information on these three variables together. In general, our findings in relation to the main differences between Indians, Pakistanis and Bangladeshis lend support to previous studies and confirm the pattern according to which, on average, Indians are placed above Pakistanis and Bangladeshis in relation to their unemployment and economic inactivity rates (Lindley, 2002, Model and Lin, 2002, Modood, 2005, Modood et al., 1997, author, 2009). This pattern holds for men and women alike and has been sustained even after taking class background into account, suggesting that the differences between Indians on the one hand and Pakistanis and, to a lesser extent, Bangladeshis on the other hand, are not due to their different position within the class structure. This suggests, as expected, that the ethno-religious background has an independent impact which might be a result of cultural practices and capital (Platt 2005:35); although there are variations within groups, there are also statistically significant differences between them, so that we can conclude that on average some perform better in the labour market than others, which policy initiatives aimed at reducing inequalities might be based<sup>ii</sup>.

Controlling for class background has also revealed the role of religion amongst the South Asian groups. The overall evidence of this study suggests that religion is not an important factor in determining the economic activity amongst the South Asian groups. The lack of significant differences between the three religious Indian groups (except for Sikh Indian women in relation to unemployment) indicates that the initial differences found between these groups (Table 1 and Model 1 in Tables 2 and 3) were mainly class-based differences. Although recent studies that have investigated the impact of religion using UK-based data have suggested that religion is important and that some groups experience penalties in the labour market due to their religious affiliation (Reid, 1998, Lindley, 2002, Model and Lin, 2002), this study does not point in the same direction. One might argue that this difference between this and the aforementioned studies is that we exclude other ethno-religious groups such as Christians and Jews and hence religion is insignificant as an explanatory factor because of the narrow focus. This might be true, but equally, the current evidence is clear and unquestionable.

One of the very interesting findings of this study is the interdependent impact of class and ethno-religious backgrounds among the South Asian populations in Britain. Not only have some of the ethno-religious differences in economic activity been mediated by class, as one might expect, but the results of the log-linear models leave no doubt about that, suggesting that the class structure of the South-Asian groups is highly ethnicised. Indeed, the ethno-religious background and class are interwoven to the extent that the separation between them in explaining the labour market outcomes amongst the South-Asian groups in Britain (but not only) turns out to be a very hard task if not impossible (Author 2003; Virdee 2006; Sa'di and Lewin-Epstein 2001).

If our understanding of the data and model results is correct, then we might conclude that the ethno-religious differences found in this study are not a result of differences in human capital. Similarly to the findings of Platt (2005:35-36), some of these differences result from the different location in the class structure. However, as noted earlier, their class structure is heavily influenced by discriminatory practices in the labour market, in that, the existence of

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3 racism in Britain (Virdee 2006), or what Modood (2005) refers to as 'colour' and 'cultural'  
4 racism and its labour market consequences for the racialised groups, has synchronised the  
5 influence of class and the ethno-religious background and has dissolved them into one system  
6 through which both class and ethno-religion operate interdependently in forming the  
7 economic activity of the groups under study.  
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For Peer Review Only

**Table 1: Employment outcomes among South-Asian men and women aged 20-29 by ethno-religious background, England and Wales 2001.**

Ethno-religious groups	Men (N=14,166)			Women (N=13,878)		
	Unemployed	Inactive	Employed	Unemployed	Inactive	Employed
Muslim-Pakistanis	23 (14*)	7 (11)	70 (75)	16 (7)	12 (59)	72 (34)
Muslim-Bangladeshis	21 (18)	2 (8)	78 (74)	16 (9)	19 (64)	65 (28)
Muslim-Indians	13 (10)	6 (10)	81 (80)	14 (6)	7 (48)	79 (46)
Hindu-Indians	11 (6)	2 (5)	87 (89)	7 (5)	3 (21)	90 (74)
Sikh-Indians	14 (9)	2 (6)	84 (85)	13 (6)	4 (21)	83 (73)
Chi-square	$\chi^2=58.55, (p<0.001)$			$\chi^2=63.99, (p<0.001)$		

\* Numbers in brackets are for the whole population aged 16-59.

Table 2: Multinomial models for economic activity among South-Asian men (odds-ratios).

Independent variable	Model 1		Model 2	
	Unemployment	Inactivity	Unemployment	Inactivity
Overseas	0.80	0.58	0.76	0.57
Not married	1.46	3.69**	1.34	3.53*
20-24	1.67**	0.46*	1.81**	0.49*
No qualification	3.22**	57.96**	2.88**	55.17**
Level 1-3	1.74**	7.82**	1.65**	7.14**
MP	2.31**	3.25**	1.97**	2.70*
MB	1.96*	0.58	1.65*	0.42
MI	1.18	1.93	1.07	1.84
SI	1.36	0.98	1.30	1.07
On benefit /unemployed			1.51	10.49*
Other non-manual			0.74	9.73*
Skilled manual			0.68	5.41
Un-skilled manual			1.04	3.03
-2 Log Likelihood	$\chi^2=196.25, (p<0.001)$		$\chi^2=229.87, (p<0.001)$	

\* p &lt; 0.05, \*\* p &lt; 0.01

Table 3: Multinomial models for economic activity among South-Asian women (odds-ratios).

Independent variable	Model 1		Model 2	
	Unemployment	Inactivity	Unemployment	Inactivity
Intercept				
Overseas	1.09	1.12	1.06	1.11
Not married	1.33	0.70	1.25	0.66*
20-24	1.66**	0.67*	1.79**	0.71
No qualification	3.51**	32.62**	3.24**	31.31**
Level 1-3	1.72**	5.43**	1.66**	5.26**
MP	2.30**	2.86*	1.99**	2.55**
MB	1.89**	1.96*	1.58*	1.59
MI	1.52	2.06	1.37	1.98
SI	1.54*	1.10	1.52*	1.1*
On benefit /unemployed			1.55*	1.71
Other non-manual			0.80	1.18
Skilled manual			0.65*	1.22
Un-skilled manual			1.02	0.84
-2 Log Likelihood	$\chi^2=336.53, (p<0.001)$		$\chi^2=368.87, (p<0.001)$	

\* p &lt; 0.05, \*\* p &lt; 0.01

**Table 4: Loglinear models for the relationship between ethno-religious background, class and economic activity**

Model		Value	df	Sig.
No.	Model description			
1	[Economic activity] [ Ethno-religious background] [Class background]	548.02	64	.000
2	[Ethno-religious background] + [Class background * Economic activity]	475.99	56	.000
3	[Class background] + [Ethno-religious background * Economic activity]	446.52	42	.000
4	[Class background * Economic activity] + [Class background * Ethno-religious background]	93.37	40	.000
5	[Ethno-religious background * Economic activity] + [Class background * Economic activity]	374.49	48	.000
6	[Ethno-religious background * Economic activity] + [Class background * Ethno-religious background]	63.90	40	.01
7	[Ethno-religious background * Economic activity] + [Class background * Ethno-religious background] + [Class background * Economic activity]	27.08	32	0.714



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<sup>i</sup> We have introduced an interaction term of ethnicity X class in the multinomial models using a forward stepwise method, in all of these models the interaction term ethnicity x class has been excluded. It did not contribute to the overall power of the model.

<sup>ii</sup> In such a quantitative study, the goal is to establish whether there are substantial within-group variations (in this case in labour market performance) that are significantly greater than between-group variations. If there are, then one can conclude that on average one group performs less well than another (whatever the situation for particular individuals), which may be the basis for differential policy interventions; most policies aimed at reducing inequalities necessarily are aimed at groups rather than individuals.