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The labour market situation of minority ethnic groups in Britain and the US

-- an analysis of employment status and class position (1990/1 – 2000/1)

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Yaojun Li, ISC (University of Manchester)
Yaojun.li@manchester.ac.uk

Both Britain and the US are committed to social and ethnic equality. But how much ethnic disadvantage is there in the two countries? Do minority ethnic groups fare better in one country than in the other? Is there any progress over time? This paper examines the employment status and the class position of minority ethnic groups in the two countries using micro-data from the two most recent Censuses of the Population. The analysis shows that most people from minority ethnic origins in the two countries were heavily disadvantaged both in employment and in access to professional-managerial (salariat) positions. For comparable minority ethnic groups, people in the US fared better than their British counterparts but the latter, especially the second-generation, were found as making more progress over time. There was greater ethnic polarisation in the US than in Britain, with some groups remaining persistently disadvantaged but others outperforming Whites. Overall, while some signs of improvement are visible, persistent ethnic disadvantages are the defining feature of the social structure in both countries. Much more needs to be done to ensure social-ethnic equality.

Key words: ethnicity, employment, class, human capital, Britain, US

The time has come to reaffirm our enduring spirit; to choose our better history; to carry forward that precious gift, that noble idea, passed on from generation to generation: the God-given promise that all are equal, all are free, and all deserve a chance to pursue their full measure of happiness. … This [gift of freedom] is … why a man whose father less than 60 years ago might not have been served at a local restaurant can now stand before you to take a most sacred oath.

Barak Obama (inaugural speech)

My Government is committed to ensuring everyone has a fair chance in life. My Government will bring forward a Bill to promote equality, [and] fight discrimination.

The Queen's Speech, 3 December 2008

Introduction

The United States of America and Great Britain are generally regarded as the genotype of liberal capitalism. Even so, the US is often portrayed, from popular myths to sociological representations, as a land of opportunity while Britain is perceived as being hopelessly hampered by entrenched class inequality and social sclerosis. To date, the most influential cross-national research on the two countries has focused on class inequalities, with relatively little attention to ethnicity (Erikson and Goldthorpe, 1985, 1992; Kerckhoff *et al*., 1985; though see Cheng, 1994; Model, 2005). However, within each country, a huge amount of research has been conducted on the socio-economic situation of the minority ethnic groups.

The US is a typical immigrant society with over two hundred years of immigration history whereas successive waves of immigrants arrived in Britain only after the end of the Second World War. The different historical contexts and source countries of immigration entail different compositions and different experiences of the minority ethnic groups in the two countries. Existing research has shown that minority white groups from the southern or eastern Europe to the US or from the Old Commonwealth

or the Republic of Ireland to the UK became integrated into the socio-economic-cultural fabric of the host society fairly quickly, often within one or two generations (Alba, 2005; Waters, 2008; Li and Heath, 2008, 2009). In each country, the visible minority ethnic groups, namely, non-whites, are often shown to suffer varying degrees of racial discrimination and various kinds of disadvantages (Daniel, 1968; Jowell and Prescott-Clarke, 1970; Stewart, 1983; Telles and Murguia, 1990; Quillian, 2006). There are only a few comparative studies on ethnic relations in the two countries and they tend to be limited in scope, such as on inter-ethnic marriages between blacks and whites in New York and London (Model and Fisher, 2002), the economic position of a particular group (Chinese) in the two countries (Cheng, 1994), or similar groups at one time point (Model, 2005). There is no systematic research on *trends* of socio-economic positions of all major ethnic minority groups in the two countries. This paper seeks to make a contribution in this regard. We explore whether minority ethnic groups fare better in employment and in access to advantaged social positions in the US than in Britain, whether they make progress over time, and whether the overall ethnic hierarchy is more pronounced in one country or the other. To our knowledge, these questions have not been systematically addressed in existing literature.

The paper is structured as follows. The next section will give a brief review of the theoretical discussion of why minority ethnic groups tend to face disadvantages, why the US is perceived as capable of generating greater social and ethnic equality, and what the existing research tends to suggest. Section Three introduces data and methods. Section Four reports findings on ethnic employment and class position in Britain and the US for men and women and at the two time points. Section Five concludes with a summary of the main findings.

Theoretical review

The discussion in the comparative sociological literature tends to focus on two main areas: social mobility and ethnic disadvantage, both related to the major concern of social equality, whether couched in class or ethnicity terms.

There is a long tradition in sociological analysis that tends to view the United States as an exceptionally open society. From earlier social thinkers like Tocqueville (1845) and Marx (1865) to 20th century US sociologists like Lenski (1958), Blau and Duncan (1967), Bell (1972), Lipset (1991) and Temin (1991), the US is often portrayed as a land of opportunity characterised by a strong egalitarian ideology, a pervasive ideal of unfettered individualism and a deep-rooted sense of achievement-oriented meritocracy. For Tocqueville, the American exceptionalism expresses itself where 'every man finding himself possessed of some education and some resources may choose his own path and proceed apart from all his fellow men. The same causes that make the members of the community independent of each other continually compel them to new and restless desires and constantly spur them onwards' (Tocqueville, 1845: 265). Similar ideas are found when Marx argues, albeit with a different political orientation, that the very high rates of mobility amongst the peasants in the US would serve to prevent 'a developed formation of classes'. Because of this, Marx holds that classes in the US society 'have not yet become fixed but continually change and interchange their elements in constant flux' (1865/1958: 255). Writing one and a half centuries later, Temin (1991) concludes that 'America was exceptional', which is 'reaffirmed' by Lipset (1991). By contrast, Britain, which might have enjoyed greater openness in the earlier days of industrialism as compared with Continental Europe, is

seen as having a different form of exceptionalism, namely, that of exceptional closure, or structural 'sclerosis' as Olson put it (1982: 86).

In short, America is a place which attracts millions of people from all over the world to realise their dreams. Even though immigrants may initially find themselves at the bottom of the social hierarchy, they could hope for a significant degree of upward mobility over their own life course or in the lives of their children. There are some exceptions, though. Blacks, especially African Americans who were involuntary immigrants and who have been in the US for longer than most Whites, have long been found to suffer serious discrimination. Much research has shown that they tend to have lower social origin, poorer education, and start their career at a lower level in the occupational structure than Whites. Even the highly educated among them tend to suffer heavy penalty as compared with their White peers (Duncan, 1968; Featherman and Hauser, 1978; Hout, 1984; Darity and Mason, 1998). Yet, even though grave and persistent racial inequalities are found as marking an unhealing wound on the American conscience, exceptional rates of long-range social mobility, such as those by manual sons (including most immigrants[1]) into the professional elite, are also found, evidencing 'a grain of truth in the Horatio Alger myth' as Blau and Duncan would put it (1967: 435; see also Kasinitz *et al*., 2008: 369).

Comparative research on class mobility has challenged the claims of American exceptionalism. Using the 1972 Oxford Social Mobility Survey for Britain and the 1973 second Occupational Changes in a Generational Survey (OCG II) for the US,

[1] 'Until we summon up the courage to distinguish between the problems of poverty and the problems of race, we shall have to reckon with the consequences of our lack of candor' (Duncan 1968: 109). It is noted here that all non-Black respondents are included in the White category in Duncan's analysis.

both Erikson and Goldthorpe (1985) and Kerckhoff *et al*. (1985) find little evidence of greater openness in the US, although they do find some evidence of greater dissimilarity between father's and son's class (see also Goldthorpe, 1987; Erikson and Goldthorpe, 1992). It is noted here that although the data sources contain some information on ethnicity, the ethnic data were not used in their analyses (although some use was made in the national-specific studies, see Heath and Ridge, 1983; Hout, 2006).

While earlier research focused on class mobility offered little insight into the ethnic relations in the two countries, limited evidence has been available in the last two decades. As earlier noted, Cheng's study of Chinese in the two countries led her to claim a success story for this group, even acclaiming them as a 'role model' (1994: 251). Yet, as the other groups (with the exception of Indians) were not standardised, we do not know whether they and their children were doing better in one country or the other. Model (2005) does compare similar groups in the two countries in the earlier 1990s and finds a more open structure for the US. This, she believes, is due to a combination of factors such as lesser discrimination by white employers, stricter law enforcement (which would increase the cost of discrimination) and effects of the civic rights movement the like of which was absent in Britain. While both studies have significantly enhanced our understanding of the ethnic relations in the two countries, the snap-shot pictures they present do not allow us to see the changes over time. We would therefore still wish to see the changing fortunes of the minority ethnic groups in the two countries based on analyses using strictly comparable ethnic categories and the most authoritative data sources.

Turning to ethnic disadvantages and socio-economic integration, we find four theories of particular interest. They explain why first-generation immigrants may encounter major handicaps on arrival in the receiving society but also suggest mechanisms for change across the life cycles, generations and historical times. The main points are summarised here.

The most influential of these is human capital theory, prominent among economists and economic sociologists (Becker, 1964; Mincer 1974; Borjas, 1994; Chiswick and Miller, 1995; Carliner, 2000; Dustmann and Fabbri, 2003; Van Tubergen and Kalmijn, 2005). The theory places great emphasis on the relevance of education, skills, experience, and language fluency for access to and advancement in the labour market. This is particularly relevant for immigrants from poor countries who tend to have low levels of education and little English. Their qualifications obtained in the home countries are not readily recognised by employers in the host society. They have scant knowledge of the workings of the local labour market. Many of them, poverty-stricken and with nowhere to turn for help, may have a sojourner orientation to their stay in the host society, making them unable or perhaps even unwilling to invest in their human capital for the longer-term benefit (Dustmann, 1993; Kalter and Granato, 2007; Heath and Cheung, 2007). In contrast, the second generation will have greater human capital that is also more relevant in the labour market of the receiving society, although those among them from poor origins, especially those born and brought up in inner-city areas rife with crime and poverty, may still suffer from the ‘drag effects’ (Darity and Mason, 1998) and remain vulnerable to permanent deprivation (Portes and Zhou, 1993).

Social capital theory (Granovetter, 1973; Lin *et al*., 1981; Bourdieu, 1984; Putnam, 2000; Lin, 2001), while acknowledging the importance of human capital, places greater emphasis on the resources embedded in the social relationships and the community structure. The information shared among family and friends (bonding social capital) is of limited use in finding a job, whereas that offered by friends of friends (bridging social capital) may provide access to a wider range of opportunities (particularly if the friends of friends are in different or higher level occupations, hence linking social capital). Immigrants, however, tend to have a rather restricted social circle consisting largely of co-ethnics who may be equally disadvantaged and equally desperate in their survival struggle (Portes and Sensenbrenner, 1993). Even in the less disadvantaged ethnic communities with some niche economic activities, the information provided by co-ethnic ties may only be useful in finding menial and dead-end jobs and such bonding social capital might also be easily depleted (Portes, 1998). Getting a good job needs the help of people already situated in such positions, and the migrants may be particularly hampered, as most of the good jobs in the mainstream labour market are taken by the majority group. Immigrants, particularly those situated in the lowest rungs of the social hierarchy and residentially segregated from the affluent mainstream community, have rather little access to the mainstream social and civic organisations (Li, 2005). In sum, even though 'bonding' social capital in culturally-bounded minority ethnic communities may provide some help to the co-ethnics to get by in their daily lives, lack of 'bridging' social ties with the mainstream society may leave them permanently behind and unable to access higher-level jobs (Portes and Landolt, 1996).

Apart from these, a third theory on reference groups and acculturation processes may help to explain the changing fortunes of minority ethnic groups (Runciman, 1966). The first generation may be poorly educated and multiply-disadvantaged, but they have the drive, tenacity and perseverance (Kasinitz et al., 2008) which gives them the determination to overcome hardships, and are willing to do poorly-paid jobs with long and unsocial hours, jobs usually shunned by the majority group. They may feel that they are doing equally well as other immigrants and better than their compatriots in the home country. As they stay longer, particularly their sons and daughters in the second generation, their horizons may grow broader and their aspirations higher. They may develop frames of reference similar to those of the majority group, expect the same treatment, and become reluctant to take up jobs which they would deem as incommensurate with the skills, experience and qualifications they have by now acquired. The slow and steady revolution of aspirations, coupled with the weakening levels of discrimination by the majority group as a result of contact and understanding with the passage of time (Allport 1954, Brown *et al*., 1999), civic rights movement (Waters, 2008), and the enactment of anti-discrimination legislation in the receiving countries (Heath and Cheung, 2007; Model, 2005; Kasinitz *et al*., 2008), may all help to engender a generational and over-time change in the outlook. We may thus find first-generation immigrants to have similar or even lower levels of unemployment than the second-generation (since they are more willing to accept menial jobs) but would expect the latter to have greater access to more advantaged social positions that offer economic security, financial stability and career advancement (Goldthorpe and McKnight, 2006). Even if differences existed in the early period, we might expect the gaps to become increasingly narrowed as time goes on, as members of the majority

group will also become more tolerant and more accepting of ethnic diversity (Li and Heath, 2009).

While the above looks at the ethnic disadvantage from the perspective of immigrants, a fourth theory concerns the employer. Numerous studies have shown that employers tend to favour one group over another in the recruitment, retention and promotion. The discrimination takes various forms: statistical, direct and indirect. Statistical discrimination refers to the general preference structure. Even in the absence of detailed information about the productivity of potential recruits, employers may have a presumption of the desirability of a particular ethnic group as employees and act accordingly, even to the detriment of their own profit-maximisation pursuits. Some groups, such as African Americans were, for a very long period of time, victims of such discrimination. Direct discrimination pertains to the rejection of candidates from minority ethnic groups in favour of white applicants even when they have the same skills (Daniel, 1968; Esmail and Everington, 1993). Indirect discrimination refers to exclusionary recruitment practices such as through word of mouth or the use of local advertisement in targeted areas or to inferences about the applicant's ethnic identity from lateral signals. For instance, some areas are known to have heavy ethnic concentrations and discriminatory employers may associate residential attributes with undesirable personal attributes such as lack of drive and diligence. Apart from these, there are other employer or even employee based barriers to minority ethnic employment such as the 'chill effect' found in Northern Ireland in the earlier decades (Li and O'Leary, 2007) or the 'queuing' effect in the US (for an excellent review, see Model, 2005: 366-7).

These theories are not mutually exclusive but complementary. Existing studies with recourse to them tend to proffer three images on the long-term socio-economic situation of visible minority ethnic groups: optimistic, pessimistic and segmented. Optimists hold that socio-economic-demographic changes and other social forces in the host society such as anti-discrimination legislation, human rights movements, civil society etc will exert pressures against social, and especially ethnic, inequality and towards social progress. Just as we have seen the gradual reduction of gender difference in educational attainment in the last twenty years in Britain (Li, Devine and Heath, 2008: 72-3), so it is hoped that similar processes may operate on ethnic lines. Looking back over the past few decades, we can see rising levels of human capital, particularly by later cohorts of immigrants and by the second-generation. This, coupled with the growing contact amongst all ethnic groups, will lead to greater understanding and cultural accommodation between the minority and the majority groups resulting not in a mutually-exclusive 'us' versus 'them' dichotomy but rather in an intermingled 'us'. What is more, the continually improving occupational structure and the generational replacement of the ageing population of the white groups in the US and British societies will make many of the advantaged positions accessible to minority ethnic groups, rendering ethnic integration in socio-economic spheres almost inevitable (Alba *et al*. 2001; Alba, 2005; Waters and Jimenez, 2005). This, of course, does not preclude the possibility of short-term and sporadic conflicts between different, or even within the same, ethnic groups (Putnam, 2007), nor the hyper-cyclical character of unemployment to assert itself whereby visible minority ethnic groups will bear the brunt when the economic situation turns bad (Li and Heath, 2008). Recent research in Britain suggests that ethnic disadvantages in the labour market are mainly manifested in crossing the first hurdle, namely, in gaining

access to the labour market. Once in employment, their class and earnings profiles, particularly those of the second generation, will not be drastically different from those of whites (Cheung and Heath, 2007; Li and Heath, 2009).

The pessimists tend to argue that it may take decades for minority ethnic groups to catch up, if ever. Here the most influential work has been conducted by US researchers, from Chiswick (1978, 1980); Chiswick and Miller (1995, 1998, 2002) to Borjas (1985, 2006) and Darity and Mason (1998). The most prominent sociological account comes from class analysis akin to ethnic research. Goldthorpe and Mills, for instance, argue that while the mobility strategies pursued by people in different social positions are rationally adaptive to the constraints typical of their class situations, such strategies will 'tend in their aggregate outcome to maintain relative rates unaltered, at all events in the absence of any external modification of these constraints that would constitute a reduction – or an increase – in class-lined inequalities of condition' (2004: 223). Since immigrants and their children tend to occupy lower strata in the social hierarchy than the Whites, there is little reason why this theory of unanticipated consequences of intended actions would not extend to the ethnic realm.

Still others foresee a process of segmented assimilation, especially for the second generation, with those from middle-class origins and with higher parental human capital following a linear assimilation with the White middle class, others from lower families with poor human capital and little community support either experiencing intergenerational stagnation or descending into the permanent poverty and isolation of the underclass, and still others ensconced in strong co-ethnic support achieving great economic success but maintaining strong cultural identity and community solidarity

(Portes and Zhou, 1993; Portes and Rumbaut, 2001; Portes *et al*., 2009). Cubans, Mexicans and Indians in the US are held to represent the three pathways. The model is elegant and has clear policy implications the most important of which is the need for parents and the ethnic community to exercise control and discipline to prevent the second generation from the long-range downward mobility. This model has gained increasing popularity in the last decade, especially in the US, and its influence is spreading to the European research. There are, however, some issues with the model. Firstly, as most of the research using the model is based on small-scale and qualitative evidence, its empirical generalisability is open to question. Secondly, the core concept in its outcome variable, class, is loosely defined. It is not clear how many classes there are in the social structure for immigrants to rise or fall into. Do all Whites belong to a unified middle class or are there a significant portion of them also situated in the working- or even the under- classes? Do all immigrants come from a unified middle (or working) class so that they can descend into an underclass? And related to this, the independent variables, the three processes of assimilation (consonant, dissonant and selective acculturation), are also hard to measure in empirical research (Waters *et al*., 2009). Thirdly, is it really possible for any group to achieve economic success without experiencing any socio-cultural assimilation? In Britain, Indians are economically successful, but they are also well integrated into the socio-political life (Li and Marsh, 2008; Li, 2009a). And fourthly, although the theory is firmly grounded in ethnic stratification, it is less sensitive to social change research. For instance, if the second-generation are found as making good progress over time even though they are still disadvantaged at any given point of time, how is the theory to accommodate with the finding? These critiques are not meant to deny the relevance of the theory in specific

instances, but simply to point to the fact that it is not easily amenable to a prospective research framework such as in the present study.

We should also emphasise that although the foregoing theories offer powerful insights into ethnic differences and disadvantages, they are not all directly testable in the present analysis, such as social capital, queuing or acculturation theories. It is also our contention that in conducting cross-nation research on ethnic integration over time, it is of greater importance to establish, at a descriptive level, the patterns and trends of socio-economic achievements by the various groups in each country than to ascertain the precise mechanisms through which such achievements are mediated, whether through co-ethnic support, or sizes or symbols of competing groups or employer taste, or even the manner, extent and nature of parental control. For our present purposes, it is the outcomes of competition that will shed light on the relative social fluidity and social change in the two countries. To this we turn in the following.

Data and methods

As earlier noted, this study aims to examine the socio-economic situation of minority ethnic groups in Britain and the US in the last decade. More specifically, we look at the employment status and the class position of the main minority ethnic groups in the two countries. For this purpose, we use the most authoritative data available, namely, the Samples of Anonymised Records (SARs) from the 1991 and the 2001 Censuses of the Population in Britain and the Integrated Public Use Microdata Series (IPUMs) (Ruggles et al., 2008) in the US. With regard to the SARs, we use the pooled 1% Household and 2% Individual SARs for 1991 and the 3% Individual SAR for 2001 (details available at http://www.ccsr.ac.uk/sars/). With respect to the IPUMs, we use

the pooled 1% and 5% samples from the 1990 and the 2000 Censuses (details available at http://usa.ipums.org/usa/sampdesc.shtml). All the datasets are publicly available. The use of such huge datasets is necessitated by the need to ensure large sample sizes (Ns > 100) for all subgroups in the ethnicity by gender and by generation combinations at each time point.

As our research centres on the employment status and class position of the minority ethnic groups in Britain and the US, the most important first task is to code the variables on ethnicity, employment and class in a standardised way. With regard to ethnicity, we code the same categories for the two countries whilst also taking into account some country-specific groups. For ethnicity in Britain, we follow the standard practice in using the 1991 SARs and code eight categories: White, Black Caribbean, Black African, Indian, Pakistani/Bangladeshi, Chinese, Black Other and Other (Li, 2004, 2007). The White group includes White Irish (people from the Republic of Ireland rather than Northern Ireland) and White Other (from the Old Commonwealth countries and from Europe). Existing research (Li and Heath, 2008) shows that White Other and White Irish fared equally well as White British at the two time points being examined in this paper in terms of employment rates and access to advantaged professional and managerial class. It is thus reasonable to group all Whites into the same category in the present analysis. People of Pakistani/Bangladeshi heritage are grouped together due to the need for consistency with the US data (see below). In the 2001 SAR, ethnic categories are separately coded for England and Wales, and for Scotland. Great care was taken to ensure that the categories are coded in a way that is consistent across the three parts in Britain (Northern Ireland data are not used in this analysis as the minority ethnic groups are not differentiated there) and with those used

for the 1991 SAR. A fairly large number of people of mixed origins in the 2001 SAR identify themselves as 'White and Black Caribbean' and 'White and Black African' (0.45% and 0.15% respectively in England and Wales). Prior analysis shows them to bear greater resemblance to their Black than their White peers in employment and class. In light of this, people of mixed origins are coded to their respective minority rather than to White groups.

In the US data, we code ethnicity with ten categories, that is, eight categories as are in the SARs, plus two US-specific groups that have received increasing attention in academic and policy research in recent years (Massey, 1995), namely, (non-Mexican) Hispanics and Mexicans. A range of variables in the IPUMs were used in coding the ethnic categories: single race identifier (*racesingd*), Hispanic origin (*hispand*), birth place (*bpld*), and first and second ancestry identifiers (*ancest1d* and *ancest2d*). As in the SARs, we code three Black groups: (i) African Americans who are all native born, hence at least second generation; (ii) Black Caribbeans who self-identify as being Black and were born in, or have first or second ancestry with, Jamaica, Anguilla, Antigua, Bahamas, Barbados, British Virgin Islands, Dominica, Grenada, Montserrat, St Kitts, St Vincent, Trinidad, British West Indies, West Indians ns, and Guyana; and (iii) Black Others who are immigrants from Africa or other communities such as Cape Verde and Haiti. Indians include those who were born in India, or who were born in Guyana or Trinidad but who identify themselves as being of Indian heritage. The Pakistanis/Bangladeshis are rarely listed as a separate group in the US research but are coded here in order to make direct comparisons with their British counterparts. The small number of US-born Bangladeshis in the age range (15 in 1990 and 84 in 2000) necessitates their aggregation with Pakistanis.

Apart from ethnicity, we also coded a variable on generational status for creating the ethno-generational combinations. As no information is available on age of arrival for first-generation immigrants in the SARs, country of birth was used as the indicator, with minority ethnics born in the UK or the US coded as the second, and those born in other countries as the first, generation. This kind of differentiation is admittedly rather crude but is the best that can be done with the existing data. It was then combined with ethnicity to construct the ethno-generational status such as first and second generation Black Caribbean.[2]

Our outcomes of interest in this paper pertain to employment status and occupational class. The former is relatively straightforward: a three-way variable was created – employed, unemployed and inactive. The latter is rather complicated. The official class schema changed between the 1991 and the 2001 Censuses in Britain, with the Social-Economic Groups (SEGs) used in 1991 and the National Statistics Social-economic Classification (NS-SEC) in 2001. Following the standard practice of converting the SEGs (Heath and McDonald, 1987) and the NS-SEC (Rose and O'Reilly, 1998) into the well-known Goldthorpe class schema (Goldthorpe, 1987), we coded three broad classes: (i) the professional and managerial 'salariat' class; (ii) the intermediate class of routine non-manual, petty bourgeoisie, forepersons and

[2] One question concerns illegal immigrants. This may apply to (former) refugees, asylum seekers or, in the US, undocumented immigrants. The first two categories may be captured in the Individual SARs (*cesttype* for 1991 and *cetype* in 2001) if they were in the communal establishments at the time of the Census but the variable is not available in the 1991 Household SAR. For the US data, the variable on 'citizen' may capture some of the first-generation illegal immigrants but note that not all non-citizens are undocumented. Therefore, it is not possible to differentiate legal from illegal immigrants using the data available. I am grateful to one of the Reviewers for alerting me to this possibility.

supervisors and lower technicians; and (iii) the working class composed of skilled, semi-skilled and unskilled manual workers including agricultural labourers. For the US data, we coded the same three classes of salariat, intermediates and routine workers using the standard occupational classification variable (*occ1990*)[3].

As noted earlier, human capital is important in explaining ethnic disadvantages in gaining access to employment and advancement in occupational careers. The Census data, however, have no information on language proficiency, cultural facets or knowledge about the local labour market. We take education, age and (for men) marital status as indicators of human capital. There is general agreement that levels of education and age are good proxies for skills and potential labour market experience. There is also research to show that, for men, being married is often seen by employers as a symbol of commitment and drive, leading to favourable outcomes (Chun and Lee, 2001). As age in the 2001 SAR is band-coded, we had to adopt the same bands for all data sources used. In this study, we confine our analysis to men aged 16 to 64 and women aged 16 to 59 and resident in Great Britain or the US at the time of the Censuses.[4] Apart from these, other personal and family attributes are also important factors that may affect people's employment status and class position. Therefore, in all the datasets used, health condition (whether people have limiting long-term illness)

[3] For *occ1990*, we coded 3 to 258 and 303 as 'salariat', 274 to 283, 308 to 503 and 558 as 'intermediate', and 504 to 549, 559 to 900 and 991 as 'working' class. 905 (military) and 999 (unknown) are coded as missing as in the SARs.

[4] Following standard practice in using the 1991 SARs, we exclude visitors in the analysis (see http://www.ccsr.ac.uk/sars/1991/indiv/variables/residsta/). Information on residential status is not available in the 2001 SARs or the IPUMs. The more limited age range for women is set out of the consideration that women usually leave the labour market earlier than men. For instance, 74.7% of women as compared with 49.6% of men aged 60-64 in the 2001 SAR were inactive. As our main purpose in the paper is on ethnic rather than gender comparison, we hope that this kind of age arrangement is reasonable. I am grateful to one of the Reviewers for the need to clarify this point.

and presence of dependent children in the family are coded in a consistent way for multivariate analysis.

The analysis is conducted for men and women, and for Britain and the US, separately. We shall first present descriptive analysis, followed by statistical modelling.[5] In the latter regard, we not only analyse the global changes using loglinear models but also the net ethnic effects using logit models. Based on findings from the logit models, we further measure within- and between- country ethnic differences and changes over time as well as the maximum ethnic differences in employment and access to the salariat which may serve as evidence of what Akerlof calls 'social distance' (1997).

Analysis

In this section, we present results of descriptive and multivariate analysis of the ethnic differences in employment and class in Britain and the US over the decade. Before we do that, it is necessary to have a brief look at the ethnic distribution at the two time points in the two countries (1991 and 2001 in Britain, and 1990 and 2000 in the US).

Ethnic distribution in Britain and the US (1990/1 – 2000/1)

As seen in Table 1, the proportions of minority ethnic groups (within the age limit) were growing from 1990/1 to 2000/1 in the two countries. The proportions grew from 5.5% in 1991 to 8.3% in 2001 in Britain and from 24.3% to 30.1% in the US. The proportions of Whites in both countries were on the decline, more rapidly in the US than in Britain. The three largest groups were Indians, Pakistanis/Bangladeshis and

[5] Weighted data are used in all analyses reported in this paper (unweighted Ns are reported in Table 1). All data sources used in this study contain weight variables except the 2001 SAR in which case we created a weight of 1.

Black Caribbeans in Britain, and African Americans, Mexicans and Hispanics (non-Mexican) in the US at both time points.[6]

(Table 1 about here)

If, however, we look at the growth rates, we find that the fastest growing groups in Britain were Pakistanis/Bangladeshis and Black Africans which increased by 0.7 and 0.6 percentage points respectively. These communities tend to have a relatively young age structure: the former tend to have large families due to cultural traditions and the latter include 'students who stayed' (Daley, 1996) and former refugees and asylum seekers. In the US, the two fastest growing groups are Mexicans and Hispanics, which increased by 2.1 and 1.6 percentage points respectively.

Descriptive analysis of employment and class in Britain and the US

Having looked at the demographic profiles, we now turn to the main concern of the present analysis, namely, the employment status and class position of the different minority groups in the two countries. The data in Table 2 are cross-tabulations of employment and class by ethnicity and gender respectively in the two countries and at the two time points. For ease of presentation, we do not differentiate ethno-generational status in the table. And as the very large sample size (nearly 22 million records as shown in Table 1) makes it very time-consuming to do any analysis, we shall, from now on, base all analysis on a reduced sample which has a minimum size

[6] The US does not have a 'standard' coding scheme and a great deal of effort was made to code the ethnicity variable drawing from a range of variables as reported in the text. It is reassuring to note that our percentages match almost exactly the official figures as shown at http://www.census.gov/prod/cen2000/dp1/2khus.pdf.

of 100 for all subgroups.[7] As the three-way employment and the three-way class by ethnicity, gender, country and time would take too much space, we only present data on employment, unemployment and salariat. The proportions of the inactive can be easily worked out from the table and those of the intermediate and the working classes are available on request.

(Table 2 about here)

Table 2 shows some notable features: overall disadvantage in employment by minority ethnic groups in both countries, marked differences in access to the salariat, and some country-specific characteristics. We give a brief account below.

Overall ethnic disadvantage in employment First and most notably, the data show Whites as having most favourable employment opportunities. With only a few minor exceptions such as Pakistani/Bangladeshi men and Black Caribbean women in the US in 1990, White men and women in both countries and at both time points alike had the highest rates of employment and the lowest rates of unemployment. Even the apparent exceptional cases masked some real disadvantages as their unemployment rates were higher than those of Whites. The most disadvantaged groups were Black African and

[7] Following Model (2005), we sampled the bigger groups and kept the smaller groups intact. For the SARs, we randomly sampled 2% Whites and kept all other minority ethnic groups intact, resulting in a total of 182,547 respondents for use (the smallest subgroup being second-generation Chinese men in 1991, N=198). For the IPUMs, we randomly sampled 1% Whites, 5% African Americans, and 10% Hispanics, Mexicans and Others whilst leaving the remaining minority ethnic groups intact, which yields a total subsample of 915,403 respondents for use (the smallest group being second-generation Pakistani/Bangladeshi women in 1990, N=105). As all subgroups meet the sample size criteria, we are not going to report the Ns or the standard errors in the modelling exercises in the following tables (available on request). It is noted here that the sampling procedure does *not* affect the distribution of the different groups to employment or class.

Pakistani/Bangladeshi men in Britain, and African American, Hispanic and Mexican men and women in the US.[8]

It is also clear that there is greater ethnic disadvantage in Britain than in the US. For the ease of comparison, we also show data for all minority ethnic groups (MEG) in the row called *All MEG*, which can be directly compared with Whites in each aspect. For example, 60.8% of the minority ethnic men in Britain were in employment in 1991, as against 76.5% for White men, with a difference of 15.7 percentage points. The corresponding figure for the US men in 1990 was 7.1 percentage points. The ethnic differences in Britain were thus greater than in the US by a factor of 8.6 points. In similar vein, the British differences were greater than those in the US by 5.9 points in unemployment in the earlier period. In the later period, the British disadvantage again manifested itself, albeit to a smaller extent, by 4.1 and 3.1 points in employment and unemployment as compared with the US profile. For women, a similar profile obtained, with the British disadvantages being 9.0 and 2.1 points in the earlier, and by 8.2 and 1.2 points in the later period, higher than in the US in employment and unemployment respectively.

Marked differences in salariat access Looking at the ethnic differences in the salariat, we find a quite different picture to that in employment. In fact, in neither country, for neither sex, and at neither time point were the Whites most likely to be found in this class. The differences are particularly notable in the US. Indian men in the US were nearly twice as likely to be in the salariat as their White peers (61% vs 34%, and 65% vs 36% in 1990 and 2000 respectively). Interestingly, although Pakistani/Bangladeshi

[8] Pakistani/Bangladeshi women's inactivity has long been observed, more so in Britain than in the US (Model, 2005; Heath and Li, 2008; Li and Heath, 2009).

men were much disadvantaged in Britain, their counterparts in the US were doing quite well: they were about one third more likely to be in the salariat than Whites at both time points. With respect to ethnic disadvantages in the US, African Americans, Hispanics and Mexicans were way behind their White peers. At both time points, African American and Mexican men and women were only about one third to one half as likely as their White peers to hold a salariat job.

Country-specific characteristics Two such characteristics are noteworthy. The first concerns the relative stability of disadvantage and the second the contrast between Pakistani/Bangladeshi men in the two countries. We have noted above that Black African and Pakistani/Bangladeshi men in Britain, and African American men in the US had poor employment situation. In Britain, the two groups had employment rates around 31 and 16 percentage points lower in 1991 and 18 and 20 points lower in 2001 than their White peers. In the US, the employment rates of African American men were around 19 and 23 points lower at the two time points than their White peers. While African American men remained in the same vulnerable position, Black African and Pakistani/Bangladeshi men in Britain switched positions. As the 2001 Census was conducted before the 9/11 terrorist attack in New York, we can rule out the possibility that the worsening position of Pakistani/Bangladeshi men in Britain was due to a hardening perception by British employers towards Muslims in the wake of the attack. (93% of Pakistani/Bangladeshi men in Britain are Muslims.) On the other hand, the findings here reinforce previous research that anti-Muslim feelings had long been covertly or overtly expressed by employers (Jewson *et al*., 1990; Runnymede Trust, 1997).

The contrast between Pakistani/Bangladeshi men's employment in the two countries offers some evidence of the role of human capital. As the data show, they had very poor employment status in Britain but their peers in the US had employment rates similar to those of White men. The differences in this regard may be traced to the context of immigration and the associated human capital deficit in the British case. Two thirds of Pakistani/Bangladeshi men came to Britain in the 1970s and the 1980s[9] largely to work in the textile factories. They were poorly qualified and were mostly drawn from rural areas in the sending countries. When the factories were shut down, they lost their jobs. Many of them turned to catering, corner-shopping or taxi-driving (Kalra, 2000). Their counterparts who went to the US were more 'positively selected' as they were highly educated.

Statistical modelling of employment and access to the salariat

Having looked at the descriptive data on employment status and class position, we now turn to statistical modelling. This we do in three steps. Firstly, we analyse the overall social equality in ethnic employment and class. Secondly, we examine ethnic penalty in terms of the net ethnic effects controlling for education and other socio-demographic factors. And thirdly, based on data from the second procedure, we assess changes over time in the ethnic fortunes both within and between the countries. Our main concern will be on social changes associated with the ethnic fortunes.

Social fluidity in ethnic employment and class

[9] The figures are drawn from the pooled data from the General Household Survey (1972-2005) and the Labour Force Survey (1983-2005) available at http://www.data-archive.ac.uk/findingData/snDescription.asp?sn=5666.

In studying social equality, the standard practice is to look at the relative chances of different groups in competing for one position and avoiding another. These chances express themselves in odds ratios. An adds ratio of one indicates equal opportunity. For instance, if African American men had the same chances of gaining employment and avoiding unemployment as do White men, the odds ratio would be unity (or log odds of zero). The further away the odds ratios are from one, the more unequal are the chances in the competition. The total set of such odds ratios is called 'the pattern of social fluidity'.

We applied the models on the three-way employment statuses and the three-way class positions for men and women separately. Three models were conducted: base-line (also called conditional independence model), loglinear (also called constant social fluidity, or CSF, model) and log-multiplicative (also called uniform difference or UNIDIFF model) akin to those frequently found in mobility research.[10] Very briefly (see Erikson and Goldthorpe, 1992; Xie, 1992; Goldthorpe and Mills, 2008 for more details), the baseline model assumes that the distributions of both ethnicities and employment statuses (or class positions) vary by country but there is no association between them. In other words, all the odds ratios or relative chances defining ethnicity and employment status (or class position) are equal at a value of one. The CSF model allows for the latter association but does not allow for the three-way association of EDC, which would be a saturated model. The UNIDIFF model further allows for a

[10] The models can be written as:
1 Baseline model (conditional independence)

$$\log F_{ijk} = \mu + \lambda_i^{E} + \lambda_j^{D} + \lambda_k^{C} + \lambda_{ik}^{EC} + \lambda_{jk}^{DC}$$

2: Constant social fluidity model (CSF)

$$\log F_{ijk} = \mu + \lambda_i^{E} + \lambda_j^{D} + \lambda_k^{C} + \lambda_{ik}^{EC} + \lambda_{jk}^{DC} + \lambda_{ij}^{ED}$$

3: Log multiplicative or UNIDIFF model

$$\log F_{ijk} = \mu + \lambda_i^{E} + \lambda_j^{D} + \lambda_k^{C} + \lambda_{ik}^{EC} + \lambda_{jk}^{DC} + \lambda_{ij}^{ED} + \beta_k X_{ij}$$

where E stands for ethnicity, D for employment or class, C for country.

uniform movement for the coefficient of one country to move above or below that of the other.[11] We use Britain as the reference country. The further away the coefficient for the US is above that of Britain, the more unequal is the US society in employment or class, and vice versa.

The results are reported in Table 3. Overall, we find that all the CSF models fit the data quite well, with only a very small proportion of cases misclassified, as indicated by the $\triangle$ sign. Yet it is also the case the UNIDIFF models fit the data even better as shown in the comparisons between models 2 – 3 and 5 – 6. Our greatest interest is in the coefficients for the log odds of the US relative to Britain, as shown in the first note to the table. The general conclusion arising from the coefficients is that in terms of employment status, Britain is more unequal than the US for men and women and in both years alike and, yet, in terms of class position, the US is generally more unequal than Britain except for men in 2000.

Ethnic penalties in employment and access to the salariat among the active

The results from the loglinear and UNIDIFF models are global tests which do not show how much different minority ethnic groups are disadvantaged as compared with Whites, or how much they are different from one another. In order to assess the extent of ethnic penalty, we conducted logit analysis focusing on access to paid employment and to salariat positions. We confined the analysis to people who were economically active. To address issues of overtime and generational improvement, we include ethno-generational status in the following analysis.

[11] This is represented by $\beta_k X_{ij}$ where X_{ij} indicates the general pattern of the ethnicity-destination association and β_k the direction and the relative strength of this association specific to a country.

Yet, before proceeding to such modelling, it is necessary to have a brief look at the main indicator of human capital, namely, the level of educational qualifications of the different ethnic groups in the two countries. Again for simplicity's sake, we show data on tertiary education (degree and sub-degree) and by main groups only (Figure 1). As seen in the dotted lines representing the sample means, there was a notable increase in tertiary education, more noticeable in Britain than in the US. In the former case, the increase is most probably due to the 1992 restructuring of higher educational institutions. The expansion seems to have benefited women more than men, with the gender gap being reduced from 3.8 to 1 percentage points. This convergence was also seen in the US, with the gender gap being reduced from 3.1 to 0.5 percentage points.

(Figure 1 about here)

White men and women were not the most qualified groups in either Britain or the US. In fact, their profiles were at best 'middling'. In Britain, Chinese, Black Africans and Indians had higher qualifications than Whites, especially in 2001. In fact, in 2001, the proportions of Whites with tertiary level education were actually below the national average. That the Chinese were influenced by the Confucian attachment to formal education is well known. Many Indians, including those who came to Britain when the independence movements in African countries in the 1950s and the 1960s forced them to leave (15% in the first generation), were from business or professional backgrounds and highly educated. A significant number of Black Africans had British qualifications. The poorly qualified groups in Britain were Pakistani/Bangladeshi men who came from rural areas to fill in vacancies in the textile industries, and Black

Caribbean men who came to take up jobs in London Transport. In the US, the most highly educated groups are Indians, Pakistanis/Bangladeshis and Chinese.[12] The least qualified groups were Mexicans, Hispanics, and the Blacks, with little change in the relative positions over time.

Overall, we find greater ethnic differences in education in the US than in Britain, and that for both men and women alike. Another point to note here is the overwhelming educational 'surplus' of some minority ethnic groups over Whites which did not seem to translate into comparable returns to employment or class. As earlier noted, most ethnic groups including those with superior educational qualifications were behind Whites in employment, and even when they have a job, their job status is not as advantageous as their educational qualifications would lead us to expect. For instance, in 2000, Indian men and women in the US were 34 and 25 percentage points higher than Whites in tertiary education but their salariat lead was only by 29 and 11 points. We would not, of course, expect a one-to-one match between education and salariat, especially for first-generation immigrants many of whom may have obtained qualifications in the home country which may not be perceived as having comparable values by employers in the receiving countries. There may be other factors impacting on the labour market position as discussed earlier. If, however, after controlling for human capital and demographic factors, we still find persistent ethnic disadvantages, especially by the second generation, then we would have good reasons to believe that they are due to ethnic penalty which is unlikely to disappear of its own accord. This is the question to which we now turn our attention, with particular focus on ethnic disparities and possible progress.

[12] The Japanese in the US are also highly qualified but are not separately analysed in the present paper. For a detailed discussion, see Hirschman and Wong (1986).

In conducting the logit models on employment and salariat, we coded employed as 1 and unemployed as 0; and salariat as 1 and the rest (including those who were in intermediate and working class positions or who were unemployed) as 0. To assess the generational effect, we combined ethnicity with generational status as earlier noted, such as first and second generation Black Caribbean (except Black Other and Other groups where no such differentiation is made). Apart from this, education and other personal attributes such as age, marital status, health and dependant children are also controlled for.

(Tables 4 and 5 about here)

The data in Tables 4 and 5 are quite complicated but the main patterns are fairly clear and can be summarised as follows. Firstly, most of the control variables show an expected direction. Thus, the highly educated, those in the prime of life, healthy, (for men and most women) married and without dependent children were more likely to be employed and in salariat positions. Secondly, controlling for such human capital and demographic factors, we find that, in terms of employment, minority ethnic men and women were, at both time points, very much disadvantaged as compared with their White counterparts, with the sole exception of second-generation Chinese women in the US in 1990. It is also the case, as seen from the magnitudes of the coefficients, that the disadvantages were more pronounced in Britain than in the US[13] but there was greater reduction of such disadvantages overtime in Britain. It is also noticeable that most of the second generation enjoyed little improvement in the

[13] It is noted that second-generation Indian men and women in the US had relatively high rates of unemployment in 2000 (9.5% and 6.7% respectively).

employment chances over the first generation, a finding reinforcing previous research in Britain using other data sources (Li and Heath, 2008).

With regard to access to the salariat, most minority ethnic groups in Britain (with the exception of first-generation Black Caribbean women in 1991) were disadvantaged relative to Whites but in the US several groups (Indians, Chinese in both years and second-generation Pakistani-Bangladeshi in 2000) were more likely than Whites to be in salariat positions. Overall, ethnic differences were smaller in the US and the second generation fared better, although for most of the groups, no parity had been reached with the Whites yet.

Within and between country comparisons and social distance

Finally in this section, we report findings on within and between country differences in the minority ethnic employment and access to the salariat, and on overall ethnic social distances. The analysis concerns point differences such as first-generation Black Caribbean men's employment situation in Britain between the two time points or their situation vis-à-vis that of their US counterparts at a particular time point. The data, drawn from Tables 4 and 5, are summarised for the within and between country comparisons in Tables 6 and 7, and for ethnic distances in Table 8.

(Tables 6 and 7 about here)

Table 6 shows changes in employment and access to the salariat. If a group stayed in the same situation, it is indicated as having experienced 'no change'; otherwise it is indicated as having become 'worse' or 'better' (statistically significant at the 0.05

level or above). In Britain, 48 comparisons were made. 6 cases had deteriorating (worse), 7 ameliorating (better), 35 stable (no change) experience, with a 'no-change' rate of 73%. In the US, 60 comparisons were made, with 4 cases becoming worse, 6 becoming better, 50 experiencing no change, with a 'no-change' rate being 83%. Thus there was greater position-switching in Britain than in the US. Looking more closely, the greater stability in the US was a result of the most disadvantaged groups staying put: African American, Hispanic and Mexican, although second-generation Mexican women did have more favourable employment chances over the period.

Turning to the between-country comparisons for similar groups, Table 7 records 'similar' if the groups in question had similar, or similarly disadvantaged, experience, 'US' if the US group had more (statistically significant at the 0.05 level or above) favourable chances than had their British counterpart, and likewise with 'GB'. The table shows the results of 88 comparisons. For employment, US minority ethnic groups had more favourable chances than their British counterparts in 25 cases; Britain won 1 case, and there were no statistically significant difference in 18 cases. With regard to access to the salariat, the US beat Britain in 19 cases, Britain beat the US in 7 cases, and the remainder (18 cases) showed no significant differences. Overall, the US beat Britain 44:8, with 36 cases being draw. Therefore, for similar minority ethnic groups, the US employers did seem to provide less unfavourable opportunities than their British counterparts, confirming previous research (Model, 2005).

This brings us to the final point of our empirical analysis in this paper, namely, social (ethnic) distances between the two countries. As shown in Tables 4 and 5 above, most

of the minority ethnic groups in Britain had poorer labour market outcomes than their White counterparts even with similar levels of education and other personal attributes but the disadvantages were less pronounced in the US. To measure the social (here ethnic) distances directly and to compare them between the two countries, we again use data in the two tables and compare the distances between the two ends of the spectrums in terms of the ethnic coefficients, confining our analysis to significant players. For instance, second-generation Indian and Chinese men in the US in 1990 were not significantly different from Whites in employment. Thus, for male employment in 1990/1, we compared the difference between African American and White men in the US with that between first-generation Black African and White men in Britain.

Table 8 shows the test results. For the British part, most of the comparisons were between Whites and minority ethnic groups but in the US, most of the comparisons were between minority ethnic groups themselves. The results can be summarised this way: in 3 cases of contest, namely, women's employment and salariat access in 1990/1 and men's employment in 2000/1, the ethnic distances in the two countries were roughly the same; in 3 cases, namely, men's access to the salariat in 1990/1 and men's and women's access to the salariat in 2000/1, Britain exhibited significantly shorter distances than did the US; and in the remaining 2 cases, namely, men's employment in 1990/1 and women's employment in 2000/1, Britain had longer queues than the US. On the face of it, the US was as unequal as Britain, but a closer look shows that, in the US, the social inequality was due to some groups, particularly, Chinese, Indians and second-generation Pakistanis/Bangladeshis, outperforming the Whites.

Discussion and conclusion

The principle of social justice and equal opportunity is enshrined in the law in Great Britain just as in the Declaration of Independence in the United States. This principle applies to social relations covering class, race/ethnicity, religion, gender, disability, sexuality etc. Academic and policy concern with racial/ethnic disadvantage in the labour market and their integration into the socio-economic-political life of the receiving society has produced a tremendous amount of empirical evidence but this, to our knowledge, is the first systematic study on the patterns and trends of ethnic penalty and progress in the two countries based on the most authoritative data.

Using micro-data from the two most recent Censuses of the Population in Great Britain and the United States of American, we analysed the employment and class situation of the minority ethnic groups in the two countries in 1990/1 and 2000/1 to assess the ethnic penalty and the changes over time and to see whether any of the competing theoretical claims – optimistic, pessimistic and segmented assimilation – would receive more empirical support.

Our analysis shows that, for men and women, in both countries and at both time points alike, all of the minority ethnic groups (with the sole exception of second-generation Chinese women in the US) were experiencing considerable disadvantages in securing a job even though many groups had higher educational qualifications than the Whites. The greatest barriers were met by the Blacks and Pakistanis/Bangladeshis in Britain and African Americans, Hispanics and Mexicans in the US. Most of the groups were also more likely than the Whites to be economically inactive. For our

samples of working-age populations, many of them could, especially among men, be truly 'discouraged workers'. Similar profiles obtained in terms of salariat access though Chinese, Indians and second-generation Pakistanis/Bangladeshis were highly successful in the US. The overall patterns and trends of minority ethnic penalty, especially that pertaining to the second-generation employment, render support to the pessimistic thesis.

That minority ethnic groups would face disadvantages in the labour market is not something that the optimistic accounts would seek to deny. Rather, what they would argue for is the generational and overtime improvement. Our analysis shows some limited support for this. In both countries and for both sexes, second-generation were doing better than their parental generation, and their situation was better in 2000/1 than in 1990/1, especially in Britain.[14] With regard to specific groups, however, our detailed analysis showed an overwhelming stagnation. Thus while signs of optimism do exist, the overarching story is the salience and persistence of ethnic disadvantages. Much more must be done to realise the American dream and, similarly, to break through the British sclerosis.

As for the theory of segmented assimilation, we noted earlier that this model is, for all its merits in explaining the acculturation processes, not easily amenable to overtime research. Our findings of the marked ethnic differences at each time and in each country give support to the theory but the evidence on the second-generation

[14] Further analysis, holding constant all the control variables as used in Tables 4 and 5 and setting Whites as 100, shows that the second generation had 2 and 6 points higher in employment, and 27 and 35 points higher in salariat, than the first generation men and women respectively in Britain in 2001. Full details for all other aspects including full groupings by generational statuses are available on request.

amelioration in Britain (Table 6) shows no clear support.[15] It is also the case that our analytical framework, albeit a fairly standard practice in this area of research, could not directly address the expectations of the theory (for more direct tests of the theory, see Portes *et al*., 2009; Waters *et al*., 2009). A more focused analysis would confine itself to the educational and labour market experience of the second generation only (see Li, 2009b).

A cross-national study would naturally lead to the question of which country is more equal, or less unequal, in treating their vulnerable (here minority ethnic) groups (see Rawls, 1971: 104). Here our detailed examination favours the US although British minority ethnic groups, especially second-generation women, were found as making more visible progress – by 2001 they were on a par with their American counterparts in both employment and salariat access. Minority men in Britain had a lot to do to catch up. Yet, underneath the American advantage is a disconcerting feature of ethnic polarisation between those who were fast catching up with or even surpassing the Whites such as Indians, Chinese and Pakistanis/Bangladeshis on the one hand, and those who were experiencing little improvement in their fortunes, such as African Americans, Mexicans and Hispanics on the other. It is also worth noting here that while most ethnic studies presume comparisons of the minorities with the Whites, we actually found in the US case that, for most of the times, the group standing at the head of the queue were not Whites but minority groups. Analysis using more recent data shows that this situation is also happening in Britain. Indian men, for instance,

[15] There are four cases of worsening situation for the second-generation Indian and Chinese men and women in the US. Further analysis shows that these men and women were nearly twice as likely as their White peers to have tertiary education and 1.5 times as likely to be in the salariat in 2000 (see Li, 2009b for details). Thus even though the groups in question did not have the same returns to education as the Whites, their gross advantages in education and salariat access were undeniable.

are found to have higher class positions and higher earnings than White men in 2004/5 (Li, Devine and Heath, 2008).

Overall, the analysis shows both persistent ethnic disadvantages, more so in Britain than in the US; and signs for optimism, again more so in Britain than in the US. Indeed, most of the theories could find support from some elements of our findings but the patterns and trends that emerged from our analysis do not lend themselves neatly to any particular theory exclusively.

Two major events took place during the analysis and writing of this paper: the election of Barak Obama as President of the United States and onset of the current economic crisis. The first event marks unprecedented social progress, unimaginable even a few decades ago as he acknowledged in the inaugural address quoted at the beginning of this paper. Hopefully this will open a new chapter in the ethnic relations not only in the US but also in Britain and, indeed, in most other developed countries. However, how the current economic crisis will affect the race relations can only be explored with the advent of new data.

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Table 1 Distribution of ethnic minority groups in Britain and the US

	Britain		USA	
	1991	2001	1990	2000
White	94.47	91.67	75.71	69.92
Black Caribbean	1.03	1.34	0.53	0.75
Black African/African American[a]	0.41	1.04	10.88	11.20
Indian	1.63	2.03	0.34	0.67
Pakistani/Bangladeshi	1.01	1.74	0.07	0.17
Chinese	0.32	0.52	0.73	0.95
Hispanic (non-Mexican)	-	-	3.57	5.18
Mexican	-	-	5.24	7.32
Black Other	0.24	0.16	0.11	0.26
Other	0.89	1.49	2.83	3.58
N	980,223	1,090,174	9,168,829	10,427,759

Notes:

[a] Black African for Britain and African American for the US (same below).

Source: The Samples of Anonymised Records (SARs) for Britain and the Integrated Public Use Microdata series (IPUMs) for the US (see text for detail).

Table 2 Proportions (%) being employed, unemployed and in professional-managerial (salariat) positions by gender and ethnicity in Britain and the US

	1990/1			2000/1		
GB	Employed	Unemployed	Salariat	Employed	Unemployed	Salariat
Men						
White	76.5	10.6	32.1	76.5	4.8	40.0
B Caribbean	62.9	24.0	16.7	63.9	13.0	31.2
B African	45.0	23.5	34.1	58.7	12.7	43.5
Indian	69.1	12.9	29.3	71.3	6.1	42.9
P/B	50.8	25.0	16.4	56.8	11.6	23.7
Chinese	62.7	9.8	34.0	60.1	4.8	40.6
Black Other	59.9	25.2	27.7	58.2	14.0	34.6
Other	62.3	16.5	43.8	61.2	7.7	45.9
(All MEG)	*60.8*	*18.9*	*27.5*	*62.7*	*9.5*	*37.3*
Women						
White	61.8	5.4	28.0	69.2	3.0	36.2
B Caribbean	61.3	11.3	31.9	63.5	7.1	39.5
B African	41.8	16.7	32.5	50.5	9.6	38.6
Indian	50.5	9.2	20.0	58.9	4.6	34.7
P/B	15.5	9.8	21.4	24.4	5.8	25.4
Chinese	51.0	5.2	33.2	52.1	4.5	39.4
Black Other	51.7	15.1	27.9	57.2	9.8	34.0
Other	47.3	8.9	34.7	51.0	5.1	42.0
(All MEG)	*45.4*	*10.2*	*27.9*	*49.7*	*6.1*	*36.7*
US						
Men						
White	81.1	4.1	34.3	79.5	3.4	36.1
B Caribbean	75.9	8.3	23.8	71.2	5.7	25.2
African American	62.1	9.6	16.4	56.6	8.2	18.6
Indian	81.1	3.7	60.9	77.9	3.3	65.4
P/B	81.4	5.2	47.5	75.0	3.3	47.4
Chinese	75.6	3.3	49.8	73.2	3.0	57.0
Hispanic	72.8	7.3	21.2	64.4	5.7	21.1
Mexican	76.1	7.8	12.6	67.8	5.7	12.1
Black Other	78.9	6.1	38.6	74.1	4.8	35.1
Other	70.9	6.5	31.4	66.8	5.7	32.8
(All MEG)	*74.0*	*6.5*	*32.0*	*69.8*	*5.0*	*35.9*
Women						
White	68.2	3.3	34.8	69.9	3.3	41.4
B Caribbean	71.9	6.7	28.3	66.8	5.7	31.9
African American	59.4	8.4	23.1	60.2	7.9	28.2
Indian	58.5	4.3	42.4	55.2	3.6	52.3
P/B	40.3	5.4	39.6	39.5	3.4	40.2
Chinese	64.0	3.2	40.9	62.3	3.1	50.0
Hispanic	56.2	6.8	22.6	54.9	6.5	25.9
Mexican	52.5	7.3	17.8	50.2	6.0	20.6
Black Other	62.4	7.4	30.5	61.1	6.8	32.9
Other	59.4	5.1	29.9	60.1	4.5	35.6
(All MEG)	*60.8*	*6.0*	*29.7*	*58.6*	*5.2*	*35.9*

Table 3 *Results of fitting the conditional independence, constant social fluidity and UNIDIFF models to employment and class*

Employment	1990/1						2000/1					
Model	G^2	df	p	rG^2	△	BIC	G^2	df	p	rG^2	△	BIC
Men												
1. Cond. ind.	5659.4	30	0.00	--	5.4	5290.3	7736.3	30	0.00	--	5.6	7354.5
2. CSF	525.3	14	0.00	90.7	1.2	353.1	786.1	14	0.00	89.8	1.1	608.0
3. UNIDIFF	509.4	13	0.00	91.0	1.1	349.5	721.6	13	0.00	90.7	1.1	556.1
2. – 3.	15.9	1	0.00				64.5	1	0.00			
Women												
4. Cond. ind.	8021.1	30	0.00	--	6.5	7563.0	12473.4	30	0.00	--	7.1	12092.4
5. CSF	390.6	14	0.00	95.1	1.0	218.8	628.5	14	0.00	95.0	1.3	450.7
6. UNIDIFF	350.1	13	0.00	95.6	0.9	190.6	526.6	13	0.00	95.8	1.0	361.5
5. – 6.	40.5	1	0.00				101.9	1	0.00			
Class												
Men												
1. Cond. ind.	23626.6	30	0.00	--	13.2	23261.7	41979.3	30	0.00	--	14.7	41601.8
2. CSF	3256.7	14	0.00	86.2	3.5	3086.5	4478.7	14	0.00	89.3	3.5	4302.5
3. UNIDIFF	3200.6	13	0.00	86.5	3.6	3042.5	4438.6	13	0.00	89.4	3.4	4275.1
2. – 3.	56.1	1	0.00				40.1	1	0.00			
Women												
4. Cond. ind.	6665.5	30	0.00	--	8.0	6305.1	13237.4	30	0.00	--	9.4	12864.0
5. CSF	1526.9	14	0.00	77.1	2.1	1358.7	1846.2	14	0.00	86.1	2.4	1671.9
6. UNIDIFF	1458.3	13	0.00	78.1	1.9	1302.1	1830.2	13	0.00	86.2	2.4	1668.3
5. – 6.	68.6	1	0.00				16.0	1	0.00			

Notes:

1. rG^2 = Percentage reduction in G^2; △ = Percentage of cases misclassified. Setting Britain = 0, the log odds for the US are -0.011 and -0.014 for men and women in 1990/1, -0.016 and -0.019 for men and women in 2000/1 in employment; 0.022 and 0.028 for men and women in 1990/1, -0.015 and 0.010 for men and women in 2000/1 in employment, respectively. All significant at the 0.001 level.
2. N = 220,224 and 336,536 for first and second period for men, and 213,357 and 327,813 for the two periods for women in employment; 191,562 and 291,202 for first and second period for men, and 164,688 and 255,144 for first and second period for women in class.

Table 4 Logit regression coefficients on employment for the economically active in Britain and the US

	Britain				USA			
	1991		2001		1990		2000	
	Men	Women	Men	Women	Men	Women	Men	Women
White (ref)	0	0	0	0	0	0	0	0
B Caribbean 1	-0.690***	-0.519***	-1.056***	-0.937***	-0.804***	-0.659***	-0.657***	-0.683***
B African 1	-1.607***	-1.648***	-1.472***	-1.652***	-	-	-	-
Indian 1	-0.431***	-0.878***	-0.583***	-0.732***	-0.290***	-0.679***	-0.134	-0.533***
Pakistani/Bangladeshi 1	-1.348***	-1.910***	-1.302***	-1.624***	-0.501***	-1.245***	-0.251**	-0.728***
Chinese 1	-0.334**	-0.366**	-0.498***	-0.952***	-0.146*	-0.333***	-0.226***	-0.257***
Hispanic 1	-	-	-	-	-0.512***	-0.851***	-0.452***	-0.892***
Mexican 1	-	-	-	-	-0.539***	-1.177***	-0.390***	-1.012***
B Caribbean 2	-0.974***	-0.776***	-1.032***	-0.779***	-0.358*	-0.443**	0.071	-0.272
B African 2/African American	-1.313***	-1.637***	-1.259***	-0.999***	-0.925***	-0.954***	-1.056***	-0.934***
Indian 2	-0.649***	-0.737***	-0.528***	-0.526***	-0.008	-0.111	-1.337***	-0.877***
Pakistani/Bangladeshi 2	-1.151***	-1.333***	-1.354***	-1.223***	-0.869	-0.163	-0.628	-0.407
Chinese 2	-0.597*	-0.717*	-0.228	-0.296	0.130	0.432**	-0.218*	-0.361***
Hispanic 2	-	-	-	-	-0.658***	-0.798***	-0.692***	-0.756***
Mexican 2	-	-	-	-	-0.537***	-0.598***	-0.516***	-0.379***
B Other	-0.892***	-0.943***	-1.170***	-1.121***	-0.677***	-0.947***	-0.597***	-0.913***
Other	-0.805***	-0.879***	-0.826***	-0.873***	-0.591***	-0.577***	-0.684***	-0.495***
Education (tertiary=ref)	-0.861***	-0.766***	-0.694***	-0.525***	-0.699***	-0.704***	-0.842***	-0.872***
Age	0.853***	0.913***	0.616***	0.358***	0.657***	0.644***	0.826***	0.700***
Age squared	-0.112***	-0.098***	-0.061***	-0.002	-0.076***	-0.064***	-0.092***	-0.063***
Unpartnered (partnered=ref)	-0.726***	-0.540***	-0.699***	-0.517***	-0.612***	-0.230***	-0.287***	-0.046
Long-term illness (no=ref)	-0.868***	-0.918***	-0.888***	-0.646***	-1.011***	-0.831***	0.273***	0.658***
Dependent children (no=ref)	-0.157***	-0.160***	0.101**	-0.198***	0.097	-0.477***	0.289***	-0.184***
Constant	1.757***	1.685***	2.469***	2.749***	2.616***	2.429***	2.220***	2.102***
Pseudo R^2	0.096	0.110	0.097	0.089	0.075	0.062	0.076	0.071
N	29,640	20,703	40,835	32,673	150,033	119,671	212,674	175,941

Table 5 Logit regression coefficients on access to the salariat among the economically active in Britain and the US

	Britain				USA			
	1991		2001		1990		2000	
	Men	Women	Men	Women	Men	Women	Men	Women
White (ref)	0	0	0	0	0	0	0	0
B Caribbean 1	-0.924***	0.371***	-0.648***	-0.117	-0.522***	-0.372***	-0.432***	-0.423***
B African 1	-1.187***	-0.735***	-0.898***	-0.772***	-	-	-	-
Indian 1	-0.451***	-0.637***	-0.441***	-0.693***	0.424***	-0.328***	0.620***	-0.150***
Pakistani/Bangladeshi 1	-1.145***	-0.674***	-1.208***	-0.748***	-0.107	-0.576***	-0.109*	-0.615***
Chinese 1	-0.645***	-0.522***	-0.602***	-0.517***	0.193***	-0.325***	0.414***	-0.185***
Hispanic 1	-	-	-	-	-0.557***	-0.786***	-0.573***	-0.807***
Mexican 1	-	-	-	-	-1.345***	-1.222***	-1.368***	-1.186***
B Caribbean 2	-0.370***	-0.203*	-0.181***	-0.017	-0.005	0.001	-0.056	-0.062
B African 2/African American	-0.932***	-1.026***	-0.509***	-0.441***	-0.685***	-0.448***	-0.598***	-0.351***
Indian 2	-0.348***	-0.414***	-0.075	-0.040	0.421**	0.300	0.523***	0.057
Pakistani/Bangladeshi 2	-0.537***	-0.298	-0.665***	-0.344***	-0.286	-0.254	0.556*	0.108
Chinese 2	0.186	-0.197	-0.294*	-0.451**	0.530***	0.256***	0.522***	0.157**
Hispanic 2	-	-	-	-	-0.302***	-0.223***	-0.246***	-0.252***
Mexican 2	-	-	-	-	-0.460***	-0.226***	-0.383***	-0.141**
B Other	-0.191	-0.149	-0.357**	-0.232*	-0.565***	-0.689***	-0.542***	-0.604***
Other	-0.043	-0.188**	-0.288***	-0.364***	-0.291***	-0.397***	-0.266***	-0.400***
Education (tertiary=ref)	-2.697***	-2.848***	-2.197***	-2.121***	-2.257***	-2.078***	-2.386***	-2.157***
Age	0.971***	1.360***	1.293***	1.727***	0.649***	0.870***	0.739***	0.975***
Age squared	-0.119***	-0.182***	-0.155***	-0.217***	-0.065***	-0.096***	-0.094***	-0.121***
Unpartnered (partnered=ref)	-0.312***	0.060	-0.111***	0.089**	-0.194***	-0.053*	-0.180***	-0.082***
Long-term illness (no=ref)	-0.491***	-0.528***	-0.417***	-0.359***	-0.406***	-0.414***	-0.359***	-0.222***
Dependent children (no=ref)	-0.154***	-0.241***	-0.072**	-0.305***	0.032	-0.080**	0.036	-0.011
Constant	-0.364*	-0.941***	-1.155***	-2.069***	-0.604***	-0.976***	-0.342***	-0.760***
Pseudo R^2	0.245	0.249	0.203	0.197	0.270	0.196	0.310	0.222
N	28,962	20,369	38,784	30,517	147,315	119,289	210,252	175,441

Figure 1 Tertiary education in Britain and the US

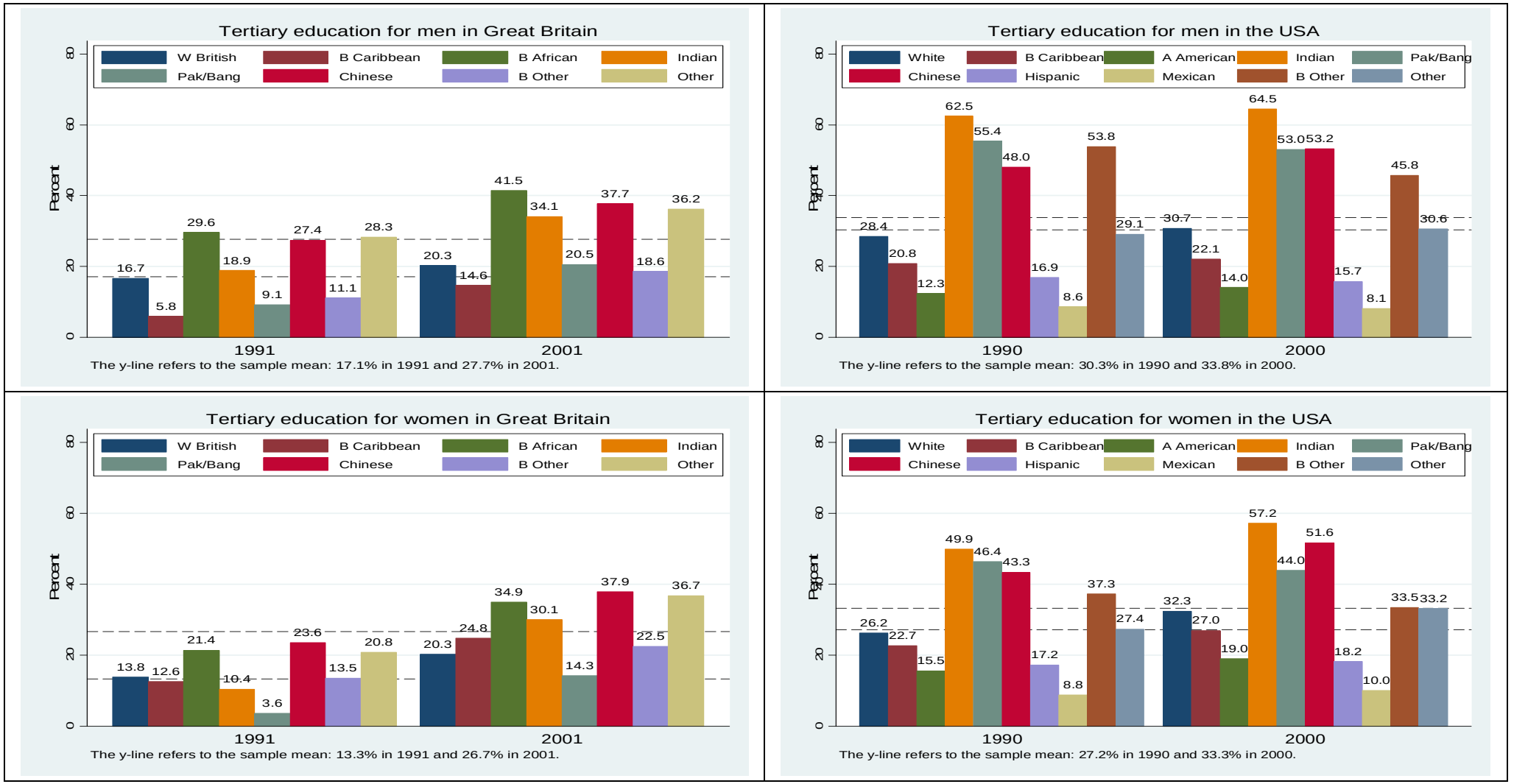

Table 6 Changes over time in employment and access to the salariat in Britain and the US

	Britain				USA			
	Employment		Access to the salariat		Employment		Access to the salariat	
	Men	Women	Men	Women	Men	Women	Men	Women
B Caribbean 1	Worse	Worse	Better	Worse	No change	No change	No change	No change
B African 1	No change	No change	Better	No change	-	-	-	-
Indian 1	No change	No change	No change	No change	No change	No change	Better	Better
Pakistani/Bangladeshi 1	No change	Better	No change	No change	No change	Better	No change	No change
Chinese 1	No change	Worse	No change	No change	No change	No change	Better	Better
Hispanic 1	-	-	-	-	No change	No change	No change	No change
Mexican 1	-	-	-	-	No change	No change	No change	No change
B Caribbean 2	No change	No change	No change	No change	No change	No change	No change	No change
B African 2/African American	No change	Better	No change	Better	No change	No change	No change	No change
Indian 2	No change	No change	Better	Better	Worse	Worse	No change	No change
Pakistani/Bangladeshi 2	No change	No change	No change	No change	No change	No change	No change	No change
Chinese 2	No change	No change	No change	No change	Worse	Worse	No change	No change
Hispanic 2	-	-	-	-	No change	No change	No change	No change
Mexican 2	-	-	-	-	No change	Better	No change	No change
B Other	No change	No change	Worse	No change	No change	No change	No change	No change
Other	No change	No change	No change	Worse	No change	No change	No change	No change

Notes:

1. The table shows the Wald chi-squared test for coefficients of the minority ethnic groups between the two time points based on data in Tables 4 and 5 with all other socio-demographic attributes held constant.
2. Worse means significant (at least at the 0.05 level) deterioration in the situation and Better means significant improvement in the situation in the later period as compared with the earlier period while No change means no significant changes.

Table 7 In which country do similar minority ethnic groups have more favourable chances of employment and access to the salariat?

	Employment				Access to the salariat			
	1990/1		2000/1		1990/1		2000/1	
	Men	Women	Men	Women	Men	Women	Men	Women
B Caribbean 1	Similar	Similar	US	Similar	US	GB	US	GB
Indian 1	Similar	Similar	US	Similar	US	US	US	US
Pakistani/Bangladeshi 1	US	US	US	US	US	Similar	US	Similar
Chinese 1	Similar	Similar	US	US	US	Similar	US	US
B Caribbean 2	US	US	US	US	US	Similar	Similar	Similar
B African 2/African American	US	US	Similar	Similar	Similar	US	Similar	Similar
Indian 2	US	US	GB	Similar	US	US	US	Similar
Pakistani/Bangladeshi 2	Similar	US	US	US	Similar	Similar	US	Similar
Chinese 2	US	US	Similar	Similar	Similar	Similar	US	US
B Other	Similar	Similar	US	Similar	GB	GB	Similar	GB
Other	US	US	Similar	US	GB	GB	Similar	Similar

Notes:

1. The table shows the Wald chi-squared test for coefficients of the minority ethnic groups between the two countries based on data in Tables 4 and 5 with all other socio-demographic attributes held constant.
2. Similar means that the minority ethnic group has similar (or no significantly different) positions in the two countries; US means more favourable, that is, statistically significant at least at the 0.05 level, situations for the group in the US as compared with Britain; GB means more favourable situations for the group in Britain as compared with the US.

Table 8 Ethnic distances in Britain and the US

Groups in competition		Domains of comparison	Result
Britain	USA		
White - BA1	White - AA	Men's employment in 1990/1	GB > US
White - P/B1	CH2 - P/B1	Women's employment in 1990/1	GB = US
White - BA1	White - IN2	Men's employment in 2000/1	GB = US
White - BA1	White - ME1	Women's employment in 2000/1	GB > US
White - BA1	CH2 - ME1	Men's access to salariat in 1990/1	GB < US
BC1 - BA2	CH2 - ME1	Women's access to salariat in 1990/1	GB = US
White - P/B1	IN1 - ME1	Men's access to salariat in 2000/1	GB < US
White - BA1	CH2 - ME1	Women's access to salariat in 2000/1	GB < US

Notes:

1. Wald chi-squared test for the ethnic distances between Britain and the US based on Tables 4 and 5 with all other socio-demographic attributes held constant.
2. > means significantly greater distance, < means significant less distance, and = means non-significant distance at the 0.05 level or above.