

# **Social Capital and Labour Market Attainment of Black and Minority Ethnic Groups in Britain**

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## **Abstract**

Social capital research has made significant conceptual and methodological advances in recent years. Yet, owing to the limitation of data and methods, no systematic research has been carried out either on the processes of social capital generation, or on the impacts of social capital on the labour market attainment, of Black and Minority Ethnic (BME) groups in Britain. This paper seeks to make a contribution in this regard by using the most authoritative source of the British Household Panel Survey (BHPS). Conceptually, the social network theory is used to explain the mechanisms of social capital formation. Methodologically, item response theory (IRT) models are conducted to measure three types of social capital from sets of categorical component variables: neighbourhood attachment, social networks and civic participation. The distribution of the three types of social capital among the BME groups is explored first, followed by an analysis of the impacts of social capital on the subsequent labour market attainment of these groups. The findings show that the BME groups have very different profiles in social capital generation and that informal social networking is of particular importance in helping the most disadvantaged ethnic groups climb out of poverty.

## **Key words**

Social capital, ethnicity, employment, class, education

## **Introduction**

The term 'social capital' has been and continues to be one of the most popular concepts in many social science disciplines over the last decade. The number of papers published in top academic journals employing the concept has been increasing exponentially since 1995 (Harper 2001; Halpern 2005). There are now over 2000 papers published in English language journals discussing various aspects of social capital. Most of the papers seem to endorse the use of the concept but there are also sharp criticisms (Fine 2001, 2002). Given this situation and given the word limit of this paper, I am not going to conduct a detailed literature review of the social capital research. Rather, I will outline the key developments in social capital research, particularly from a quantitative research perspective.

Leading theorists on social capital are concerned both with the mechanisms for the generation of social capital and with the effects of social capital on individuals and the wider society. With respect to the mechanisms, there is a difference between those who see the experience of engagement in civic organisations as crucial in fostering the beneficial effects of social capital (Putnam 2000;

Anheier and Kendall 2002), and those who emphasise that network processes (rather than associational involvement) produce social capital (Lin 2001; Burt 1992, 2000, 2002). With respect to the effects, there is a tension between writers such as Bourdieu (1986), Coleman (1988, 1990) and Lin (2001) who are concerned with how social capital benefits individuals, and other writers, notably Putnam (2000), who is more interested in how it generates collective goods.

Within the network or resource-mobilisation approach, Granovetter (1973, 1974) is known for the thesis of the 'strength of weak ties'. Put simply, the thesis states that the weak ties that link an individual to his or her distant acquaintances are of greater value in job seeking than the strong ties that link an individual to his or her relatives or intimate friends. The reason is, as Lin (2001, p. 80) nicely summarises, that "weak ties tend to form bridges that link individuals to other social circles for information not likely to be available in their own circles". While this thesis is important in challenging the homophily principle dominant in sociability or class formation research, it is more applicable to the explanation of attainment of lower rather than higher status jobs, as the latter kind of jobs usually go through formal selection procedures.<sup>1</sup> Another, complimentary, thesis is what may be called the 'strength of strong ties' put forward by Lin et al. (1981). This thesis states that, for higher status jobs, the social status of the contact and the strength of ties between the contact and the hiring firm are of crucial importance. Lin's later work (2001), using the 'position generator' technique, further confirms the hypothesis. On the whole, theorists adopting the network perspective tend to see social capital as 'resources embedded in one's network or associations' (Lin 2001, p. 56), or as 'the aggregate of the actual or potential resources which are linked to possession of a durable network of more or less institutionalised relationships of mutual acquaintance and recognition' (Bourdieu 1993, p. 51).

The other, 'civic engagement', approach is exemplified in the work of Putnam (1993, 1995, 1996, 2000). This approach holds that the experience of engagement in civic associations leads people to be better able to reconcile differences and work co-operatively together. "Good government," he writes, "is a by-product of singing groups and soccer clubs" (1993, p. 176). Putnam's later work (2000) broadens his interest in social capital to include informal social networks. "When philosophers speak in exalted tones of 'civic engagement' and 'democratic deliberation', we are inclined to think of community associations and public life as the higher form of social involvement, but in everyday life, friendship and other informal types of sociability provide crucial social support" (Putnam 2000, p. 95). He further differentiates between 'bonding' and 'bridging' forms of social capital. The former "is good for undergirding specific reciprocity and mobilizing solidarity" while the latter is "better for linkage to external assets and for information diffusion" (2000, p. 22) and can "generate broader identities and reciprocity" (2000, p. 23).<sup>2</sup>

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<sup>1</sup> Research by Marsden and Hurlbert (1981) also find that the weak ties do not benefit people situated at the bottom of social hierarchy.

<sup>2</sup> Another form is the so-called 'linking social capital', namely, access to people in higher social positions (Woolcock 1998). This is essentially the same as the thesis proposed by Lin et al. (1981).

These theoretically distinct processes are not always amenable to empirical research using survey instruments. Ideally, social network analysis depends on data collected on whole populations, rather than samples, so that the connections between all members of the population can be ascertained. It is in this way that Burt (2002) examines the social capital of bankers, for instance. However, such strategies are not possible for the kind of national representative surveys that are usually used in quantitative research. Although it is possible to gain some information about strong ties in surveys by asking about people's 'best' friends, it is difficult to measure weak ties with survey data, since this requires knowing about a wide range of people's contacts, the degree of tenuousness within one's own circles and likelihood of becoming bridges between different circles. Lin (2001) uses 'position generator' questions where respondents identify whether they know people in varying social range, with those who know a greater range being defined as having more social capital. Another strategy is to examine the salience of situational networks which assess the degree of support available for particular situations people confront in their daily life, such as amongst neighbours. The resulting networks are relatively open and fluid since one generally cannot control whom your neighbours are. On the other hand, friendship networks are more likely to be exclusive in that people have the ability to define their own friends.<sup>3</sup>

The strands of social capital discussed above can be classified into three main conceptual types: informal personal networks with neighbours, informal personal networks with friends, and formal civic engagement. By distinguishing these types of networks we are able to explore a number of key issues, especially concerning the Black and Minority Ethnic (BME) groups in Britain who are known to differ widely in their socio-economic conditions (Karn 1997; Li 2004; Cheung and Heath 2005). Do different BME groups rely on different kinds of social networks? How do different types of social capital impact on their subsequent labour market attainment? These questions allow us to go beyond generic accounts of social capital and enable us to gain a more precise understanding than available hitherto of how social capital may become a significant social force, especially for the disadvantaged social groups.

### **Measuring social capital**

We use the British Household Panel Survey (BHPS) Waves 7–10 in this paper. The BHPS is the best data source for addressing the research questions outlined above. It contains detailed information on social capital indicators, large sample sizes allowing for differentiation of BME groups, and accurate information on subsequent labour market outcomes. No other data sets in Britain can meet these conditions. The survey began in 1991 (Wave 1) as the premier British panel study, and samples around 5000 households and 10,000 individuals each year. Although some of the original

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<sup>3</sup> It is important to recognise that relations with one's neighbours are not necessarily of the kind of weak ties as discussed by Granovetter but could be indicators of strong ties or bonding capital as Putnam would call it. One may decide to invest time and money developing and maintaining good relations with neighbours, just as with friends, or one may decide not to. Many people, especially those in working-class positions, tend to have close friends who are also their neighbours (Allan and Crow 1993; Allan 1996).

sample members dropped out in later waves, new members are added and the samples are generally representative of the UK population in each wave. There are also numerous weighting variables in the dataset which allows for cross-sectional or longitudinal analysis. We use Stata 8.2 which permits the use of analytical and probability weights as appropriate for the research task at hand, and of the specialist programme (gllamm, see below) for conducting the latent structural analysis of the three types of social capital.

Our three types of social capital can be summarised as follows (see Li et al. 2005 for more details). The full list of the component questions (factor indicators), and the technical details for obtaining the scores, of the three types of social capital can be found in the Appendix.<sup>4</sup>

### ***Neighbourhood attachment***

This refers to the degree to which people have good neighbourly relations. It is measured by both attitudinal and behavioural questions. The former include questions such as 'I belong to this neighbourhood' and the latter include questions such as 'I borrow things and exchange favours with my neighbours'.<sup>5</sup> Altogether eight questions from Wave 8 constitute the components for this aspect of social capital which aims at exploring the degree to which one is embedded in one's immediate community (Harper 2001).

### ***Social network***

The second type of social capital seeks to measure the extent of people's intimate relations with those beyond immediate family and therefore the extent of supportive networks. Such networks need not be based in any particular location and do not require any assumptions about geographical proximity. As with 'neighbourhood attachment', the questions cover both behavioural (e.g. 'Is there anyone you could rely on to help you from outside your own household if you needed help finding a job for yourself or a member of your family, or if you needed to borrow money to pay an urgent bill like electricity, gas, rent or mortgage?') and attitudinal (e.g. 'Is there anyone who you can totally be yourself with?') aspects. A high degree of social capital in this regard may be seen as an indicator of the range and depth of social connections that may serve to integrate the actor in the social fabric of society (Pahl 2000; Lin 2001; Jamieson 1998).

### ***Civic participation***

Existing studies generally use civic participation as sources of social capital. Most of the studies proceed either by counting the number of memberships in specific civic organisations as an index of the stock of social capital in society at a particular time (Putnam 2000; Hall 1999; Paxton 1999; Li et al. 2002; Li et al. 2003b) or by combining certain organisations into associational types on theoretical grounds (Li et al. 2003a). In this paper, the level of formal social capital is measured from the

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<sup>4</sup> The Appendix is available at <[http://www.sociology.bham.ac.uk/staff/yaojun\\_li.htm](http://www.sociology.bham.ac.uk/staff/yaojun_li.htm)>.

underlying scores for involvement in voluntary associations, thus indicating the propensity for civic engagement.<sup>6</sup> Higher scores of social capital in this regard may also be seen as indicating a higher degree of 'thin trust' as Putnam would put it (Putnam 2000, p. 136-7).

The first two types are aspects of informal social capital and the last type taps the formal aspect of social capital. The two types of informal social capital have some similarities in that they can both be seen as indicators of 'bonding social capital' in Putnam's sense. The differences between them may lie not only in the geographic proximity as noted earlier but also in the research questions we address. For instance, Li et al. (2005) show that, in contemporary Britain, it is the advantaged who tend to have higher scores in informal social networks, but it is those with higher scores in neighbourhood attachment who are more likely to trust their fellow citizens, holding constant other important socio-economic factors like class and education.

The techniques for getting the scores of the three types of social capital are the same as those used in Li et al. (2005). The substantive research questions are, however, different. For instance, they did not include ethnicity in their research, nor did they explore the impacts of the three types of social capital on the BME's subsequent labour market attainment. The study of the interrelationship between social capital and labour market attainment for the BMEs is of particular importance in Britain. The BMEs constituted around three per cent of the population in 1951, five per cent in 1991, and eight per cent in 2001. A high degree of socio-economic integration of the BMEs is of paramount importance to (the perception of) the social and the moral justice of the system.<sup>7</sup>

The data in the BHPS permit the measurement of the types of social capital along the conceptual lines discussed above. Given the categorical nature of the component variables, two-parameter item response theory (IRT) models (Lord and Novick 1968) are used to obtain estimates of individual levels of social capital. The sets of items (component variables for each type of social capital) were selected as likely indicators of the potentially distinct facets of social capital. The models were estimated by maximum likelihood in Stata using gllamm (Generalized Linear Latent And Mixed Models) (Rabe-Hesketh et al. 2000) and adaptive quadrature (Rabe-Hesketh et al. 2002). Respondents with partially incomplete sets of responses were included under the assumption of the missing data being missing at random (Rubin 1976).

A range of socio-cultural factors are used both as determinants of the social capital types and as control variables in studying their impacts on subsequent socio-economic attainment. These are

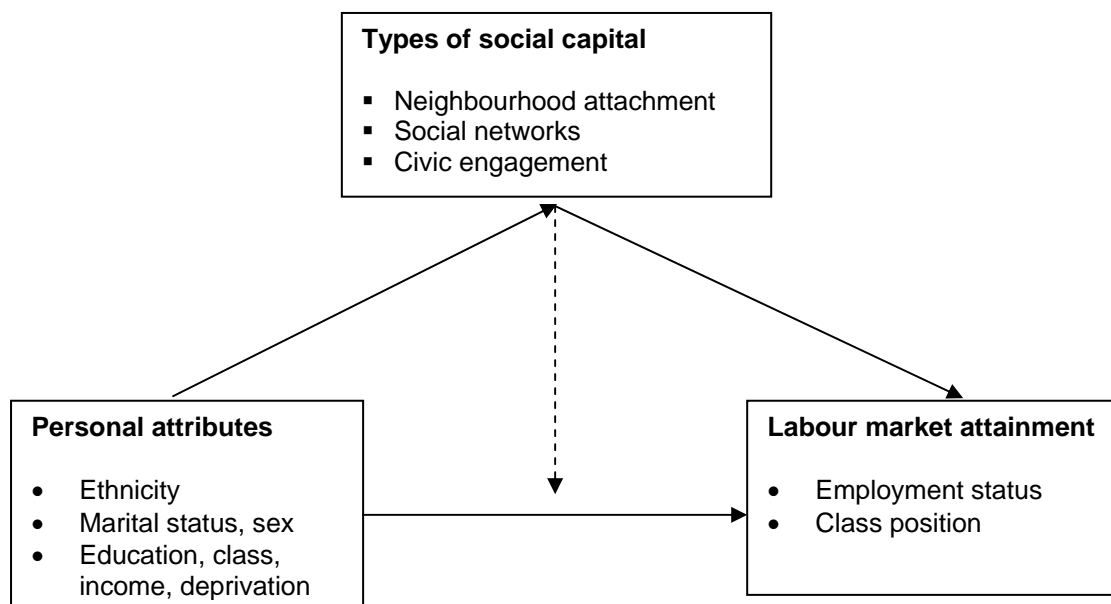
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<sup>5</sup> Further analysis shows that using behavioural or attitudinal subsets alone results in the same patterns. The same is true for the social network type of social capital. All details are available on request.

<sup>6</sup> It is noted here that the data on civic associations in the BHPS do not allow us to address issues of the 'dark side' of social capital as Putnam alerts us.

<sup>7</sup> Tony Blair admits that 'racial discrimination in the labour market still persists', but sets the goal that 'in ten years' time, ethnic minority groups should no longer face disproportionate barriers to accessing and realising opportunities for achievement in the labour market' (Cabinet Office 2003).

indexed via ethnicity, class, education, income, gender, marital status and the ward-level index of social deprivation. The categories of the variables are coded according to the research practice in Britain given the data constraints. Thus, for example, a five-way variable is coded for ethnicity, differentiating White, Black, Indian, Pakistani/Bangladeshi, and Chinese/Others rather than lumping all non-White as 'Black', or putting people of Indian, Pakistani and Bangladeshi origins as 'Asian'. Existing research has shown many differences among the BME groups (Karn 1997; White 2002; Li 2004). The construction of the other socio-cultural variables such as class, education, income and social deprivation is similarly informed (Goldthorpe 1987; Jenkins 1999; Carstairs and Morris 1989; Li 2002). The details are shown in Notes to Table 1. The inclusion of contextual factors (social deprivation) is to help ameliorate the 'atomistic fallacies' sometimes attributed to the use of individual-level data (Schwartz 1994). As some of the component variables for social capital are available from Wave 7 and others from Wave 8, we take the socio-cultural variables from Wave 7. The three types of social capital serve as 'mediator' variables, that is, as dependent variables to be explained by ethnicity and other demographic/socio-cultural factors on the one hand, and as independent variables to account for subsequent labour market attainment on the other. The analytical framework is illustrated in Figure 1. Contemporaneous measurement of explanatory and outcome variables has a number of disadvantages, notably correlated measurement error and occasion-specific confounding (Bechhofer and Paterson 2000). Thus, to examine the impact of social capital more rigorously, we take our labour market measures from Wave 10 or, more precisely, as changes in employment status and class positions between Wave 7 and Wave 10.



Note: The solid lines denote direct effects and the dotted line denotes mediator effects, if any.

**Figure 1. Analytical framework**

## Results

In this section, we shall report findings from analyses conducted according to the research framework outlined in Figure 1. Firstly, we shall have a look at the distribution of the three types of social capital among the Black and Minority Ethnic (BME) groups in Britain (Table 1). As social capital formation is conditioned by people's socio-economic circumstances (Putnam 2000; Hall 1999; Li et al. 2005), we shall also look at the demographic, socio-cultural and contextual factors of our respondents. Secondly, we shall explore the 'net' effects of ethnicity on social capital (Table 2). Our purpose here is to see which of the BME group is significantly different from the White charter population.<sup>8</sup> Finally, in Tables 3 and 4, we analyse the effects of social capital on people's subsequent labour market situation. We do so by tracking the changes in employment status, from unemployment in Wave 7 to employment in Wave 10 (Table 3), and in occupational status using the well-known Cambridge Score (Prandy 2000) (Table 4).

Table 1 shows the scores of social capital types and the socio-economic positions by the five ethnic groups as we have defined. The social capital scores are measured in terms of means and distributions to education, class, income and social deprivation by column percentages. The socio-cultural-economic variables are included because they are the conditions under which the different types of social capital are generated, and through which these social capital types mediate the labour market outcomes, for the different ethnic groups.

The patterns in Table 1 show that the scores of the social capital types are not equally distributed among the ethnic groups.<sup>9</sup> For example, the Blacks have the lowest scores on neighbourhood attachment but the highest scores in social networks. By contrast, Pakistanis and Bangladeshis have the lowest scores in both social network and civic engagement. The Chinese and the Indians have poor scores at social networking in the wider community although the Indians seem to enjoy very good neighbourly relations. The Chinese/Others have high scores at civic engagement. The Whites are the largest group and serve as the 'anchor' (comparison) group. They do not have the highest or the lowest scores in any of the three types.

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<sup>8</sup> The White group includes people from Ireland and other countries. Thus not all of them belong to the charter population. The term is simply used as a short-hand in this paper.

<sup>9</sup> We ought to refer to the BMEs as people of Black or Indian or Pakistani/Bangladeshi heritage each time. For the sake of simplicity, we use Indians, Blacks, etc. as a short-hand. It is hoped that this will not result in any misunderstanding.

**Table 1. Mean scores of the three types of social capital and distributions (%) of socio-economic factors by Black and Ethnic Minority (BME) groups in Britain**

	White	Black	Indian	Pakistani / Bangladeshi	Chinese / Other
<b>Social capital (mean)</b>					
Neighbourhood attachment	.168	-.725	.174	.123	-.080
Social network	.074	.293	-.618	-1.108	-.610
Civic participation	.125	.188	.057	-.398	.193
<b>Education (%)</b>					
Tertiary	32.3	56.7	51.3	29.0	55.3
Secondary	31.5	18.4	22.6	19.7	23.0
Primary	36.2	24.9	26.1	51.3	17.7
<b>Class (%)</b>					
Salariat	31.6	36.3	29.2	13.5	36.7
Intermediate	38.5	37.9	42.7	45.1	40.9
Working	29.9	25.8	28.1	41.4	22.4
<b>Income (%)</b>					
Top quartile	26.0	24.9	28.8	13.4	27.6
2 <sup>nd</sup> quartile	27.8	30.1	31.5	9.0	29.3
3 <sup>rd</sup> quartile	24.7	6.9	24.6	30.2	27.0
Bottom quartile	21.5	38.1	15.1	47.4	16.1
<b>Social deprivation (%)</b>					
Affluent	34.5	11.1	17.8	22.6	28.2
Intermediate	43.5	11.2	31.7	15.0	21.2
Deprived	24.0	77.7	50.5	62.4	50.6
<b>(N)</b>					
	8581	81	97	49	64

Notes:

1. Weighted data are used in this and the following tables, with analytical weights for descriptive and probability weights for inferential analysis. Cross-sectional weights are used for this table.
2. Education is coded from the highest educational qualifications obtained. Tertiary education refers to professional qualifications like teaching and nursing, first degree and other higher degrees like Masters and PhDs. Secondary education refers to A- /O- Levels. Primary education refers to primary education below O-Level or no formal qualifications.
3. Class is coded from current or last main jobs. 'Salariat' refers to professional and managerial positions; 'intermediate' refers to routine-non-manual, petty-bourgeois, and manual supervisory/low technical positions; and 'working' refers to the manual working class positions including skilled, semi/unskilled and agricultural labourers.
4. Income refers to standardised household mean income, which takes into account the complex household compositions and differential needs. It is constructed by taking the total household annual income before housing cost, divided by the equivalence (McClements) scale, and then put into quartiles.
5. Social deprivation refers to the ward-level index of deprivation based on four characteristics drawn from the 1991 UK Census of Population: unemployment rate, percentage with no car, percentage in overcrowded housing, and percentage in lower social classes. The respondents are assigned scores with 10 categories. The categories are recoded so that 1–3 = 'Affluent', 4–7 = 'Intermediate' and 8–10 = 'Deprived'.

Source: The British Household Panel Survey (Waves 7–10).

The socio-cultural-economic profiles of the ethnic groups show considerable differences. On the whole, we find Pakistani/Bangladeshi group to be the most disadvantaged, followed by the Black group. The Indians and the Chinese are 'doing rather well'. There are, however, exceptions. Thus, the Black, Indian and Chinese groups have a noticeable lead in having tertiary education (between 51 per cent and 56 per cent) and the Pakistani/Bangladeshis are most disadvantaged in terms of education, with over half (51 per cent) having no former education. This certainly has to do with the educational statuses when the different groups came to Britain. Many of the Blacks, especially those from Caribbean regions, came as nurses to work for the NHS. Many of the Indians came as doctors and business people. The Chinese have had a long tradition of attaching great importance to education, and many Chinese in Britain work in higher education and research institutions. A large number of Pakistanis and Bangladeshis came to work in the textile industries which collapsed in the 1980s (see Cheung and Heath 2005 for more details).

Educational attainment is closely related to class attainment for the White charter group but ethnic minority groups usually do not have comparable class attainment for their educational qualifications. Thus the Blacks, Indians and Chinese are much more likely to have tertiary level education than the Whites, by some 20 percentage points, but they have only similar profiles to the Whites in occupying professional and managerial positions (the salariat). Lacking formal qualifications, very few (13.5 per cent) of the Pakistani and Bangladeshi groups are found in the salariat.

Looking at the standardised household mean income situation (see Note 4 of Table 1 for its construction), we find that Pakistani/Bangladeshis are worst off. Their poor educational and occupational profiles are further aggravated by their relatively large number of dependent children and their cultural tradition of living in multi-generational households. Thus, nearly 80 per cent of them are living below the national median, which is almost twice the figure for any other ethnic group. When we look at the index of social deprivation, namely, the ward-level indicators of unemployment, no car, low class and poor housing, we find that the Blacks are the most disadvantaged in this aspect, as three out of four of them live in deprived areas, followed by Pakistanis and Bangladeshis (62 per cent). We also find signs of 'ethnic disadvantages' here. As we have seen, the Indians and the Chinese have better educational qualifications than the Whites, and similar class and income profiles, yet half of them still live in deprived areas as compared with less than one in four for the Whites.

In sum, the data in Table 1 show considerable disadvantages by the BME groups, particularly by the Pakistanis and the Bangladeshis. They also show quite complicated profiles of the ethnic groups with regard to the three types of social capital. In order to see how much the BME groups differ from the White charter population in each of the three types of social capital, we conducted statistical models (Table 2). We use the social capital scores as the dependent variables, and ethnicity and the covariate variables as the independent variables. For each type of social capital, two models were conducted. In Model 1, only ethnicity was included, with White as the reference group. In Model 2,

demographic (gender and marital status), socio-cultural-economic (education, class and standardised household mean income quartiles), and contextual (ward-level social deprivation) were added. The purposes were two-fold. First, looking at the changes in the coefficients associated with each ethnic group, we can see whether the ethnic difference was significant controlling for the other variables in the model. Secondly, we can also see the relative importance of the 'control' variables as judged from the magnitude of the coefficients. At the bottom of the table, we show statistics of model comparison, namely, whether the additional terms in Model 2 are statistically significant.

Looking firstly under the heading of 'Neighbourhood attachment' in Table 2, we find, in Model 1, that Blacks were significantly less likely than the Whites to have this kind of attachment while none of the other three groups — Indians, Pakistanis/Bangladeshis, and Chinese/Others — were significantly different from the charter population. This pattern holds in Model 2 when demographic, socio-cultural and contextual variables were included. With all other variables held constant in the model, we find that the relatively advantaged groups, those in higher social classes, better educated, in higher income groups, and males were less likely to have much contact with their neighbours whilst those in more affluent areas and the married were more likely to have the neighbourhood attachment. The patterns here are similar to those reported in Li et al. (2005) although they did not include ethnicity in their study. It is interesting to note that, although not presented in the table, further analysis shows a fairly important interaction effect for Blacks living in affluent areas who are substantially more likely to have good neighbourly relations than their counterparts resident in the most deprived areas (coefficient = 1.907,  $p = .057$ ). This suggests that levels of social deprivation in the locality significantly affect levels of neighbourhood attachment. Locality counts.

With regard to social network, we find, in Model 1, that it is Indians, Pakistanis/Bangladeshis, and Chinese who are significantly less likely than the Whites to have high scores in this respect whilst the Blacks are not significantly different from the Whites. When the other variables are controlled for in Model 2, we find that Indians and Chinese/Others still have lower scores than the Whites. Men are more 'inept' than women at social networking, just as at developing good neighbourly relations. Whilst the married life is conducive to good neighbourly relations, it is perhaps less necessary for married people to seek outside sources for emotional support. Highly educated people seem better able at developing social networks in the wider community and, unsurprisingly, financial resources play a crucial role in maintaining this type of social capital.

**Table 2. Regression coefficients of social capital scores by ethnic groups and other factors**

	Neighbourhood attachment		Social Network		Civic Participation	
	Model 1	Model 2	Model 1	Model 2	Model 1	Model 2
<b>Ethnicity</b>						
White (ref.)						
Black	-.892**	-.736**	.219	.375	.062	.042
Indian	.006	.169	-.691*	-.769*	-.068	-.141
Pakistani/Bangladeshi	-.045	-.249	-1.092 <sup>†</sup>	-.942	-.523***	-.278 <sup>†</sup>
Chinese/Other	-.247	.013	-.685*	-.889*	.068	-.046
<b>Gender</b>						
Men		-.415***		-.735***		-.129***
Women (ref.)						
<b>Marital status</b>						
Married		.612***		-.245***		.178***
Other (ref.)						
<b>Education</b>						
Tertiary		-.386***		.497***		.462***
Secondary		-.415***		.523***		.011
Primary/none (ref.)						
<b>Class</b>						
Salariat		-.145 <sup>†</sup>		.128		.542***
Intermediate		-.155*		.111		.204***
Working (ref.)						
<b>Income</b>						
Top quartile		-.407***		.707***		.056
2 <sup>nd</sup> quartile		-.211**		.374***		-.018
3 <sup>rd</sup> quartile		-.143 <sup>†</sup>		.151		.042
Bottom quartile (ref.)						
<b>Social deprivation</b>						
Affluent		.523***		.043		.188***
Intermediate		.215**		.073		.018
Deprived (ref.)						
Constant	.167***	.307***	.074*	-.216*	.125***	-.406***
R <sup>2</sup>	.002	.056	.003	.054	.002	.150
N	7416	7033	7215	6887	7401	7051
Model comparison F	-	30.07 <sup>a</sup>	-	30.19 <sup>a</sup>	-	87.40 <sup>a</sup>
p-value		< .000		< .000		< .000

Notes:

1. <sup>†</sup> p<0.10, \* p<0.05, \*\* p<0.01 and \*\*\* p<0.001.
2. Owing to the large amount of data presented, standard errors and the 95% confidence intervals are not shown in this and following modelling tables but are available on request.
3. <sup>a</sup> refers to terms in Model 2 that are additional to those in Model 1.

Source: The British Household Panel Survey (Waves 7–10)

Looking at the patterns for civic participation, we find, in Model 1 where no control variables were included, that Pakistanis/Bangladeshis had significantly lower scores than, and the other BME groups were not significantly different from, the charter population. Yet when we move to Model 2 where other variables are controlled for, we still find Pakistanis/Bangladeshis significantly less likely than the Whites to be engaged in civic activities. Further analysis in this regard shows that even Pakistanis/Bangladeshis in the salariat or with tertiary educational qualifications did not have high scores in civic engagement. The other patterns in the model confirms previous studies that civic engagement was increasingly becoming a prerogative of the advantaged, i.e., people with higher educational qualifications and situated in professional and managerial positions (Hall 1999; Li et al. 2003a; Li et al. 2005).

We have, in the above, been looking at the patterns for each of the three types of social capital separately. If we have a panoramic view, we see some notable features indiscernible in the individual patterns or in the descriptive analysis in Table 1. We know from previous analysis that Blacks, Indians and Chinese/Others had better educational qualifications than the Whites and that Pakistanis/Bangladeshis were the most disadvantaged in the key areas compared. Yet, we see here that the coefficients for the Pakistani/Bangladeshi group were negative in all three types of social capital, even with all the socio-cultural-economic and contextual variables controlled for. The Blacks were shown in Table 1 to be much more disadvantaged than the Indians and the Chinese/Others in terms of income and ward-level social deprivation. Yet, they seem to be outperforming the latter groups in social capital generation, at least in so far as social networking and civic engagement are concerned. The patterns thus suggest fairly strongly that the Blacks are better integrated into the fabrics of British society than the other BME groups, a feature that the better-resourced Indians and Chinese must try to emulate.

Having looked at the socio-cultural determinants for the BME social capital generation, we shall now explore the effects of the three types of social capital upon people's subsequent experiences in the labour market. We analyse two aspects of such experiences: changes in employment status and in occupational attainment. With regard to changes in employment status, we shall compare the situations in Wave 7 and Wave 10. Our dependant variable is 'access to employment', defined as the situation where the respondent was found unemployed in Wave 7 and employed in Wave 10 ('Into work = 1', 'Other = 0'). We use logistic regression for the analysis. With regard to occupational attainment, we use changes in the Cambridge scores for the current jobs in Wave 7 and in Wave 10. The Cambridge scale (Prandy 2000) is a well-known stratification measure for social advantages and disadvantages. There are two scale schemes: one for men and one for women. When no specific requirement for female stratification is needed, the general practice is to use the male score. We adopt the practice in this paper. The scores range from 0 to 100, with higher scores denoting higher occupational status or greater social advantages in general. We use the differences in the scores between Waves 7 and 10 (Wave 10 scores minus Wave 7 scores) as an indicator of occupational

(class) attainment which is analysed using the ordinary least squares regression method. Higher scores indicate improved occupational status between the two time points.

The results of the two aspects of labour market experiences are presented in Tables 3 and 4. In each aspect, we include the three types of social capital as explanatory variables. We conduct 4 models in each table. In Model 1 we consider the effects of social capital alone. In Model 2, we add personal attributes such as ethnicity, gender and marital status. In Model 3, we further add socio-cultural variables like education, class, income and social deprivation. In Model 4, we include interaction effects for particular ethnic groups and certain types of social capital which are found to merit further analysis from patterns in Model 3. At the bottom of the tables, we also present statistics for model comparison to see whether, and to what extent, the inclusion of the additional terms is statistically significant.

The patterns in Model 1 of Table 3 show that social network is positively, and neighbourhood attachment and civic participation negatively, related to gaining access to the labour market when all three types of social capital are simultaneously considered. Further analysis shows the same patterns when they are considered separately. This suggests that the three types do not have even the same direction of effects on people's subsequent employment profiles.

When the personal characteristics are also controlled for in Model 2, we find that the coefficients associated with the three types of social capital have the same direction as in Model 1, even though the magnitudes become smaller. On the one hand, we find that controlling for social capital, Blacks, Indians and Pakistanis/Bangladeshis were more likely to have improved their employment status relative to the White charter group. On the other, male and married respondents were less likely than the reference groups to have done so. From one perspective, the patterns suggest that men, married, and Whites were already in good employment status and had less to gain than women, non-married and the BME groups. Another factor to consider here is the impact of age. The BMEs have a much younger age profile than the Whites, with the mean age for White, Black, Indian, Pakistani/Bangladeshi and Chinese/Other groups being 47, 36, 38, 32 and 42 respectively in Wave 7. Young people, on average, have a better chance of entering the labour market.<sup>10</sup>

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<sup>10</sup> Even though the BHPS is the best data source for analysing the impacts of social capital on subsequent labour market outcomes for the BME groups, the sample size for the BMEs is still rather small. The latest data (Wave 12) have around 400 BMEs but do not have similar kinds of questions on social capital. We shall have to wait for the new waves with larger samples and also with social capital questions to address the age effects. The Home Office Citizenship Surveys of 2001 and 2003 are cross-sectional surveys which do not permit the kind of analysis that interests us in this paper.

**Table 3. Logistic regression coefficients of the effects of social capital types, ethnicity and other factors on subsequent access to the labour market between 1998 and 2001**

	Model 1	Model 2	Model 3	Model 4
<b>Social capital types</b>				
Neighbourhood attachment	-.151 <sup>***</sup>	-.121 <sup>***</sup>	-.128 <sup>***</sup>	-.132 <sup>***</sup>
Social networks	.097 <sup>***</sup>	.081 <sup>***</sup>	.091 <sup>***</sup>	.095 <sup>***</sup>
Civic participation	-.215 <sup>***</sup>	-.164 <sup>**</sup>	-.073	-.074
<b>Ethnicity</b>				
White (ref.)				
Black		.875 <sup>*</sup>	1.080 <sup>**</sup>	1.122 <sup>**</sup>
Indian		.860 <sup>*</sup>	.669	.670
Pakistani/Bangladeshi		1.534 <sup>***</sup>	1.221 <sup>†</sup>	.733
Chinese/Other		.152	.528	.525
<b>Gender</b>				
Men		-.332 <sup>***</sup>	-.438 <sup>***</sup>	-.443 <sup>***</sup>
Women (ref.)				
<b>Marital status</b>				
Married		-1.001 <sup>***</sup>	-.673 <sup>***</sup>	-.673 <sup>***</sup>
Other (ref.)				
<b>Education</b>				
Tertiary			1.024 <sup>***</sup>	1.037 <sup>***</sup>
Secondary			1.252 <sup>***</sup>	1.240 <sup>***</sup>
Primary/none (ref.)				
<b>Class</b>				
Salariat			-1.017 <sup>***</sup>	-1.041 <sup>***</sup>
Intermediate			-.357 <sup>**</sup>	-.354 <sup>**</sup>
Working (ref.)				
<b>Income</b>				
Top quartile			-1.260 <sup>***</sup>	-1.259 <sup>***</sup>
2 <sup>nd</sup> quartile			-.804 <sup>**</sup>	-.807 <sup>***</sup>
3 <sup>rd</sup> quartile			-.585 <sup>***</sup>	-.588 <sup>***</sup>
Bottom quartile (ref.)				
<b>Social deprivation</b>				
Affluent			.234 <sup>†</sup>	.244 <sup>†</sup>
Intermediate			.084	.079
Deprived (ref.)				
<b>Interaction effects</b>				
Black*Neighbourhood attachment				-.006
Black*Socia network				-.309
P/B*Neighbourhood attachment				1.556
P/B*Socia network				.873
<b>Constant</b>				
Constant	-2.658 <sup>***</sup>	-2.084 <sup>***</sup>	-2.211 <sup>***</sup>	-2.201 <sup>***</sup>
Pseudo R <sup>2</sup>	.023	.064	.114	.118
N	7853	7789	7296	7296
Model comparison $\chi^2$	-	150.13 <sup>a</sup>	160.04 <sup>b</sup>	7.56 <sup>c</sup>
p-value	-	< .000	< .000	< .109

Notes:

1 'Access to the labour market' refers to the situation where respondents who did not have a job in 1998 were found working in 2001 ('Into work=1; Other=0').

2 In 'model comparison', <sup>a,b,c</sup> refers to additional terms not found in the previous model. Longitudinal weights are used.

3 <sup>†</sup> p<0.10, \*p<0.05, \*\* p<0.01 and \*\*\* p<0.001

Source: The British Household Panel Survey (Waves 7–10)

When socio-cultural factors are included (Model 3), we find that the basic patterns in the previous models still obtain and that educational qualifications, class and income all have the expected effects. Thus, other things being equal, people with higher educational qualifications were more likely to gain entrance to the labour market. Similarly, as our class is defined as current or last main job, we find that working-class people without a job in Wave 7 were more likely to get a job than a professional or a manager given similar characteristics in other variables.

Our main interest in this regard is the impact of social capital on the BME employment. From Model 3, we find significant coefficients for neighbourhood attachment and social network types, and for Black and Pakistani/Bangladeshi groups. Interaction effects are tested in Model 4 for the two BME groups in the two types of social capital. The results show that only the coefficient for the Pakistani/Bangladeshi with social network is significant at the conventional level. We have seen from Table 1 that Pakistanis/Bangladeshis were the most disadvantaged group on several key socio-economic factors and from Table 2 that this group was also substantially the most disadvantaged in terms of social networking. Given this, our findings here that even among the most disadvantaged those with strong social network ties could have notable gains in access to the labour market are of considerable academic and policy importance.

Overall, we see from the patterns in Table 3 that social networks play a very important role in helping people to gain access to the labour market, a role that was unrivalled by the other two types of social capital and that benefited the socio-economically disadvantaged BME groups in particular, namely, Black and Pakistani/Bangladeshi groups. A natural extension of this line of inquiry is to ask whether similar patterns would appear in occupational (class) attainment. The data, shown in Table 4, suggest that the answer is yes. As in the case of access to the labour market, neighbourhood attachment has significantly negative effects throughout the four models, but the significantly negative effects of civic engagement gradually disappear as we move from Model 1 to Model 4. Importantly, social networks have consistently positive effects.

**Table 4. Regression coefficients of the effects of social capital types, ethnicity and other factors on subsequent occupational attainment between 1998 and 2001**

	Model 1	Model 2	Model 3	Model 4
<b>Social capital types</b>				
Neighbourhood attachment	-.499 <sup>***</sup>	-.375 <sup>***</sup>	-.415 <sup>***</sup>	-.392 <sup>***</sup>
Social networks	.207 <sup>**</sup>	.169 <sup>*</sup>	.270 <sup>**</sup>	.266 <sup>**</sup>
Civic participation	-.961 <sup>***</sup>	-.899 <sup>***</sup>	-.376	-.372
<b>Ethnicity</b>				
White (ref.)				
Black		10.298 <sup>***</sup>	10.223 <sup>***</sup>	9.025 <sup>**</sup>
Indian		2.109	.537	.529
Pakistani/Bangladeshi		7.441 <sup>*</sup>	3.624	3.625
Chinese/Other		6.389 <sup>*</sup>	8.347 <sup>**</sup>	9.193 <sup>**</sup>
<b>Gender</b>				
Men		-.131	.048	.043
Women (ref.)				
<b>Marital status</b>				
Married		-2.467 <sup>***</sup>	-1.017 <sup>*</sup>	-1.014 <sup>*</sup>
Other (ref.)				
<b>Education</b>				
Tertiary			3.503 <sup>***</sup>	3.534 <sup>***</sup>
Secondary			3.283 <sup>***</sup>	3.307 <sup>***</sup>
Primary/none (ref.)				
<b>Class</b>				
Salariat			-5.882 <sup>***</sup>	-5.885 <sup>***</sup>
Intermediate			-1.935 <sup>***</sup>	-1.965 <sup>***</sup>
Working (ref.)				
<b>Income</b>				
Top quartile			-4.162 <sup>***</sup>	-4.176 <sup>***</sup>
2 <sup>nd</sup> quartile			-2.252 <sup>***</sup>	-2.265 <sup>***</sup>
3 <sup>rd</sup> quartile			-1.318 <sup>*</sup>	-1.338 <sup>*</sup>
Bottom quartile (ref.)				
<b>Social deprivation</b>				
Affluent			-.121	-.114
Intermediate			.746	.767
Deprived (ref.)				
<b>Interaction effects</b>				
Black*Neighbourhood attachment				-1.168
Black*Social network				-.693
Chinese/Others*Neighbourhood attachment				-1.459
Chinese/Others*Social network				1.267
<b>Constant</b>				
Constant	-.179	1.112 <sup>**</sup>	1.972 <sup>***</sup>	1.965 <sup>***</sup>
R <sup>2</sup>	.001	.021	.047	.048
N	7860	7796	7303	7303
Model comparison	F	18.12 <sup>a</sup>	19.85 <sup>b</sup>	.76 <sup>c</sup>
	p-value	< .000	< .000	< .549

Notes:

1 Longitudinal weights are used.

2 In 'model comparison', <sup>a b c</sup> refers to additional terms not found in the previous model. Longitudinal weights are used.

3 <sup>†</sup> p<0.10, \*p<0.05, \*\* p<0.01 and \*\*\* p<0.001

Source: The British Household Panel Survey (Waves 7–10)

We had seen from Table 1 that the Black group had very high scores and the Asian group (including Chinese/Other) had rather low scores in social networks. The Black/Indian/Chinese groups were also found to be highly educated. The data here show that education was of considerable importance in improving people's occupational standing in the three-year period, just as it was in helping people gain access to the labour market. Yet even when educational qualifications are controlled for, we still find the Black and Chinese/Other groups to be significantly more likely to have improved their occupational standing in the three-year period. The coefficients for Indians were not significant, and those for Pakistanis/Bangladeshis were halved when socio-cultural-economic conditions in Wave 7 were taken into account. We can also see that none of the interaction effects for the Black and Chinese/Other groups in terms of neighbourhood attachment and social networks were significant. Indeed the inclusion of the four interaction terms in Model 4 does not even present a significant improvement in fit over Model 3.

## **Discussion**

We have, in this paper, analysed the links between social capital, ethnicity and labour market attainment using the most authoritative data of the British Household Panel Survey (Waves 7–10). To our knowledge, this is the first effort in this regard using the national representative data.

We see the contribution of this paper in two aspects. Firstly, our analysis has registered significant differences among the BME groups in their socio-cultural-economic situations including social capital generation. The Pakistani/Bangladeshi groups were generally the most disadvantaged, followed by Blacks (see also White 2002). Yet, all minority groups suffer from 'ethnic penalties' to varying degrees and in different aspects. In terms of social network and civic engagement, Blacks are found to be best integrated into the British society but they tend to live in the most deprived areas. People of Indian and Chinese origins have good educational qualifications which however are not adequately translated into occupational attainment as compared with the Whites. Secondly, our analysis shows that strong neighbourhood ties were, other things being equal, unhelpful to the improvement of employment status or occupational standing but strong ties of social network had substantial impacts in both regards. It is also of interest to note that civic participation, which requires "the skills, the resources and the interests" (Putnam 2000, p. 64) and which has been found to favour the middle classes (Hall 1999; Li et al. 2003b; Li et al. 2005), does not have notable effects on labour market outcomes over and above the usual effects of class, education, gender and marital status.

As to why social networks should prove important for the work lives of the BME groups, we can only offer some tentative thoughts. In so far as getting a job or getting a better job is concerned, it is necessary to recognise that most jobs in contemporary capitalist societies like Britain are not generated within or made available only to one's immediate neighbourhood or community. This is especially the case if the community is a 'run-down' one like many textile or shipbuilding or coalmining communities in Britain. However, a wide range of social ties unrestricted to neighbours/acquaintances in the immediate neighbourhood is of considerable importance for

gathering information or for seeking references. People with strong social networks are also likely to have better social skills which are usually deemed more important than mere technical skills, especially for those kinds of jobs that require their incumbents to have good 'people skills'. Thus our findings are consistent with previous studies such as Lin (2001) and Jackson et al. (2003) although we use different data and methods.

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