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The Contribution of Ethnic Minorities in the Development of 21st C British Economy

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Dedication

**To MOM, whose love of knowledge was contagious;
who continuous to inspire me with her passion for people,
to this great woman, whose intellect, humor, compassion, patience
and devotion made my dreams possible.**

Acknowledgment

In the name of Allah, the Most Merciful, the Most Compassionate. I am thankful for the strength that keeps me standing and for the hope that keeps me believing that this affiliation would be possible and more interesting.

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Abstract

Great Britain has always been a mixture of diverse ethnic groups, the coming of these successive waves of immigrants became important thanks to a smart diplomacy called “neo liberal regime”.

This study shows what different ethnic minorities gave to Britain in terms of helping build the economy. The study will also investigate the hard conditions of those minorities and the fact that in spite of all the discrimination they are a pillar of the British economy through entrepreneurship giving an example about China and India as two biggest investors in Britain. Finally this study will show the practical results of such a contribution. We may illustrate them into three main results; ethnic minorities’ extra supply in labour, flexibility in labor market, and enlargement of employment; all this will help to facilitate production growth and economic development especially when the employment is stable and labour force is highly skilled.

Our research is not going to be concerned with the impact that minorities had on other European countries. We are mainly interested in the impact on economy and the other fields of British life such as culture and politics are not going to be considered in this study.

ملخص

لطالما كانت بريطانيا مزيجا من الأقليات العرقية، أصبحت لهته الأقليات أهمية كبيرة نظرا لاسرراتيجية ذكية تسمى "النظام الليبيرالي".

تبين هذه الدراسة ما قدمته الأقليات العرقية المختلفة لبريطانيا من مساعدة في بناء الاقتصاد. كما سوف تساعد هذه الدراسة أيضا التحقيق في الظروف الصعبة لتلك الأقليات وحقيقة أنه على الرغم من كل التمييز الذي تعرّضوا إليه سيقون ركيزة الاقتصاد البريطاني من خلال الشركات الخاصة موضحة أمثلة عن الصين والهند كأكثر مساهمين في بريطانيا. أخيرا هذه الدراسة سوف تظهر النتائج العملية لهذه المساهمة والتي نستطيع تلخيصها في ثلاث نقاط مهمة، زيادة في عدد العمال، مرونة في اليد العاملة، و توسيع التعيين. كل هذا يساهم في زيادة المنتج و تطوير الاقتصاد البريطاني خاصة عندما يكون التعيين مستقرًا و اليد العاملة محترفة.

وهذا البحث لن يركّز على مدى تأثير الأقليات العرقية على البلدان الأوروبية الأخرى. نحن مهتمون بشكل أساسي بمدى تأثير هته الاقليات على الاقتصاد أما غيرها من مجالات الحياة البريطانية مثل الثقافة والسياسة لن ينظر إليه في هذه الدراسة.

List of Abbreviations

CEO : Chief Executive Officer

EMBs: Ethnic Minority Businesses

EMU: European Economic Monetary Union

GPD: Gross Domestic Product

IMF : International Monetary Fund

NATO: North Atlantic Treaty Organization

UN: United Nation

Table of contents

Dedication.....	I
Acknowledgment.....	II
Abstract.....	III
List of Abbreviations.....	V
General Introduction.....	01

Chapter One: Ethnic Minorities in Britain

Introduction.....	06
1.1 Definition of Ethnic Minority.....	07
1.2 How did ethnic minorities come into existence in Great Britain?	08
1.2.1 The Distribution of the ethnic minorities in Great Britain.....	09
1.3 The Nature of the multi-cultural society in Britain.....	11
1.4 Report on Britain’s ethnic minority.....	13
Conclusion.....	15

Chapter Two: The Development of British Economy

Introduction.....	16
2.1 The British economy before the migration of ethnic minorities	17
1.2 The Review of policy development in Britain.....	18
2.2.1 Ethnic minority businesses.....	19

2.3	The Clarification of the rising economic power in Britain.....	21
2.4	The Labor market.....	23
2.4.1	Economic activity rates.....	23
2.4.2	Employment and unemployment.....	24
2.4.3	Self employment.....	25
2.4.4	Industry.....	26
	Conclusion.....	29.

Chapter Three: Impact of Ethnic Minorities on the British economy

	Introduction.....	30
3.1	The Growth of labour force.....	31
3.2	Industrial production growth.....	33
3.3	The Rising finances.....	34
3.3.1	Rising Finance Functions.....	36
3.4	The Economical impact in figures.....	37
	Conclusion.....	39
	General Conclusion.....	41
	Works Cited.....	43

General Introduction

The British Empire on which “the sun never set” is symbol of hope and pride, and complacent brought civilization to less developed countries, its historic and leadership role make it one of the most developed nations, which helped in the growth of parliamentary democracy and brought about developments in the fields of arts and sciences, it reached its height especially in the 19th century. The first half of the 20th century has witnessed the power of the UK because it was the first world countries shift to the field of industrial due to its stretch over one-fourth of the earth's surface. The second half saw rebuilding Kingdom to modern European State and thriving as a result of its exit from the two World Wars, but with economic and social cost that reduced its leadership role in world affairs, still with that superpower influential on economic, cultural, military, scientific, and political domains

Great Britain is among nuclear states and has the third or fourth highest military spending in the world. Its membership in the European Union and being one of the five permanent members of the UN Security Council and a founding member of NATO and the Commonwealth, the Organization of Economic Cooperation and Development and the World Trade Organization make it chase a universal policy, although it has chosen to remain outside the Economic and fiscal Union.

All these factors attracted non-white immigration; this doorway grants a roll of ethnic groups ranging from the largest and normally includes the percent of the total population such as large migration of blacks from Africa since 1945, arrivals from the Caribbean and South Asia because of the relations established by the British Empire. The oldest Chinese community in Europe, dating back to the arrival of Chinese sailors in the

19th century and then there was a minority of non-white residents in Britain and almost all born overseas.

The migration from the new states of the European Union in Central and Eastern Europe since 2004 is the reason of the augmentation in these categories of the population, as of 2001 census, 92.1% of the population identified themselves as White, leaving 7.9% of the population of Great Britain identified themselves as mixed race or of an ethnic minority.

This study attempts to undertake the examination of impacts of ethnic minorities and to better understand minorities' contribution in boosting the British economy. These minorities became important thanks to the liberal thought which existed in Great Britain and which gave them all the freedom to assume themselves as individuals and wholly participate in the development of the country.

Despite the incursion of these recent arrivals, the majority of the population is still tremendously white. There is a common misconception that the ethnic groups are made up of people who are not white, but a person's ethnicity is never simply based upon the color of their skin. Ethnic groups have a history and a future besides their own usage of a common language, religions, institutions and traditions over many generations. Cultural pluralism encouraged the government taking several steps to increase the integration of ethnic minority groups with the community.

Immigration to Britain increased over the last decade, but the major element in changing the framework of the population is birthrate, as Professor Philip Rees said: "Groups outside the white British majority are increasing in size and share, not just in the areas of initial migration, but throughout the country, and that this trend is set to continue

through to 2051. At a regional level, ethnic minorities will shift out of deprived inner city areas to more affluent areas, which echoes the way white groups have migrated in the past.

The social contribution of ethnic-minority entrepreneurship stresses the importance of social, economic, and institutional processes rather than 'ethnic culture'; so the increasing rapidity of second and third generations affected the increasing economic power.

Great Britain has witnessed important academic and policy-related developments in the field of ethnic-minority entrepreneurship these recent years associated with increasing difficulty and activity on the part of policy makers and practitioners.

Britain's economy had enjoyed a long period of expansion on record during which time growth outpaced most of Western Europe. But in 2008, due to the importance of its financial sector, the global financial crisis hit the economy particularly hard; home prices had declined sharply, consumer debt had rose, and the global economic slowdown compounded Britain's economic problems. During times of such economic crisis, the Bank of England coordinates interest rate moves with the European Central Bank, but Britain remains outside the European Economic and Monetary Union (EMU), all this was pushing the economy into recession in the latter half of the same year; prompting the government to implement a number of measures to stimulate the economy and stabilize the financial markets; it included nationalizing parts of the banking system, temporarily cutting taxes, suspending public sector borrowing rules, and moving forward public spending on capital projects.

To the extent that we take in hand and look into the abstract of the contribution of ethnic minorities and to deeply examine in this research we hypothesise that British structure changed through the role of ethnic minorities in socio-economic life, and that

minorities helped in the augmentation of economy through private enterprise which led to the development of Britain as a global economic power.

The main objectives and aims of this study are as follows:

To intensify the understanding of the multiculturalism in Britain and its role in participating to build and change the helm economy.

To analyse ethnic minority's contribution in British economy recently.

To explore the role of liberal thought in providing individual freedom and encouraging minorities to prosper.

To explain what is the location of ethnic-minority entrepreneurship in its economic contexts?

The present dissertation is a humble challenge to answer the ambiguities surrounding the economic contribution of minorities in Britain whether in positive or negative way, relying on a combination of descriptive and analytical approaches .The nature of the topic of this dissertation includes a description that is useful in showing how ethnic minorities' background and entrepreneurship affect such a country to become globally attractive, and analyse the results of British government policy in solving EMBs difficulties and pushing the economy to grow.

This work is divided into three chapters: The first chapter is devoted to develop and explain the origins of ethnic minorities in Britain and the nature of multicultural society.

The second chapter deals with British economy before migration of ethnic minorities, policy development of British economy through encouragement of emerging

forces on labour market, until reaching the point of government's solution to pitch British markets.

The third chapter examines the growth of labour force and the impact of ethnic minorities on British economy through rising finances and industrial products.

Chapter One

Ethnic Minorities in Britain

Introduction

Modern England has numerous ethnic minorities because of the British control upon countries such as India, Bangladesh, and the West Indian countries that led to English being widely taught and spoken, moreover, the English administration system was adopted in those colonies. People witness the UK as an opportunity for an improvement in lifestyle.

In fact, there are many periods of war, conquest, history, literature, culture that led Great Britain to be racially pure society. But the racial purity of the British people is not 100% true. The country has always been a mixture of diverse ethnic groups; each with their own culture, attitudes, traditions, religion, and even language (Lupton and Power n.p).

One of the most significant changes in Great Britain since the 1990s was the augmentation in numbers of people who came from different ethnic backgrounds and countries. In which Great Britain is still mostly white society with 92% of its population from the white majority. However, this picture is changing, with a rapid increasing diversity of the ethnic groups and the growth variations in cultures and attitudes.

In another regard, some ethnic minorities do not think of themselves as British, mostly have dual identities. Though they always seek for ways to get along with each other; what is called multiculturalism promoting a sense of belonging among minorities, but it has paid too little attention to how to carry on support among parts of the white population.

Many people settled UK either through invasion and conquest or seeking political asylum, or because of religious persecution or looking for better economic conditions; as a result, they made the UK a multicultural country. One reason they feel they belong to

Great Britain is that they have no conflict between their cultural and religious identity and that of the British society (Panayi 4).

1.1 Defining Ethnic Minorities

According to *Cambridge dictionary* (2012 n. p), “Ethnic minority is a national or racial group living in a country or area which contains a larger group of people of a different race or nationality.”

In the previous definition, the dictionary takes into account that any group of people from different races and nationalities who live in a particular area may compose an ethnic minority.

According to *MacMillan dictionary* (2009 n. p), “Ethnic minority is a group of people with the same culture and traditions who live in a place where most people have a different culture and different traditions.”

Here it is mentioned that people who share same traditions, attitudes, beliefs and culture different to their community and their environment are called ethnic minority

The term Ethnic means a characteristic of a human group who share certain key features. It is derived from the Greek “ethnos” meaning a “race” or people, the term “ethnic” is much more commonly applied to minority or marginalized groups than to the ways of the perceived majority population. The complete term “ethnic minorities” was used to refer to those groups of people who have come from the “new commonwealth” to live in the country since the 1950s, recently is used to denote people who are in the minority within a defined population based on “race”, color, culture, language or nationality (Burton, Nandi, Platt 5).

The use of the concept “ethnic minority” can legitimize the social, political and economic marginalization of the groups concerned from the majority of society. It can also suggest a population characterized by division rather than by ethnic diversity.

According to the House of Lords of decrees, written by *Mandela v Dowell Lee*, a member in the House of Lords, (1983) an ethnic group would have the following features:

A common history, a cultural tradition of its own including family and social manners, a common geographical origin, a common language and literature.

Government documents and those involved in the work of race equality tend to use the term “minority ethnic” instead of “ethnic minority” to draw attention to the unity of ethnicity. Both terms are generally acceptable yet the switch in their use is not widespread with the general public, it has some impact only among people aware of the issues. It is sometimes a cause of confusion (Gurung and Prieto n. p).

1.2 How Did Ethnic Minorities Come into Existence?

Britain had a continuous change of migrants since early history. It was invaded by the Celts from 1500 BC. The Roman colonization had its imprint in 54 BC. Norman Vikings who conquered England in 1066, adding French culture to Angles, Saxons, and Jutes life.

Most of ethnic groups started to arrive to Britain from the 1950’s onwards; the major ethnic minority groups were British Black who are sometimes referred to as Black Caribbean tracing their origins to the Caribbean or West Indies; they were brought to the UK as slaves; and lately many immigrants joined the black population came from Nigeria and Ghana looking for work.

There were also British Asians who can trace their origins to countries like Pakistan, India and Bangladesh from 1960’s to 1980’s. Their number will increase as long as the 3rd & 4th generations increase comparing to the small waves of British Chinese who

started to come to Britain from South China and Hong Kong (Gordon, Travers and Christine 9).

For non British white immigrants like Irish people who mainland the country from the 18th century onwards; came from countries like Italy, Greek Cypriots, and more recently from East European countries that have joined the EU looking for factory job.

Polish immigration encouraged many polish soldiers and airmen to stay in England, and after the Second World War they chose to remain in the UK to live. The next wave of polish immigrants came after Poland joined the EU in 2004.

Jews were banned from England from the late thirteenth century to the mid-seventeenth century, when they returned and were encouraged to engage in finance. In the 1890s a large wave of Jewish refugees came to England from Russia and other East European countries.

gypsies arrived in the 16th century, after that there was the largest migration of Muslims coming mainly from south Asia and settling in inner city London, the industrial towns of midlands, and the textile towns of Lancashire, Yorkshire, and Strathclyde (IT. project team 3).

1.2.1 The Distribution of the Ethnic Minorities in Great Britain

The geographical distribution of ethnic minority groups across the nation is centered in London and in certain regional towns and cities. Non-white ethnic minority population in Britain is increasing.

Immigration and internal migration behavior of white and non-white ethnic groups are important to value population changes through recent decades; immigration strengthens ethnic minority intensity, internal migration has a deconcentrating result and that white migration losses are most marked in those areas experiencing highest non-white immigration (Stillwell and Duke-Williams 1).

To understand ethnic minority's distribution, many questions can be asked such; are minority ethnic groups becoming more or less geographically concentrated? Is there any relationship between non-white immigration and white internal migration?

Britain has become a multi-ethnic society and the especially in a city as London, where almost 30% of the population is non-white. Actually, the extent of the geographical units determines the locative variations in ethnic concentration.

The range of non-white shares stretches from 61% in Newham to 0.3% in the Isles of Scilly. There are only two districts where white residents outnumber non-white but non-white populations exceed 30%. All of these are London boroughs with the exception of Slough and Leicester. At the other end of the scale there are authorities, they are all very rural and relatively peripheral, that remain dominated by white residents (Stillwell and Duke- Williams 10).

The classification of internal migration is divided into 40% of internal migration across region boundaries for that reason the rates of migration are higher for shorter distance intra- region migration.

Chinese have a higher rate of movement between districts. In most cases, both at inter-district and intra-district level, the migration rate for non-white ethnic groups is above that of whites, only Pakistanis move between districts and Indians move within districts.

The concentration of Indians can be seen in towns and cities in the Midlands, Pakistani are more numerous in the conurbations of the North West, Yorkshire, and the Humber. Chinese are usually spread across the country. Although Birmingham and London the major locations for these groups mostly for Blacks.

Concentration of ethnic groups bases on the separation comparing the percentage of a selected ethnic group that would need to move to produce exactly the same distribution as the rest of the population. Across all districts blacks are the most segregated, Chinese

have the smallest amount of segregation of all the minority populations. Indians and Pakistanis have higher indicators than other ethnic groups. Among this distribution, it is necessary to include student's residents at their term-time address. Data on economic position suggests that 55.6% of the 335,000 economically inactive immigrants to Britain were full-time students together with 9.3% of the economically active immigrants (2001 Census 14).

More immigration takes place to regions where the white portion of the population is low.

The regional distribution of the ethnic minority workforce, especially concentrations in London, results in raw earnings statistics that are similar to Whites, whilst they are quite substantially higher for the Chinese. In contrast, average earnings are much lower for Pakistanis and Bangladeshis, with many having only low wage jobs. There are also differences by gender, with nonwhite males tending to have relatively low earnings in comparison to their White counterparts (Clark and Drinkwater 7).

1.3 The Nature of the Multi-Cultural Society in Britain

The British Empire was built on a theory of racial inferiority. What multiculturalism actually is, however, is not always rendered particularly clear. What is multiculturalism? Is it a policy? Or is it the physical condition of people of many cultures living in the same place? Or is it a more personal, intimate condition? Or perhaps is a combination of the three?

People moving to Britain have brought their own cultures and try to keep two cultures alive, multiculturalism is when welcoming immigrants by allowing them to retain their culture and by seeking to address discrimination against them, immigrants will reciprocate by embracing a British identity and the values needed for a harmonious society (Nandi and Platt 1).

Separation between communities does not in fact create a feeling of alienation amongst migrant groups. It is true that "multiculturalism" has been a failure, but its greatest failing is not that it has failed to create a sense of belonging among minorities, it is that the multicultural project has paid too little attention to how to sustain support among the white population.

Roy Jenkins (1966) a Home secretary point out that:

"I do not regard [integration] as meaning the loss, by immigrants, of their own national characteristics and culture. I do not think that we need in this country a 'melting pot', which will turn everybody out in a common mould, as one of a series of carbon copies of someone's misplaced vision of the stereotyped Englishman... I define integration, therefore, not as a flattening process of assimilation but as equal opportunity, accompanied by cultural diversity, in an atmosphere of mutual tolerance."

Britain has always been known as a land of traditions, of a Royal Family, Beefeaters, Bobbies, but most important a land of white people.

Britain became a culturally diverse nation since the Norman invasion and ignoring the racial diversity was easy because of different nationalities that put a print on the political and cultural narrative of the country. UK's multiculturalism is an equal opportunity, accompanied by cultural diversity, in an atmosphere of mutual tolerance.

For Britain being a multi-racial society is not something new, what is new is the visibility of its racial diversity. And what is newer still is a willingness to accept that all the races can have equality of admiration since the assumption of the white race and culture was dominant.

What can also be understood is that multiculturalism is a good strategy, often thought to be the product of cultural relativism, some value systems are superior to others,

so it would be wrong to insist on immigrants changing their values. In this way, immigrants from different cultures will come to respect of their own volition the values that matter for the smooth functioning of society and keep their particular cultural practices only in private, forcing immigrants to change their behavior risks being counter-productive, so better to have a society of volunteers than conscripts (Kymlicka 3,5).

Multicultural Britain was as chairman of the Commission for Racial Equality described it, "sleepwalking to segregation". The doctrine of state multiculturalism had encouraged different cultures to live separate lives apart from each other.

Structural factors such as racism, poverty and industrial decline are ignored where the attacks on "the British multicultural model" continue.

Britain is a nation at relative ease with its racial, religious and cultural diversity in all walks of life. In this age of globalization and transference, Britain cannot return to some desire of a peaceful mono-cultural past. In the 21st century, identity isn't finite; loyalties do not have to compete. And the truth is that a truly liberal society is a multicultural society.

1.4 Report on Britain's Ethnic Minority

Britain is still a predominantly white society, with 92% of its population with a rapid increasing diversity of ethnic groups and cultures. According to Census data, Britain's population grew by 4% in the 1990s. 73% of this growth was due to minority ethnic groups, which grew by about 1.6 million people compared with 600,000 in the white population.

There was a great numerical increase in inner urban areas. People from minority ethnic groups were more likely to live in England than in the rest of the United Kingdom. They made up 9 per cent of the population of England in 2001. Nearly half (45 per cent) of the total minority ethnic population live in London (Bell and Casebourne 8).

This population growth affected the continuing counter-urbanization and regional economic decline. While minority ethnic population in inner urban areas continued to grow, white populations in many of these areas continued to decline. As a result, minority ethnic groups made up a greater share of the population of some urban neighborhoods in 2001.

According to the findings of the latest report published on ethnic diversity, which examines the rapidly expanding multicultural landscape of the UK, and highlights common misconceptions (Lupton and Power n. p)

The report includes modernized research that found only one in twenty ads made in 2011 featured ethnic minority actors, although the cuts in public sector advertising and the winding up of the Government's Central Office of Information (COI) was a big contributory factor.

The report gives key facts on today's ethnic minorities, offers advice and opportunities for marketers going forwards, and how to reach them.

As Saad Saraf, Chairman of Ethnic Diversity Forum and Council, states that:

“We want this report to highlight what makes ethnic minority consumers such an interesting market. We are gradually seeing a cultural change in terms of recruitment and portrayal which I find encouraging...and attract talent from people regardless of their ethnic or educational background. However this is still much more to be done and this report helps to make a strong case for marketers to take ethnic minority consumers more seriously.”

Ethnic minorities do have different spending patterns and consumer needs from their white corresponding ones.

Conclusion

As we have seen, Great Britain is a country wherein a great variety of cultures, ethnicities, and religions coexist. Since it needs many workers and investors to help develop the country from different aspects, and since it is a country of tolerance, this enabled Great Britain to attract immigrants from all over the world and from different kinds of ethnic groups. No matter whether they were fleeing persecution in their native countries or they came to work in industries, trade, or business. This is what makes Great Britain such a wonderfully diverse place which welcomes all the minorities who can easily assimilate and integrate in the new society without forgetting their traditions provided that it does not contradict the British laws, customs and traditions.

Chapter Two

The Development of British Economy

Introduction

The ethnic minorities of the United Kingdom come from European countries and from the countries of the former British Empire, particularly those in South Asia and the Caribbean. In recent decades Chinese, African and Eastern European migrants increased in numbers. This population invasion was a result of the British government's decision which allowed migrants from the central and eastern European countries to work in its labour market. Over 1 million residents from these countries entered the UK between 2000 and end of 2007; a period when immigration rose rapidly. The end of 2007 was a cut-off point because the labour market started to slow, and there was also a decrease in immigrant flows, which continued to decline at a rapid pace since (Clark and Drinkwater 2).

The rising immigration to Britain impact the labour market position of ethnic minority groups and other groups may be effected, for example rise in youth unemployment. This impact by ethnicity is important for quite a few reasons among which the continued rapid population growth of certain groups, the labour market disadvantages vis-à-vis community relations.

The impact of ethnic minorities on the labour market experiences, focusing on four outcomes: participation, employment, unemployment and wages.

Ethnic minorities can be substitute groups and complements with others in the labour market. In particular the increase of number of ethnic groups impacts the earnings of natives but greatly the earnings of other groups. This means that immigrants' main labour market competitors are other immigrants (Li 2).

With the increasing pace of second and third generations who have entered the workplace, ethnic minority businesses' picture has changed. Also the rapidly increasing economic power of China and India has seen huge investments into the UK by 'ethnic' entrepreneurs and corporations.

2.1 The British Economy before the Migration of Ethnic Minorities

The internal economy was based on agricultural work and production; there was a shift from hunting to farming to trade.

The prehistoric economy was unknown and historians and economists could only figure out facts about economy just since the first arrival of the Celts.

Animal husbandry and craftsmanship played an important role during this age; cattle represented huge investment as a source of wealth providing useful domestic by-products such as milk, cheese and leather, in the other hand importing swords and daggers helped improving hand craft.

Unfortunately there was a decline later that period due to the profitable trade centers appearing in the Mediterranean. It was the Bronze Crisis; severe reduction in contribute of bronze allows the iron to replace it, and a shift from cattle rearing to that of sheep demands less labour intensive, requiring fewer people per animal.

A key product of the Iron Age was salt through boiling sea water providing salt trading networks, and exports of grain, cattle, gold, silver, iron, hides, slaves and hunting dogs.

During Iron Age, trade dried up; it brought wealth to a tiny group, and wealth brought power consequently it was avoided among the unrestricted tribes of the Age. It ended with a Roman conquest, a booming trade developed between Britain and the near

Continent through imports of wine and olive oil amphorae and high-street pottery which helped boosting British economy (“The economy of Iron Age Britain”).

2.2 The Review of Policy Development in Britain:

In recent years there have been important academic and policy-related developments in ethnic-minority entrepreneurship in Britain. It is marked by increasing theoretical sophistication and activity on the part of policy makers and practitioners. In relation to theoretical developments, the contribution of a ‘mixed-embeddedness’ perspective is highlighted; this stresses the importance of social, economic, and institutional processes rather than ‘ethnic culture’. Although the number of initiatives directed at ethnic-minority businesses is growing, their effectiveness in promoting ‘upward mobility’ is still open to question (Ram and Jones n. p).

The abstract above shows ethnic minority entrepreneurship developments marked by the contribution of these mixed groups despite all the difficulties. It highlighted the importance of economic and institutional processes rather than ethnic culture. Further attention is needed to focus on the effectiveness of their businesses and benefits for the country.

The awareness of the inconvenient context in which EMBs fill attempts to develop more effective business support, an extra motive by the Small Business Service (SBS)’s remit to cater for all businesses (Ram and Smallbone 2003) and the promotion of enterprise as a means of dealing with disadvantage in deprived areas (Blackburn and Ram 2006). The creation of an advisory body, and the Race Relations Amendment, giving public authorities a legal duty to promote racial equality, are all necessities to guarantee minorities ‘rights. This approach includes establishing targets for assisting EMBs within generic

programmes; involving ethnic minority advisors in programme delivery; and recognition of the need to translate promotional material into the relevant languages.

In another approach, sector-based initiatives have been used to support EMBs. For example, the Coventry Clothing Centre offers a productive combination between the sectoral logic of enterprise support, and credibility in an appropriate community and business networks. The different experiences of ethnic minority groups in business, with differing trajectories contingent upon a variety of factors, not only ethnicity. For policy-makers and practitioners, this presents the challenge for business support (Clark and Drinkwater 4).

2.2.1 Ethnic Minority Businesses:

For many reasons, British interest in ethnic minority businesses has developed rapidly in recent years. First, ethnic minority enterprise is ‘an emerging economic force’ (Barclays Bank 2000), with growth in EMB start-ups, and it is probable that ethnic population will double over the next 25 years. Second, at a national level, the government has signaled its commitment to supporting EMBs to encourage and back up entrepreneurship.

Ethnic minority businesses are located in the most deprived areas of the country. To enhance enterprise in disadvantaged areas government policy necessitates aid to small firms; there still be a low use of business support services by EMBs, despite their significance to many metropolitan areas (Ram and Smallbone 2002). To be fair, there is an exigent policy concern to ensure that all communities advantage from public sector business support.

Ethnic minority business is obstructed by problems of access to finance and to public sector business support mostly for African-Caribbean. To solve these problems, there must be a focus on support initiatives which include some approaches: specialist programmes focused on EMB clients; sector-based approaches; access to finance initiatives. Pending, policy-makers are facing range of challenges, including improving data on EMBs; engaging EMBs in business support programmes; promoting sectoral diversification; sharing good practice and improving evaluation.

The comparatively neo-liberal British regime generally is less subject to interventionist state control than the rest of the world, where EMB is restrictive. However, deregulation can be as good as bad for ethnic minority entrepreneurs, often producing outcomes in direct contradiction to the goals of the EMB support system. The outcomes will be influenced by the extensive economic and institutional context where minorities are certainly introduced.

At first glance, this neo-liberal regime led to a predictable outcome of large numbers and rapid growth of EMBs in Britain, by 2004 EMB in the UK had created a quarter of a million firms contributing at least £15 billion (€19 billion) to the UK economy and accounting for 11 per cent of new business start-ups, a growth rate double that for total business start-ups (Barclays Bank 2005). comparatively to a non-white ethnic minority population of eight per cent of the total, it is evident that ethnic minorities are highly over-represented as entrepreneurs. A negative side of a liberal regime is that it does not guarantee success of EMBs and it may operate in the opposite direction by encouraging the creation of firms that are completely ill-equipped by financial capital to boom under conditions of unbridled competition.

2.3 The Clarification of the Rising Economic Power in Britain

Small group of developing minorities are transforming and affecting the British economic background. China, India, these rising economic powers create varied challenges and opportunities for British economic interests and leadership of the economy. They also raised the direction of British trade and negotiations as well as the small enterprises that served as the foundation and a turning point of solving successive economic crisis.

Rising economic power becomes more important player in national finance. It increased holdings of foreign exchange reserves, established sovereign wealth funds, borrowed capital from international capital markets, and attracted substantial foreign investment (Simons 10).

Its multinational corporations are investing assets and are competing with British firms for natural resources and access to other developing-country markets.

These developments have connotations for British economy. The impact of the rising economic power is considered to be strongly positive for the British economy overall and for sure not all groups have benefitted equally. Highly educated workers are seen gaining more job opportunities and higher wages than workers with less education.

As an example of the two most important figures are:

Lakshmi Mittal, a steel magnate who lives in London, is the richest man in India, Asia and the UK and Tata family who owns Chorus Steel as well as Jaguar-Land Rover.

Without counting the large corporations such as Tata and Mittal, small and medium-sized businesses owned by 'ethnic minority' entrepreneurs make a £20 billion contribution to the British economy.

China's participation stimulates booming the wealth of the country's population.

What helped China to be the most powerful enterprise leading the British economy is that it brings the labor from their mother land under license from the government due to business center and the importance of monopoly corporations 'leaders in the country. The positive point is that they pay for these workers in Chinese currency and not according to the currency of the host country Britain, this means taking advantage of a large number of them benefit much larger without much pay. Most of the investors come with their families highly educated bringing out ideas for projects.

It is true that there is an unequal number of small retail shops owned by a wide mix of ethnic minorities in inner-city areas, there are also many highly successful, professionally-run businesses.

Britain is a great place to invest and succeed; in fact it is the top destination for foreign investment in Europe. It is a country of smart diplomacy that encourages access of talent, labor force, exporting ideas and products overseas, and also in bringing new technologies home.

We talked about China but also India is the largest investor in Britain recently with numerous new projects, generating several jobs saving the country from depression and major job losses (Simons 15).

An official report titled by 'UK Inward Investment Report 2010-2011' released by the UK Trade and Investment said, "Among the high growth markets, India and China are still the two principal sources of inward investment by project numbers".

Indian investors can benefit from technology base in Britain, facility of access of its labor with minimum price wage; they are attracted to set up their control centers.

The best example of India's growing investment in Britain is Tata Steel cooperating with project in Flint shire to develop manufactured dye-sensitized photovoltaic product on steel, for building applications. The project is the key to develop a new series of functional covered steel products and accelerate technical progress to establish a product and provide attach that can be commercialized (Simons 18).

2.4 The Labor Market

The immigration of the numerous ethnic groups was to fill the lack in labor market sector and the extent of flows keep increasing because the British giving work authorize.

The different structures of these groups show that they are affected by respect to the groups that are currently most at risk as well as in future prearranged the increasing flows entering the labour market from education.

2.4.1 Economic Activity Rates

It is important to measure the economic involvement of any ethnic group by its activity rate either in work or seeking work. The economically active includes employees, self employed, unemployed, those on government training schemes, and unpaid workers in family business.

Economic activity rates are vigorously influenced by sexual category or what it is called gender, with the 2001 activity rate for men at 82 per cent, and only 70 per cent for women. The difference is essentially justified by the family and conjugal responsibilities placed upon women.

Ethnic variations in economic activity for women are lower than variations for men. For men the white British had a 2001 figure of 83 per cent when women had 72 per cent, Indian men were on 78 per cent when women were 63 per cent, White Irish men 77 per

cent when women were 70 per cent, Black Caribbean men 77 per cent when women were 73 per cent, Pakistani men 69 per cent & women 30 per cent, Bangladeshi men 68 per cent & women 27 per cent, Chinese men 65 per cent when women 57 per cent. The last mentioned varied and collective groups fall within the general alternative. The young age structure of most minority groups are students who are accounted for as split of variation (Dobbs 125).

As much as it is important to mention the two categories of men and women, there is a must to talk about religion affect on labour market outcomes of some groups such as Muslim category; even though their proportion is over 90 percent, their traditional values keep female activity rate extremely lower.

2.4.2 Employment and Unemployment

Employment and unemployment are the two parts of economic activity.

For both men and women, it is found that the highest outcomes and lowest unemployment are among the Chinese and Indians and they are similar to that of White British, the opposite for Pakistanis and Bangladeshis.

The high inactivity economic rates among Pakistani and Bangladeshi females is a major influence on the low employment rates of these groups as a whole, although both Bangladeshi males and females have tended to suffer from high unemployment rates. Also self-employment rate is very high for Pakistanis, especially males, reflecting difficulties to find suitable jobs in the paid employment sector.

When comparing ethnic groups, they are also layer of variation in addition to the activity level. For example in 2001 the unemployment rate for Bangladeshi women in England and Wales was 22 per cent, compared with 5 per cent for all women. This means 27 per cent of the group's activity rate. So for Bangladeshis and Pakistanis employment

rate for women are higher than those of men comparing all other groups where female unemployment is either lower than that for men, or in the case of Indians, Chinese, Other Whites and Other Asians the same as for men (Clark and Drinkwater 10).

Among men the lowest unemployment rate is 6 per cent for the White British, followed by the White Irish and Indians on 7 per cent, the Chinese on 8 per cent, Black Caribbean on 17 per cent, Black Africans on 18 per cent, and Bangladeshis on 19 per cent. The worst figure of all is 21 per cent for members of the Other Black group (Dobbs 136).

The role of ethnic minorities in the labor market reflects their weak position comparing with White British. Normally White British get priority of jobs and the rest is left for other groups, if there are any left, whether for what is appropriate for the country's economy or for racial intolerance.

Employment rates are much lower for recent ethnic groups caused by the diversity of activities undertaken including household. There is also the further problem of generation; whether the minorities are immigrants or British born generations. The importance of education allows British born generations to possess British qualification thus fluency in English language, familiarity with British custom, all this provide them better chance in labour market than immigrant generations (Dobbs 137).

2.4.3 Self Employment

Economic inactivity and unemployment is a pressing challenge for ethnic minorities to push themselves to find one of the solutions which is self employed, to establish a nontraditional business becoming more responsible to judge the performance and potentials of their private project or business.

The overall proportion of the economically active who were self-employed for the White British it was 12.4 per cent; but for the Chinese it was 21.6 per cent, for Pakistanis 17.2 per cent, for Indians 14.8 per cent, and for Other Asians 13.9 per cent. Bangladeshis are on the top average.

In 2001; 59 per cent of the self-employed Chinese were in hotels and restaurants, like were 47 per cent of Bangladeshis; 30 per cent of Pakistanis were in transport, storage and communications; and 43 per cent of Indians were in the distributive trades, as were 29 per cent of Other Asians (McEvoy and Hafeez 2009). Gender and age are variations within these proportions. Men figures are higher than those for women and the youngest age groups have lower self-employment than those of older groups.

2.4.4 Industry

Industry is only one facet of employment. The other important part is occupational level. This is occupied by White British whether in managerial or professional positions.

The variation of geography, history, and other characteristics is what distinguishes ethnic minorities from white British within economic sector. Ethnic minorities are concentrated in a smaller sort of activities than the White British (Barrett and McEvoy n.p).

The main industries in Britain are banking and finance, steel, transport equipment, oil and gas, and tourism. There are many other industries such as machine tools, electric power equipment, automation equipment, railroad equipment, shipbuilding, aircraft, motor vehicles and parts, electronics and communications equipment, metals, chemicals, coal, petroleum, paper and paper products, food processing, textiles, clothing, and other consumer goods ("The Shape of British Industry" 3).

Farming, energy, and services are parts of industry. Britain's agriculture is intensive, highly mechanized, and efficient, producing about 60% of food needs with only 1.4 % of the labour force. It contributes of 0.5% of products like cereals, oilseed, potatoes, vegetables, cattle, sheep, poultry, and fish. Whereas energy provides Britain by large amounts of coal, natural gas, and oil reserves; primary energy production accounts for 10% of GDP, one of the highest shares of any industrial nation. Finance is 3 times as big and accounts for 30% of GDP, services such as the private nationalized health service legal and general services, tourism, education, and bistros account for the remaining 60%. basically the economy is built around British residents except for the benefit of English shareholders in the European central bank, much of the profits made are being sucked up and used to build a second British empire run by the global banks (Barrow n. p).

Industry has all been privatized out of existence and it is all gone into Europe since they joined up. The city of finance and the central bank shareholders do well from being in Europe, hardly anyone else.

Unions, the dangers of a skilled workforce for employers are threatening the British industry. Cheap is good. As a nation, British residents decided to become inept during the 80s, the inept have been rewarded with legendary status and money. All the tax breaks, the de-regulation and so on over the last 30 years went to the financial sectors, because politicians had an eye on a corporate board job once they where shrilled out of government. Big businesses aren't paying taxes anyhow. The shareholders all shipped the jobs off to the far east and now anywhere they can get work done for sub poverty pay.

People praised Thatcher for getting the nation back on its feet, those wishing to follow her thought "back on its feet" meant industry totally destroyed.

It was Thatcher who murdered British manufacturing and Britain has never recovered, decided it was far better to make money on imaginary industries such as finance that have grown to rule the world and to be the one thing democracy can be suspended for. Surprisingly we will find that Britain still does well in arms manufacture and selling.

The main proponent was Margaret Thatcher and the like minded neo-cons who set up the same process in the USA. Globalization was one way to defeat the unions, drastic but effective. If only certain industry has gone it might have worked better but it all went leaving an industrial wasteland.

According to economists Britain does not build effects to any further extent. We stupidly believed that it was down to cost; the wages for 'established' countries were much higher than those of emerging powers, while the overall product wouldn't suffer greatly due to automated or regulated processes.

We can give such expressing example of auto industry; there's a reason why the British auto industry failed, and it has all to do with reduced consumption. No one really wants to buy, use, or travel in a product made by someone in this country.

The more we deepen in industry the more we become sure that Britain does not need it. When listening to the economists' proposal with an abstract and ever-robust models of human action. The market tells what they need; financial services, luxury goods and other consumables. So, there is no need for industry, no need to invest in engineering, renewable energy, technical skills, infrastructure etc, and there is no need to support young

people in developing the skills for these sectors. They did that in Germany, the rest of Northern Europe and China, and look where that got them.

What is shown by labour is a clear message that; first, the old days of heavy industry are permanently gone. The future consists on working with brains, not hands. Second, the job of government in economic policy is simply to get out of the way, and finally, the need to pitch open British markets to trade with other countries because Britain can always take on the competition and win. The government must create a constant regulatory framework to encourage investment in future growth areas such as low carbon technologies, in particular, investments by establishing a minimum price for carbon (Atkinson n .p).

Conclusion

The rising number of immigration led to the formation of ethnic minorities who have enlarged the contribution of their potential entrepreneurship.

Despite the differences in labour market between minorities and White British, unemployment levels are frequently higher, and economic activity rates are often lower among minority groups.

The strong commitment of British government to equality of opportunity mentioned in liberal regulation for ethnic minorities increases the development in ethnic minority businesses and all other economic sectors.

The key issue is that almost all of the benefits of automation have gone to capital, not to labour. Unsurprisingly, this is also why the wealth gap has widened.

Chapter Three

Impact of Ethnic Minorities on the British economy

Introduction

Migration to Britain is a powerful indicator of a city's modernity, authenticity and its motivation to adapt to economic progress through the flow of ethnic groups, it has two positive impacts; the qualitative impact on labour force and economy, through diversity, flexibility, international experience and skill sets; and the quantitative contribution through expanding labour supply and as a result the growth of employment and the diminution of wage pressure (Gordon, Travers and Whitehead 3).

The combination of a strong competitive position helps to grow British incomes, alongside with the unexpected growth in international immigration provides professional financial and business services in labour market to sustain competitive advantage, and offering the employment opportunities makes effective use of the labour potential offered by the new migrants, and successfully integrates them in social and economic terms.

Britain can benefit from cultural diversity, either through contributing to provide products and services, raising the quality of life for residents and increasing the attraction to tourists and groups of talented, or through motivating process innovation through variety of skills and perspectives.

The foreign-born minorities are prepared to do uncertainly their own resources to business ventures.

Generally, across all sectors, employers express no real preference for either migrant or domestic workers. The difference is that migrants are more prepared to accept certain jobs. The importance of good English, previous work experience and qualifications

varied between employment sectors and the nature of the job (Gordon, Travers and Whitehead 66)

3.1 The Growth of Labour Force

The basic effect of the coming of ethnic minorities to Britain, especially in the last decade, is that it brought an extra massive, youthful supply of labour, with qualifications at a time when a period of growth was producing a narrow labour market, especially for highly skilled occupations.

Recent waves of ethnic groups have found jobs in a very widespread set of activities. However, the potential of the new labour force have been under-exploited latterly, with low employment rates, earnings levels and qualitative under-employment for several years for many of those coming from lower wage economies. It is not a low skill labour force, but a major proportion started off in low skill jobs in activities where there are fewer barriers to access (Clark and Drinkwater 6).

The flows from rich and from poor countries have played different roles, because of the differences in minorities' intentions to stay in Britain over the long-run. The contribution of those coming from rich countries, many of whom come and go, seems to provide more flexibility in hiring, to enlarge the employment aggregation for specialized jobs and to facilitate internationalization. On the other hand, those coming from poor countries, who represent more permanent additions to Britain's labour force, seem to represent a quantitatively flexible supply of labour facilitating growth in employment where it might be constrained.

Production growth continued to accompany more or less stable employment levels to exceed demand, though immigration did not raise unemployment within center Britain

because of an extra growth in moving outward. However, across South East, it has tended to lower total labour force participation rates.

Over the long-run an increasingly diverse, larger, and highly skilled labour force, is expected to provide a qualitative boost to a host city's competitiveness, through innovation, increased entrepreneurship and productivity (Clark and Drinkwater 10).

The indicators of business ownership do not show anything significant, while the indicators of innovation performance are lacking. Concerning productivity, employers have been notably positive about the benefits of employing minorities. It remains unclear how far this may be able to access and afford a better class of worker which differs from achieving qualitative improvements in the production process.

British economy had generally been progressing and even with the large numbers of ethnic groups, there still an account for a small proportion of the total workforce and contain a relatively high proportion of short-term stayers. Some ethnic differences were also identified, with whites generally affected to some extent more than ethnic minorities as a whole, and Pakistanis and Bangladeshis the least affected group (Clark and Drinkwater 17).

Noticeably there are success stories, but the general picture presented by responses to the 1999 London Employer Survey is that a predominance of businesses run by members of non-white groups are very small enterprises, oriented to limited local markets and facing particular problems in growing.

Even for Indians and Chinese, who are more successful, employment in minority-owned businesses (totaling 10% for all non-white groups) is clearly below their portion in the population. Managers seemed generally optimistic about growth prediction, but reported particular constraints both in relation to finance and the competitiveness of their

products, reflecting low rates of product innovation in the case of black, Pakistani, and Bangladeshi businesses (Gordon, Travers and Whitehead 58).

3.2 The Industrial Growth

To attract large multinationals to Britain, the industrial growth is approaching to provide sufficient demand to maintain dynamic and varied supply network and the capacity to drive innovation and productivity in businesses. This growth needs bigger businesses with investments to confront economic challenges.

How well prepared are Britain companies for the next challenge of turning their investments in productivity and competitiveness into transformational growth the next decades?

For more growth, large manufacturers try to attract new ones to Britain, so they guarantee these small companies to rise above the barriers that constrain them.

The limited availability of inexpensive finance traps the small companies which constrained their ability to arrange their growth; and even if they manage to grow, these firms would be caught of tax and red tape that gives it second thought about planning to became global in scale (“The Shape of British Industry” 2).

Manufacturers should raise the challenge industry and cooperate with government to break boundaries and grow bigger manufacturers; they necessitate creation and innovation for better investments and developments. To ensure the British economy, the need is for hundreds of manufacturers not just big ones.

Britain industrialized has not only survived, but boomed through a decade of serious economic changes and flexibility with a potential to be a major driver of economic growth going onward.

Improvements in productivity and competitiveness push the industrial sector to deal with the consequences of the economic crisis.

The British economy is interconnected with the global economy. Exports form nearly 40% of companies' income and nearly a third has production facilities outside Britain. Over four-fifths of British companies have suppliers and customers in Europe, but more than half of companies either source components or sell their products, or both, have strong relations to international markets that go further afield to Asia, Middle East, and USA.

Britain manufacturers are well placed to exploit on increasing demand for their products from emerging markets through smart strategies to shift to global economy by increasing focus on exports, increasing capital investments abroad to ramp up overseas products, but the most successful strategy was to announce business by network organization to take advantage of growth markets and form a cooperative business enterprises with developing world partners to help growing Britain's business and projects by leveraging its core expertise in emerging industries such offshore wind and re-emerging its industry like nuclear power (“The Shape of British Industry” 4).

3.3 Rising Finances

After a deep recession in which the economy shrunk by 6%, a manufacturing leadership recovery has helped drive a year of good economic news. The exports are booming and the private sector is slowly creating jobs again. But with public sector reductions, the currency war threatening to overturn the global economy, industrial growth cannot be determined (“The manufacturers ‘organization” 1).

Turning the corner on a half-decade has been badly affected by sub average growth and recession.

The two common economic problems of deficient private demand and high and rising public debt need a new monetary policy.

The authorities declared that new money creation is necessary to address their economic problems, but how should this new money creation best be deployed to create the required economic motivation in the context of rising public debt? The answer reveals two important results in which the first is about “quantitative easing” that being used in USA and Japan, but was inefficient, largely ineffective and have adverse side-effects even on the fringe countries. The second result is that the policy of financing budget shortages by printing new money is likely to be more effective than “quantitative easing” and current Euro zone policy in raising demand, production and employment without adding unnecessarily to already high levels of public debt (“Creating a New Economic Dynamism” n. p).

There are extensive practical policy suggestions that involve a possible change of monetary policy strategies for two of the world's largest economies and for Euro zone border countries. Unfortunately the current monetary policy is misplaced, and that there is another policy strategy that has been overlooked and is expected to be more effective.

The economic sign improved over the three successive quarters and back to its highest from one year ago, although the Euro zone crisis that effects British one is changing forward but has not cross over into positive territory. This change causes disequilibrium in markets out of which come the commercial opportunities that entrepreneurs boom ahead (Hatton 2).

To entrepreneurs, the change forward creates opportunities that they can exploit. In most cases they initiate the change themselves (i.e. they innovate an idea that is already existing into something else). In some other cases they exploit change created by the

external environment. But sometimes process of innovation can damage the existing economic system. As much as production is important, development activities are as well important too which can improve the speed of service.

Having many large manufacturers, innovation of manufacturers' investments, their collaboration and agility help the industry to prosper (“The manufacturers ‘organization” 4).

3.3.1 Rising Finance Functions

Understanding where finance is going really involves a close look at its up-and-coming personalities. To raise finance one must constrain to certain conditions; that is youth, innovation, innate talent, and extraordinarily hard work (Onions n. p).

To have a look to the finance function, business leaders are doing their best to provide more insight and advice, yet only 11% of finance personnel are engaged in true business partner roles.

To evaluate the performing finance functions, economy measures ethnic minorities' evolving business needs, equivalence between business partnership and traditional responsibilities, and finally bring real significance to the enterprise.

One of the serious issues that face finance functions is that they regard themselves as true business partners, although their companies are lacking the necessary capacity and capabilities to accomplish this task. There is also a strong dissatisfaction with the quality of management information that enables these companies to stay ahead in a fast-changing and competitive milieu (“The manufacturers’ organization” 8).

Recession has impels business leaders and their teams to increase demands to end it, it also imposes insight, competence, acquiescence and control, in addition to managing

and motivating their teams. Their ways of guiding the function and partnering the business make up a high performing function to achieve a vital success (Akbar n. p).

To rescue business partnership from global recession, there is a need for finance to demonstrate its ability to add significance above and beyond its traditional responsibilities, although it exceeds its capacities. The lack of skills and under-investment may face finance, but as the economy recovers; finance's ability to keep the promise of business partnership will be critical in its ability to navigate through the hard new competitive, investment and regulatory background that recovery is likely to bring with it.

For a long time, finance functions were under pressure to manage expenses and provide more and better management information to the business. It raises this challenge to permit businesses to benefit from reveal opportunities and build a policy for long-term profitability and growth ("benchmark study" n. p).

It is not always clear how finance functions should fulfill business partnering role of providing active input into decision-making.

Finance has a key role to play in liberation of business performance management and governance, it is increasingly active. 63% of participants in benchmark assessments now consider their finance function as primarily a support group for the CEO or a facilitator of the strategic planning process, compared to 54% in 2008. The consequence is a third of finance organizations are still perceived to play a reactive and reporting focused role ("Finance effectiveness benchmark study" n. p).

3.4 The Economical Impact in Figures

The British economy is one of the strongest in Europe; inflation, interest rates, and unemployment remain low. Britain has the second largest economy in Europe after Germany. Its capital, London, is one of the two largest financial centers in the world.

UK's economy encompasses Britain. UK is the 6th largest economy in the world in 2010 survey and the 8th largest in the world. It is a member of the EU which has a market that ensures the free movement of people, goods, services, and capital within member states. The breaking up of the British Empire after the two World Wars affected the British economy (UK Economy n. p).

Economic growth in the UK was 1.8 per cent in 2005 (ONS, 2006) and grew by 2.7% in 2006. Gross Domestic Product (GDP) growth is expected to remain steady in 2007 with a forecast growth figure of 2.9%.

Economy confronts the struggle to recover from the 2008 financial crisis, for now the recovery effort has been slow. Although global economic prediction is improving, economic estimates for the country have been quite negative.

In April 2011, for the third reduce in a year, the International Monetary Fund (IMF) lowered its 2011 growth predict for UK's economy to 1.75 percent. Great Britain is the slowest growing economy in Europe, with the exception of Japan, due to Austerity Programme that was introduced as a method to reduce record level debts that were made worse by the 2008 global financial crisis.

The UK has the second highest trade shortage in the world after the US. In 2010, UK imports were worth US\$546.5 billion with exports were valued at only US\$405.6 billion (UK Economy n. p).

Despite recent governmental efforts to reduce the trade shortage, the latest data from UK's Office of National Statistics indicates an extending trade gap. Since the beginning of 2011, UK's review trade shortage has hit record levels of more than £4 billion per month. The monthly shortage for 2011 is also exceeding £3.5 billion per month reached in 2007.

A wave of inflation is hitting the country. According to Justin Knight, head of European rate strategy at UBS, "What has been driving UK yields is the prospect or risk of inflation, which has to be priced in. There are distinct concerns about inflation.

In 2011, the UK's inflation rate is estimated to be more than double of what the UK government had previous targeted ; 4.2 percent compared to 2 percent. However, the IMF predicts that the UK economy will recover by the end of 2013. In addition, the inflation rate is expected to remain consistent until 2015 at least (Hatton 3).

Gross Domestic Product (GDP) is the market value of the final goods and services produced and purchased within a country during a given time period. It is expected to improve over the next five years; it should increase by 5.283 percent to 5.518 percent annually. By the end of 2015, UK's GDP (PPP) is expected to reach US\$2.608 trillion.

The country's GDP makeup is comprised of agriculture 1%, industry 25.6% and services 73.4% ("Oxford Economies" 5).

Conclusion

Rising economic powers are becoming more important players in international finance. The increasing holdings of foreign trade reserves, business of independent wealth finances, borrow of capital from international capital markets, and attract of substantial foreign investment are among economic conduct. Their multinational corporations, many

state-owned, are investing assets globally and are competing with U.S. firms for natural resources and access to other developing-country markets.

Simply conveying finance to analytical activities again will not be enough to meet business needs such as the ability to provide real strategic approaching demands resources, commitment skills and commercial understanding, as well as financial qualifications.

However, the curbs on recruitment that have affected many finance functions during the recession have made it more difficult to bring in people with the necessary skills (“Finance effectiveness benchmark study” n. p).

General Conclusion

Great Britain is a multicultural country, a shared identity and common sense of belonging goes hand in hand with love of diversity. The fundamental principle is to treat people equally and to treat them with due respect for difference.

Multiculturalism gives ethnic minorities the freedom and sometimes the resources to maintain their languages and cultures. It is estimated that in 1999, 2000 migrants in Great Britain contributed £31.2 billion in taxes and consumed £28.8 billion in benefits and state services.

The ethnically and religiously diverse nature of British society has been hugely beneficial for Britain since its approaches towards developing a multicultural society have been largely positive and evolving.

The British economy is one of the world's strongest economies in the globe; London is the world's largest financial centre alongside New York and has the largest city GDP in Europe. It flourished by North Sea oil gas reserves. In 2010 Britain had the third-largest stock of both inward and outward foreign direct investment after the United States and France.

Recently there is a strong growth renaissance; Services put on view an improved expansion whereas manufacturing posted growth of 3.2%, the strongest since 2002. Industrial production increased 2.9%, the strongest since 1987 (Hatton 2).

This Business services enhance an economic value of £86,145 million to British economy in 2004. The exports make a considerable positive contribution towards the country's balance of payments. Along with New York City and Tokyo, London is a major

centre for international business and commerce and is one of the three "command centers" of the global economy.

Undertaking finance has the exact skills and capabilities to support the business operation and satisfy its needs, also to support decision-making and risk management across the business.

Standardizing and simplifying processes and supporting technology to control costs and enhancing efficiency. All this is to deal with the financial crisis and the resulting recession that faces manufactures, and succeed to stay ahead of the collection ("Finance effectiveness benchmark study" 16).

In 2007, the UK had the world's third largest current account deficit, due mainly to a large deficit in manufactured goods.

The British economy had been one of the strongest EU economies in terms of inflation and unemployment, all of which remained relatively low until the 2008-2009 recessions. In 2012, the economy recovered from recession very strongly with 1% growth, the highest since 2007.

Finally, it should be noted that the government contribution in the British economy is exercised by the Chancellor of the Exchequer. The Bank of England is the central bank of the country and its Monetary Policy Committee is responsible for setting interest rates. The currency of Great Britain is the pound sterling, which is also the world's third-largest reserve currency after the U.S. dollar and the euro (Free encyclopedia).

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