Self-employment as a route in and out of Britain's South East

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Abstract

Based on Fielding's Escalator Region Model (ERM) on South East England this paper examines whether the South East (SE) exports its 'entrepreneurial culture' and whether it gains entrepreneurial resources through internal migration using the BHPS 1991-2008. Results show that, consistent with the ERM, the region loses entrepreneurs. However, importantly, out-migrants from the SE are more likely to subsequently exit self-employment relative to other UK internal migrants. Despite its economic functions, the SE is no more likely to attract (would-be) self-employed entrepreneurs than other regions. This calls into question to what extent the SE acts as 'escalator' in terms of self-employment.

Keywords: self-employment, internal migration, South East England, escalator region, panel data

JEL codes: R23, J23, J62

1. Introduction

The South East of England (including Greater London) is the richest and economically most powerful region in the UK (ONS, 2012a; JOHN et al., 2002). In 2010, 38.6% of England's businesses were located in Greater London and the rest of the South East (ONS, 2011)[i], and almost one third of the English population lived here (ONS, 2012b). The region also stands out as attracting significant migration flows from other UK regions and abroad at both ends of the service sector spectrum, i.e. highly vs. low skilled labour. This results from the economic functions of London as a global city and the nature of the 'new' service economy which has a high demand in flexible and mobile labour (BEAVERSTOCK and SMITH, 1996; SASSEN, 2001; HAMNETT, 2003). For example, between mid-2010 and mid-2011 approximately 260,000 people moved from another region in England or Wales to the South East and Greater London. Most of them came from the East of England (25%) or the South West (22%) (ONS, 2012c).[ii]

The high concentration of population and industry, however, results in some regional disadvantages. For example, the house prices are the highest in the UK by a large margin (see, for example, Halifax House Price Index[iii]). Migration research has highlighted the linkage between the global city region and regional labour markets and the significance of the migration outflows from London and the South East to peripheral regions in the UK (FIELDING 1989, 1992; FINDLAY et al., 2008; CHAMPION, 2011). In fact, large numbers of people leave the South East and Greater London in particular mostly to the East of England (30%) or the South West (22%). Between mid-2010 and mid-2011, for example, 279,000 people moved from the South East to another place in England or Wales (ONS, 2012c).[iv] Greater London, in particular, loses more people through internal migration than it gains. The high population churn in the South East of England has been very persistent over time (CHAMPION, 2011).

The extraordinary scale of migration to and from the South East and its composition has been explained in the literature by the Escalator Region Model originally set out by Fielding (1992). One finding of Fielding was that leaving the region—the 'stepping off the escalator'—was linked to switches into self-employment. Fielding called this an export of the region's 'entrepreneurial culture' (ibid. 1989, 35). It can be assumed that this might have significant impacts on economic performance and labour markets at both ends – sending and receiving regions. Findlay et al. (2000), for example, reported a significant labour-market impact of self-employed migrants to rural areas in Scotland. Thus it is surprising that this finding of Fielding's study has gained little attention in regional and economic research.

The region's high population churn chimes with its dynamic business activities. Within the UK regions, Greater London has the highest start-up and self-employment rates and also the rest of the South East stands out with above average business birth and self-employment level (ONS, 2013).[v] The remarkable migration inflows might be one explanation for the high level of business birth in the region. Levie (2007), for example, found that in the UK immigrants and regional migrants are more entrepreneurial than life-long residents of the same region. There are some newer migration studies which build on Fielding's Escalator Region Model (CHAMPION, 2011; ANDERSSON, 1996; FINDLAY et al., 2008). Recent geographic and economic studies also looked at immigration to London and entrepreneurial businesses of immigrants in London (WILLS et al., 2009; SEPULVEDA et al., 2011). But there is no newer study which looks at the inter-relationship between internal migration and entrepreneurship in the South East (SE).

This study explores internal migration into and out of the South East of England (including Greater London) in relation to switches into self-employment. It focusses on *out-migrants* from the South East who moved residence from the SE to other parts of the UK and *in-migrants* to the SE who moved to the region from elsewhere in the UK. Using the British Household Panel Survey 1991-2008 it tests (1) whether the SE exports its 'entrepreneurial

culture' and (2) whether the SE gains entrepreneurial resources directly through internal migration from elsewhere in the UK. Specifically, the paper asks the following research questions: Are out-migrants from the SE more likely to switch into self-employment as compared to internal migrants from elsewhere in the UK, and how is this influenced by other personal characteristics? What effect has a move to the SE on the subsequent employment status as compared to internal migrants to the rest of the UK, other personal characteristics being equal?

This paper advances migration and labour market research in a number of respects. It is the first to apply longitudinal modelling techniques to two elements of Fielding's Escalator Region Model: stepping on the escalator (in-migration) and stepping off the escalator (out-migration). Second, it advances the Escalator Region Model by exploring in depth the role of self-employment in moving on and off the 'escalator'. Third, it sheds new light on the process of sorting people across regions. In a wider sense, the paper integrates perspectives on the linked issues of migration and entrepreneurship, which are mostly examined separately in the literature.

2. Literature review

Fielding's (1992) intention was to provide empirical evidence for the concept of an escalator region using the example of the South East of England. He distinguished three stages of an escalator region: (1) young people stepping on the escalator through in-migration, (2) achieving accelerated upward social mobility through job mobility within the regional labour market, and (3) stepping off the escalator through out-migration of those who had experienced upward social mobility (ibid., 3-4). Thus his primary objective was the link between geographical mobility and social mobility and not on self-employment or entrepreneurship per se. However, his study is amongst the first that provide valuable insights into the relation between migration and entrepreneurship in a longitudinal context. Subsequent studies have

not considered further the role of self-employment for the Escalator Region Model or the 'stepping off' stage in particular (e.g. CHAMPION, 2011).

Fielding's (1992) comparison of migration flows to and from the SE between 1971 and 1981 with inter-regional migration flows elsewhere in England and Wales revealed that those who 'stepped on' the escalator were more likely to work as employees in the service sector than internal migrants elsewhere in England and Wales. Out-migrants often had professional or managerial jobs while working in the SE (1971) and were an owner of a small- and medium-sized business or self-employed (in a non-professional occupation) after moving from the SE (1981). Becoming a small- and medium-sized business owner or switching into (non-professional) self-employment—this is what Fielding called the *Petite Bourgeoisie*—was also more likely among out-migrants from the SE than among internal migrants elsewhere in England and Wales. Hence, Fielding (1992, p. 12) argued that starting a new career by setting up a business is a crucial part of the 'stepping off' stage. Instead, stepping on the escalator seems to be strongly linked to the paid employment sector while far less people moved to the SE and subsequently entered self-employment.

Previous research suggests a ∩-shaped association between an entry into self-employment and age with those in their mid- to late-thirties being the most likely to enter self-employment (PARKER, 2006, p. 439). Moreover, previous work experiences in the paid employment sector are important for starting a business (FELDMAN, 2001). Given the age span where people are most likely to enter self-employment, the linkage between out-migration from the SE of people in their mid-careers and a switch into self-employment could be an artefact due to an age effect (see also CHAMPION, 2011, p. 6).

This relationship between a move from the SE and setting-up a business might be, on the one hand, due to a desire to live in a particular place, for example, in an environmentally attractive rural area. On the other hand, people might want to start a new career as self-

employed entrepreneur/small business owner and see certain advantages by moving out of the SE. These two processes are now explained in turn.

Firstly, the importance of attractive rural areas for business creation is suggested by Keeble and Tyler (1995) who investigated VAT-registered businesses in rural England. There is also a related large literature on in-migration to rural areas in the UK that highlights residential preferences and quality of life motivations as driver of this migration (e.g. CHAMPION, 1989). Economically active people who want to live in a rural area, however, face the problem that rural areas provide only small numbers and a narrow range of qualified, knowledge-intensive employment opportunities (GREEN et al., 2009, p. 1262). Becoming self-employed might thus emerge as an option to combine both employment and living in an attractive rural area as was shown, for example, in studies on migration to rural southern Europe (STONE and STUBBS, 2007) and Scotland (FINDLAY et al., 2000). This assumption is also supported by recent literature on home-based businesses in rural areas in the UK (DWELLY et al., 2005; NEWBERY and BOSWORTH, 2010). Homeworking in rural and remote areas is embedded in a more general trend in post-industrial societies towards the blurring boundaries between home and paid work (HARDILL et al., 1997; GREEN SHAW et al., 2000; HARDILL and GREEN, 2003). Transformations in information and communication technologies (e.g. mobile phone, internet) as well as ‘time-space-compression’ due to high speed transportation connections form base conditions for this trend (HARVEY, 1989). Although there are rural areas in the South East where non-urban lifestyles are attainable, this might be, on the one hand, not achievable for many due to housing which is among the least affordable in the UK (after London). The skewed population composition towards elderly persons in some rural areas especially along the coast, on the other hand, might not suit the living preferences of others (CAUSER and PARK, 2011).

Secondly, one driver for moving from the SE because of the primary reason to set-up a business could be the desire to run a ‘lifestyle business’ where people seek to align a

respectable living and job satisfaction with personal circumstances (e.g. family) and lifestyle preferences (MARCKETTI et al., 2006, p. 242; MORRISON, 2006, p. 195). The literature most often refers to lifestyle businesses in the tourism sector (e.g. Bed & Breakfast). Another reason might be the advantage of setting-up a business where one has strong ties (close family members, kinship, and 'old' friends). This could be the former place of residence or the place of birth/youth. Some studies found evidence for the importance of strong ties and the geographical proximity to family members, relatives and friends in supporting people to become self-employed (JACK, 2005; HANSON, 2009).

The extraordinary increase of house prices in the South over the course of the 1990s has certainly facilitated both strategies in that the release of housing equity has provided the necessary start-up capital. However, some recent migration studies cast doubt on the switch into self-employment of out-migrants from the SE as being a broader phenomenon. Research on commuting and migration in rural areas in England shows that rural in-migrants commute over longer distances than longer-term residents and that longer-distance commuting is particularly high for those who moved from the largest cities (GREEN, 1999; CHAMPION et al., 2009). This suggests that significant numbers of out-migrants from the SE keep their workplace in the SE. Moreover, recent studies suggest that amenity-related factors are of minor importance for long-distance moves of highly skilled migrants (FINDLAY et al., 2003; NIEDOMYSL and HANSEN, 2010).

3. Data and methods

3.1. Data and measurement

This paper draws upon data from the British Household Panel Survey (BHPS).[vi] The BHPS is an annual representative household panel survey of private households in the UK. It therefore allows investigating annual (i.e. short-term) changes (as opposed to decennial

changes). The BHPS started in 1991 when approx. 10,000 individuals 16 years and older were interviewed for the first time. The same individuals are re-interviewed each successive year. If individuals leave their original household they are captured as a new household, and are interviewed along with all other members of the new household. A total of 18 waves are available (1991-2008).

Panel attrition is higher among movers than non-movers (BUCK, 2000). Panel attrition may be problematic if the sample attrition of movers is non-random. However, previous research has found no evidence for the non-random attrition of movers in the BHPS (RABE and TAYLOR, 2010, p. 538). The BHPS offers an adequate sample for investigating the research questions as residential moves (within the UK), job characteristics including self-employment and a broad range of socioeconomic data are available on the individual level for adjacent years.

In the BHPS the place of residence is available at the level of Government Office Regions (GORs) and Local Authority Districts (LADs). Fielding's (1989, 1992) measurement of the SE was based on Standard Statistical Regions (SSRs) which were in use prior to the adoption of GORs in 1994. In order to produce results that are comparable with Fielding's findings, this study defines South East England as the former South East SSR (which included London and parts of the current East of England GOR). Out-migrants from the SE are therefore defined as those people who moved residence from the (former) South East SSR to other parts of the UK (and *vice versa* for in-migrants to the SE). This method is also favourable as some parts of the East of England GOR which were part of the South East SSR belong to the broad 'London Region' (i.e. Bedfordshire, Hertfordshire, and Essex), see appendix Table A1. Otherwise, the ONS GORs as at 1998 were used (see Figure 1).

—ABOUT HERE FIGURE 1—

In empirical studies internal migration is defined either as moves across regional boundaries or through the distance between the residences. For the latter, most often a cut off of 50 km is used to differentiate between short distance and long distance moves. Both measurements of internal migration were applied in this study to better validate the estimates. The results are similar and due to brevity only findings for the regional boundary measurement are reported (results for the long distance measurement can be obtained from the author on request). In the BHPS respondents who have changed residence over the past years are asked whether they moved for employment reasons or other reasons.[vii]

The employment status is used to measure self-employment/entrepreneurship.[viii] Using self-employment as a proxy for entrepreneurship is an often applied method in entrepreneurship research and labour economics (e.g., BLANCHFLOWER and MEYER, 1994; GEORGELLIS et al., 2005; MILLÁN et al., 2010). However, it has to take into account that not all self-employed workers are entrepreneurs and *vice versa* (see, for example, BÖHEIM and MÜHLBERGER, 2009). In particular low-skilled workers in certain industries are required to offer their labour on a self-employed basis and others may be part-time self-employed as a secondary job. Unfortunately, the numbers of both out-migrants from the SE and in-migrants to the SE in the BHPS do not allow a more disaggregated analysis by type of self-employment (e.g. numbers of employees, industry, occupational status). Faggio and Silva (2012) suggest to use the legal status of the businesses of the self-employed or managerial occupations (as defined by Standard Occupational Classifications) as means to identify (non-)entrepreneurial types of self-employment. Unfortunately, in the BHPS no information on the legal status of the businesses of the self-employed is available. Thus it remains unknown whether the self-employed are freelance or subcontractors, i.e. pursue a non-entrepreneurial type of self-employment. Also, the number of internal migrants with switches into managerial ('entrepreneurial') self-employment in the BHPS is low so that migrants cannot be distinguished by move into 'managerial' vs. 'non-managerial' self-employment. Therefore

control variables are used for 'elementary jobs' and 'managerial jobs' to adjust for (non-)entrepreneurial types of self-employment.

3.2 Models and sample description

All available BHPS waves were pooled (1991-2008). Only respondents aged 18-64 who were neither in full-time education nor retired were selected. The odds of migrating from the SE relative to migrating from another UK region (Table 2), migrating out of the SE relative to staying (Table 3), and migrating into the SE relative to migrating into another UK region (Table 4) as a function of employment status transitions are estimated.[ix] This modelling approach allows to test who is more likely to leave the SE (migrate to the SE) to migrate from (to) elsewhere in the UK conditional on employment status transitions.[x] Modelling the process of migrating from/to the SE has the advantage (as compared to use employment status transition as outcome variable) that migratory movements of two stages of the Escalator Region Model—stepping on and off the escalator—are at the centre of the empirical analysis.

A total of six panel regression models are used. *Model 1* (Table 2) investigates determinants of out-migration from the SE to the rest in the UK as compared to internal migration flows from elsewhere in the UK. Information for adjacent waves is used (t and $t+1$) which allows accounting for transitions in employment status. In so doing, it can be tested directly whether out-migrants from the SE are more likely to switch into self-employment as compared to internal migrants from elsewhere in the UK. *Model 2* (Table 2) adds another wave and incorporates features in the subsequent wave $t+2$. This allows to test whether out-migrants from the SE are more likely to enter self-employment in a somewhat longer term than internal migrants from the rest of the UK.

In order to explore Fielding's hypothesis that the SE exports its entrepreneurial culture more comprehensively, out-migrants from the SE are also compared to those who stay in the

region over the period *t* to *t*+1 in *Model 3* (Table 3). In *Model 4* (Table 3) the same variables are applied to internal migrants in the rest of the UK and stayers outside the SE. Note that in both set of models 'stayers' could have moved residence intra-regionally.

In *Model 5* (Table 4) the probability of a move to the SE from other parts of the UK between *t* and *t*+1 conditional on transitions in employment status as compared to internal migrants to the rest of the UK is estimated. *Model 6* (Table 4) again adds another wave to test longer term changes in employment status after having moved to the SE as compared to having moved to another region in the UK.

For the subsample of adjacent waves *t* and *t+1* only those persons were chosen for whom information on residential location and employment status both at *t* and *t*+1 as well as the moving status between *t* and *t*+1 are given (Models 1, 3, 4, 5). This results in a sample that contains 130,429 person-years of 18,560 individuals (i.e. repeated information are given for the same individuals).

For the models covering the period *t* to *t*+2 (Models 2 and 6) persons were included for whom information on residential location, employment status and migration status for three adjacent waves were available (109,134 person-year observation of 15,828 individuals). For Model 2 those persons were identified who moved from the SE to another region in the UK between *t* to *t*+1 and who remained in the same region until *t*+2. Equally, those persons were defined as reference group who moved outside the SE inter-regionally between *t* to *t*+1 and remained in the same region until *t*+2. Likewise, for Model 6 those persons were identified who moved to the SE and another UK region respectively between *t* and *t*+1 and who remained in the same region in the subsequent wave. The numbers of observations for out-migrants/in-migrants and the respective reference groups of internal migrants are displayed for each model in Table 1. A full description of out-migrants from the SE, in-migrants to the SE, and all internal migrants together (including out-migrants from the SE and in-migrants to the SE) can be found in the appendix Table A2.

—ABOUT HERE TABLE 1—

For all models random effects logit regression models are used. The main assumption of these models is that there is no correlation between the co-variates and the unobserved features (Baum, 2006, p. 220). The results are displayed in odds ratios.[xi]

In addition to a set of variables that indicate a transition in employment status all models include socio-economic features that are known from the literature to influence individuals' migration behaviour (sex, age, education/qualification, owner-occupation, household characteristics). In line with Fielding's finding regarding the age composition of migration flows to and from the SE, four age groups are used (18-29, 30-39, 40-49, 50-64). Also included is a set of job characteristics to account for different types of self-employment (see section 3.1). These include dummy variables for a second job, an elementary occupation and a managerial occupation (as defined by the Standard Occupational Classification 2000) both pre and post move. Moreover, commuting variables are incorporated in all models to account for effects of long commutes and working from home on the probability to leave the SE. In the BHPS only a variable for commuting in km is available. Different thresholds were used to check the robustness of the estimates.

4. Empirical Results

4.1. Out-migration from the South East

The models in Table 2 explore who is more likely to move from the SE to the rest of the UK relative to migrating from other UK regions. Model 1 looks at migration between *t* to *t*+1 conditional on transitions in employment status (and other personal and job characteristics).

The outcome variable takes the value 1 if a person moved from the SE between *t* and *t*+1, and 0 if a person moved from elsewhere in the UK across GORs. Model 2 adds another wave covering the period *t* to *t*+2 to look at longer term employment transitions related to moves. Here migrants moved between *t* to *t*+1 and remained in the same region until *t*+2.

The combinations of employment status through *t* to *t+1* (Model 1) and *t* to *t*+2 (Model 2) were collapsed into transitions involving self-employment and the most relevant combinations in terms of quantity: continuously employed, entry into self-employment, exit from self-employment, continuously self-employed and from unemployment into paid employment. In Model 2, people moved into (out of) self-employment between *t* and *t*+1 and remained in self-employment (in another employment state) until *t*+2. The remaining combinations/transitions were summarised in the category 'others'. Those who are employed at each wave ('continuously employed') are taken as reference group.

—ABOUT HERE TABLE 2—

The estimates reveal that out-migrants from the SE are not more likely to switch into self-employment just after the move (Model 1) or in the subsequent year (Model 2) than internal migrants from elsewhere in the UK. Instead, the odds for terminating self-employment are increased for out-migrants from the SE as compared to internal migrants from elsewhere in the UK (Model 1). There is also no significant difference in remaining in self-employment ('continuously self-employed) between out-migrants form the SE and internal migrants from elsewhere in the UK through *t* to *t*+1/*t*+2. This contradicts the hypothesis that the SE exports its entrepreneurial culture. Likewise, if the employment status subsequent to the move (*t*+1 or *t*+2) is considered (instead of transitions in employment status), out-migrants from the SE are not more likely to be self-employed post move. Instead, they are more likely to be

economically inactive relative to internal migrants from elsewhere in the UK (not shown in Table 2). The results proved to be robust if the 50 km measurement of internal migration for the reference group is used (instead of moves across GORs), the effects are not controlled for owner-occupation pre & post move and different commuting thresholds pre move are applied. Interaction effects between transitions in employment status with gender are not significant (not shown in Table 2).

The age effect in model 1 only partly confirms the Escalator Region Model. Older people are more likely to leave the SE than another UK region, other factors being equal. However, it is not the migration of those in their mid-careers aged 40-49 that stands out for the out-migration from the SE but the migration of the 50-64-year-olds (Fielding, 1992, p. 11). In accordance with Fielding's finding that the SE "is a net exporter of its qualified and experienced service class population" (ibid.) highly qualified people (i.e. those with a tertiary degree) are overrepresented among the out-migrants from the SE indicating that the SE relative to other regions in the UK loses highly qualified residents. This supports the Escalator Region Model that the qualified service class is getting off the escalator.

Reasons for out-migration from the SE are remarkably little related to employment reasons.[xii] As compared to internal migrants from elsewhere in the UK, the odds for a move for employment reasons are significantly decreased for out-migrants from the SE (by ca. 29%). The estimates suggest that reasons for the low importance of job-related moves among out-migrants from the SE relate to housing and family reasons. Out-migration from the SE is more likely to be linked to buying an own home than internal migration from other regions in the UK. The odds for a move into owner-occupation from another housing tenure are increased by more than 2.5 at t+1 and 3.5 at t+2 for out-migrants from the SE. This can be explained by the extraordinarily high housing prices in the SE. At the same time, however, there is a group among the out-migrants from the SE noticeable that is owner-occupier pre and post move. It can be assumed that among these migrants are those who released their

property in the SE to move to the (urbanised) countryside for environmental or lifestyle reasons. Buying the own home seems to be related to the family life cycle. Out-migrants from the SE more often have a child under 6 years of age pre move as compared to other internal migrants (Model 1). Correspondingly, the partner in the household is less often employed post move (Model 1). Gender effects were tested but are not significant.

Sex, household composition and marital status are no distinct features for out-migrants from the SE. Out-migrants tend to more often have had long commutes pre move (which is a place effect). However, they are no more likely to have longer commutes than other internal migrants from elsewhere in the UK post move as well as to work from home in general or to be a self-employed home worker in particular subsequent to move residence (not shown in Table 2).

Table 3 explores further the stage of 'stepping off the escalator' in relation to transitions in employment status by modelling the odds of leaving to staying in the region. In doing so, the findings in Table 2 are cross-checked and it is investigated further whether out-migrants differ more in their probability to switch into self-employment to those who stay in the SE than internal migrants elsewhere in the UK as compared to those who stay in the same region outside the SE. Model 3 displays odds for being an out-migrant from the SE to have stayed in the SE t to t+1. Model 4 provides a comparison for inter-regional migrants who lived in the rest of the UK at t with persons who stayed in the same GOR elsewhere in the UK for two adjacent years. However, the comparison of odds ratios has its limitations due to differing sample sizes (NEMES et al., 2009). Despite large sample sizes in both models, the odds ratios in Model 3 might tend to be more extreme (larger/smaller) than in Model 4 as the latter has a considerably bigger sample size. As in Table 2, the models incorporate personal features and a set of job characteristics.

—ABOUT HERE TABLE 3—

Internal migrants in general as compared to non-internally mobile persons show positive associations with a change in employment status of whatever type. In both models, terminating self-employment subsequent to an inter-regional move is the most distinct change in employment status to stayers, taken those who are continuously employed as reference and all other factors equal. Given that in Model 3 the odds ratios might tend to be larger than in Model 4 due to a smaller sample size, the link between moving and an entry into self-employment appears to be less strong for out-migrants from the SE than for internal migrants elsewhere in the UK. Internal migrants might thus be more likely to become self-employed in the subsequent year when they lived outside the SE before the move. This finding, however, could be influenced by the higher self-employment rate in the SE to the average in the UK. However, in confirmation with earlier results, the estimates in Table 3 do not support the hypotheses that the SE exports its entrepreneurial culture.

Moreover, general knowledge about migration is confirmed: migrants are younger, higher qualified and less likely to be homeowners than non-migrants. This applies to both migrants from the South East as well as to migrants from elsewhere in the UK. Special features can be observed with respect to children and commuting. While the presence of a young child (<6 years) increases the odds of out-migration from the SE, it decreases the odds of internal migration elsewhere in the UK. Outside the South East, migrants are more likely to have long commutes before their move than stayers. This suggests that long commutes might be a push-factor for internal migrants from elsewhere in the UK while for people who leave the SE life cycle-related choices are a more important driver for migration.

4.2 In-migration to the South East

Table 4 investigates in-migration to the SE relative to internal migration to the rest of the UK conditional on transitions in employment status (and other personal and job characteristics). Both models measure migration between *t* to *t*+1. Likewise to Table 2, Model 5 incorporates features from two adjacent waves (*t* to *t*+1) while Model 6 incorporates features measured at *t* or *t*+2. Transitions in employment status are measured as described above. In addition, all models again include a set of personal features, job characteristics, and a dummy for job-related reasons for the move between *t* and *t*+1.

—ABOUT HERE TABLE 4—

The variables indicating transitions in employment status reveal no significant differences between in-migrants to the SE and internal migrants to other regions in the UK. The odds for an entry into self-employment are almost 1 subsequent to the move at *t*+1 and also a year later at *t*+2 indicating that there is almost no effect of whether people move to the SE or to any other region in the UK on a switch into self-employment. Moreover, the SE does not attract more mobile self-employed workers as the rest of the UK either as can be seen from the odds for the 'continuously self-employed' coefficient. Hence, the SE is no more likely to gain (would-be) entrepreneurs through in-migration directly than the rest of the UK does. Gender effects with transitions in employment status are not significant (not shown in Table 4). The estimates prove to be robust in several models with different sets of control variables or long distance movers (≥50 km) outside the SE taken as reference group (not shown but these can be obtained from the author on request).

As expected, in-migration to the SE is more driven by employment reasons than can be observed in other UK regions indicating that people move the SE in order to benefit from its escalator effect. However, their age profile does not differ from internal migrants attracted to

other regions in the UK, other factors equal. Furthermore, in-migrants to the SE are less likely to have lived with an employed partner or have a child under six years of age before the move. As a consequence of the tight and expensive housing market in the SE, their low probability to buy property after moving is noticeable. So in-migrants to the SE are more likely to be renters both pre and post move (Model 5 and 6) and are also less likely to be owner-occupier a year after the move while had been owner-occupier prior to the move (Model 6). No further differences with respect to sex, marital status, qualification and commuting (all measured at *t*) to other internal migrants in the UK are shown.

5. Discussion and Conclusions

The findings suggest that the SE loses self-employed workers through out-migration. However, it is not in Fielding's terms an export of the region's entrepreneurial culture. Instead, out-migrants from the SE are actually more likely to exit self-employment as compared to internal migrants from elsewhere in the UK, holding other factors equal. They are also no more likely to enter or remain in self-employment subsequent to the move. It is true that those who leave the SE are more likely to switch into self-employment to those who stay in the region. However, the same applies to internal migrants elsewhere in the UK. In fact, the effect is rather weaker for out-migrants from the SE than for internal migrants in the rest of the UK. This calls into question the role of self-employment as a way to 'step off' the escalator. Fielding (1992, p. 12) concluded that an entry into self-employment is part of the 'stepping off' stage. However, in the BHPS data transitions into economic inactivity are of greater importance for the third stage of the Escalator Region Model (these results are not displayed in Table 2 due to brevity but can be obtained from the author on request). Furthermore, the 50-64-year-olds are found to be more likely to leave the SE and not those in their mid-careers. This suggests altogether that migration from the SE has more to do with late career changes or a transfer into (early) retirement than transitions into self-employment.

It can also be concluded that home-based self-employment in rural areas or 'lifestyle entrepreneurship' examined in recent research is not more fuelled by out-migration from the SE than by migration from other urban areas in the UK (FINDLAY et al., 2000; SHORT and STOCKDALE, 1999; KEEBLE and TYLER, 1995). The revealed differences to Fielding's finding might be due to an age artefact, i.e. those in their mid-careers are more likely to become self-employed and switches into self-employment were therefore found more often among those who migrated from the SE in his sample. It might also be possible that the relationship between migration and self-employment in the SE has changed over time (i.e. between the 1970s and 1991-2008). This can be investigated once the Census data 2011 are linked with the LS.

Highly qualified people are overrepresented among migrants from the SE, all other factors being equal. This suggests that the SE is still losing its qualified and experienced population as Fielding showed for the period 1971-81 (1992, p. 11). Although the present findings do not support Fielding's hypotheses regarding out-migration from the SE and self-employment, it is likely that an exit from self-employment notwithstanding is associated with the process theorised by Fielding as 'getting off the escalator'. Previous microeconomic research shows that in the UK local house prices changes are correlated with level of self-employment (DISNEY and GATHERGOOD, 2009). Hence, it is plausible to assume that those migrants who left the SE and simultaneously exited self-employment might have benefited from house price rises in the SE and used equity releases to terminate their career in the SE and migrate to a preferred location outside the SE. Future research on the Escalator Region Model that focuses on the state of the housing market and housing equity releases could shed light on this phenomenon.

The strikingly little importance of employment reasons for a move from the SE relative to inter-regional moves elsewhere in the UK coupled with peculiarities of out-migrants in terms of housing tenure and family status (young child) also show that life cycle issues are

important for migrating from the SE. House prices and family issues (i.e. life cycle) are important for understanding the sorting of people across regions (SPEARE, 1970). From this it can be concluded that a pure duality of amenity- vs. employment-related reasons discussed in the current literature (NIEDOMYSL and HANSEN, 2010) falls short of explaining the persistent migration flows from the SE. The present findings support recent shifts in migration research to apply the life cycle approach to internal migration processes, which has primarily been applied to residential mobility only (CLARK, 2012).

At the same time, London and the SE are no more likely to gain entrepreneurial resources in terms of self-employed workers directly through internal migration as the rest of the UK does, at least in the short term. This confirms the importance of occupational careers in the paid employment sector for 'getting on the escalator'. It was expected that in-migration contributes to the high level of business birth in the SE (LEVIE, 2007). However, the region does not have greater power to attract (potential) self-employed entrepreneurs relative to the rest of the UK. This could mean that other UK regions have become as attractive as London and the rest of the South East for potential entrepreneurs, which in turn would suggest that some local development initiatives (e.g. Enterprise Zones) have been effective in stimulating entrepreneurial activity. Another explanation might be that the region gains start-up resources through foreign skilled immigration thanks to London's global city functions. International migration is beyond the scope of this paper. However, a great deal of the migration flows to London and the South East region is coming from outside the UK. The link between immigration and start-ups in the region should be considered in future research. The BHPS is not suitable to investigate international migration (only a regional/local identifier is given for a residence in the UK and coded inapplicable if otherwise and presumably the sample design is unable to pick up post-1991 immigrants). The Labour Force Survey might be a useful data source to further our knowledge of immigration and entrepreneurship as it captures

retrospective questions on previous residence (including outside the UK) and employment status (3 and 12 months ago) and also longitudinal samples (capturing 5 waves) are available.

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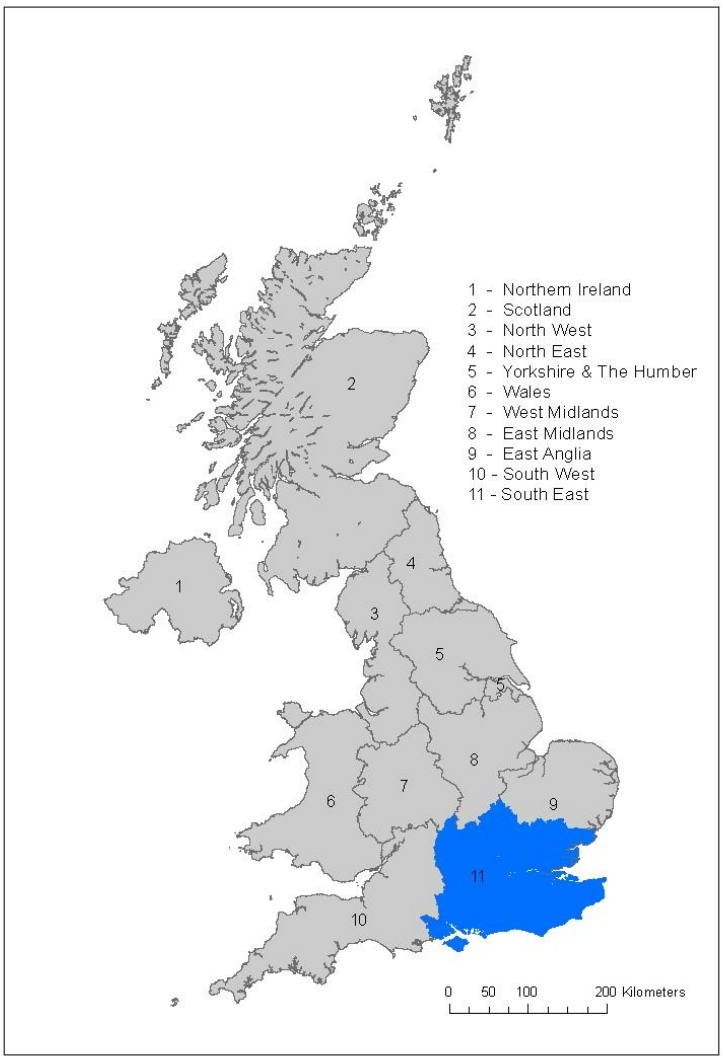
Figure 1. South East England and other UK regions



Source: derived from UK Borders GOR and LAD boundaries

Table 1. Sample description

Panel logit regression models (dependent variables)	Sample description
Model 1: Out-migrants from the SE vs. internal migrants from elsewhere in the UK *t* to *t*+1	371 out-migrants from the SE 943 inter-regional movers from elsewhere in the UK (1,076 long distance movers from elsewhere in the UK)
Model 2: Out-migrants from the SE vs. internal migrants from elsewhere in the UK *t* to *t*+2	271 out-migrants from the SE 686 inter-regional movers from elsewhere in the UK (618 long distance movers from elsewhere in the UK)
Model 3: Out-migrants from the SE vs. stayers in the SE *t* to *t*+1	371 out-migrants from the SE 26,282 stayers in SE
Model 4: Inter-regional migrants elsewhere in the UK vs. stayers elsewhere in the UK *t* to *t*+1	1,007 inter-regional movers elsewhere in the UK 102,833 stayers elsewhere
Model 5: In-migrants to the SE vs. internal migrants in the rest of the UK *t* to *t*+1	307 in-migrants to the SE 1,007 internal migrants in the rest of the UK (829 long distance movers in the rest of the UK)
Model 6: In-migrants to the SE vs. internal migrants in the rest of the UK *t* to *t*+2	219 in-migrants to the SE 738 internal migrants in the rest of the UK (671 long distance movers in the rest of the UK)

Note: The models using long distance movers (≥50 km) as reference groups are not documented.

Table 2. Out-migrants from the South East compared to internal migrants from elsewhere in the UK, *t+1 and t+2*, random effects, odds ratios

	Model 1 *t*+1		Model 2 *t*+2	
Features and point of time of measurement	OR	S.E.	OR	S.E.
Transitions in employment status *t* to *t*+1*(ref.: continuously employed)*				
Entry self-employment	1.123	0.425	-	-
Exit self-employment	1.851*	0.638	-	-
Continuously self-employed	0.966	0.916	-	-
Unemployed → paid employment	1.051	0.421	-	-
Others	1.308	0.278	-	-
Transitions in employment status *t* to *t*+2 *(ref.: continuously employed)*				
Entry self-employment between *t* and *t*+2	-	-	1.475	0.569
Exit self-employment *t* to *t*+1 and not self-employed at *t*+2	-	-	1.713	0.764
Continuously self-employed *t* to *t*+2	-	-	1.298	0.555
Unemployed *t* → paid employment *t*+2	-	-	1.248	0.591
Others	-	-	1.465*	0.340
Age *t* (*ref.: 18-29*)				
30-39	1.056	0.192	0.798	0.171
40-49	1.388	0.342	1.132	0.317
50-64	2.201***	0.642	1.608	0.550
Qualification *t*, CASMIN levels *(ref.: tertiary degree)*				
None	0.261***	0.085	0.263***	0.102
Basis	0.632*	0.157	0.486**	0.150
Middle	0.614***	0.113	0.459***	0.103
Higher	0.545***	0.108	0.646*	0.145
Move for employment reasons *t to t+1 (no=0, yes=1)*	0.715**	0.108	0.758	0.131
Housing tenure pre & post move *(ref.: no owner-occupation at t* and *t*+1*)*				
Owner-occupation at *t* & *t*+1	1.541**	0.300	-	-
Owner-occupation at *t* but not at *t*+1	0.969	0.209	-	-
Owner-occupation at *t*+1 but not at *t*	2.521***	0.550	-	-
Housing tenure pre & post move *(ref.: no owner-occupation at t* and *t*+2*)*				
Owner-occupation at *t* & *t*+2	-	-	1.770**	0.439
Owner-occupation at *t* but not at *t*+2	-	-	1.177	0.370
Owner-occupation at *t*+2 but not at *t*	-	-	3.587***	0.959
Child <6yrs. *t (no=0, yes=1)*	1.596**	0.332	1.390	0.344
Living with employed spouse/partner *t+1 (no=0, yes=1)*	0.622***	0.960	-	-
Living with employed spouse/partner *t+2 (no=0, yes=1)*	-	-	0.775	0.139
Marital status *t (ref.: married/civil partnership)*[1]				
Separated	0.271	0.396	0.226	0.337
Never married	0.207	0.311	0.252	0.387
Divorced	0.222	0.325	0.174	0.261
Household composition *t (ref.: single hh)*				
Couple no children	0.895	0.225	1.118	0.332
Couple with children	0.720	0.192	0.911	0.291
Lone Parent	0.965	0.301	0.980	0.365
Others	0.825	0.258	0.572	0.228
Sex *t* (*ref.: men*)	0.911	0.129	1.054	0.175
Commuting (km) *t (ref.: ≥45)*				
Does not apply (not working or working from home)	0.698	0.183	0.542**	0.160
<5	0.666	0.196	0.700	0.230
5-<10	0.640	0.178	0.556*	0.177
10-<20	0.636*	0.159	0.557**	0.156
20-<30	0.536**	0.145	0.421***	0.129
30-<45	0.883	0.248	0.602	0.191
Second job at *t (no=0, yes=1)*	1.025	0.244	0.713	0.273
Second job at *t*+1/ *t* +2 *(no=0, yes=1)*	0.815	0.238	1.402	0.483
Elementary occupation at *t (no=0, yes=1)*[2]	0.865	0.211	0.937	0.253
Elementary occupation at *t*+1/ *t* +2 *(no=0, yes=1)*[2]	0.780	0.231	0.814	0.260
Managerial occupation at *t (no=0, yes=1)*[2]	1.411	0.752	1.025	0.643
Managerial occupation at *t*+1/ *t* +2 *(no=0, yes=1)*[2]	1.168	0.641	1.396	0.785
N person-year observations (pers.)	1240(950)		913(784)	
Log likelihood	-689.612		-506.673	
Wald $Chi^2(39)$	90.44***		75.06***	
Pseudo R^2	0.069		0.079	

Notes: Pooled unweighted data BHPS 1991–2008.
Significance: *** p≤0.01, ** p≤0.05, * p≤0.1.
[1] Category ‘widowed’ not shown due to large Standard Errors.
[2] Based on SOC2000.
Source: author's calculation

Table 3. Out-migrants from the South East and internal migrants elsewhere in the UK compared to stayers in the region, *t* to *t*+1, random effects, odds ratios

Features and point of time of measurement	Model 3 1=Out-migrants from SE 0= Stayer in SE OR	S.E.	Model 4 1=Internal migrants elsewhere 0= Stayer elsewhere OR	S.E.
Transitions in employment status *t* to *t*+1 *(Ref.: continuously employed)*				
Entry self-employment	2.058**	0.690	2.824***	0.607
Exit self-employment	4.657***	1.356	3.730***	0.850
Continuously self-employed	0.775	0.225	1.107	0.204
Unemployed → employed	3.697***	1.428	3.183***	0.756
Others	3.165***	0.660	1.742***	0.248
Age *t* (*ref.: 18-29*)				
30-39	0.647***	0.101	0.589***	0.055
40-49	0.448***	0.086	0.263***	0.033
50-64	0.411***	0.088	0.172***	0.027
Qualification *t*, CASMIN levels *(ref.: tertiary degree)*				
None	0.152***	0.049	0.329***	0.054
Basis	0.372***	0.090	0.429***	0.067
Middle	0.431***	0.080	0.546***	0.063
Higher	0.640**	0.132	0.904	0.113
Owner-occupation at *t*	0.508***	0.071	0.592***	0.054
Child <6yrs. *t (no=0, yes=1)*	1.612***	0.290	0.785**	0.086
Household composition *t (ref.: single hh)*				
Couple no children	0.835	0.179	0.854	0.120
Couple with children	0.569**	0.128	0.651***	0.091
Lone Parent	0.568*	0.165	0.609***	0.109
Others	0.877	0.252	1.483**	0.283
Commuting (km) *t (ref.: ≥45)*				
Does not apply (not working or working from home)	0.911	0.220	0.470***	0.081
<5	1.151	0.303	0.430***	0.075
5-<10	1.108	0.274	0.490***	0.081
10-<20	1.030	0.225	0.443***	0.067
20-<30	0.898	0.216	0.590***	0.092
30-<45	1.038	0.250	0.645**	0.112
Sex *t* (*ref.: men*)	0.795	0.112	1.084	0.098
Second job at *t (no=0, yes=1)*	1.043	0.220	1.294*	0.183
Second job at *t*+1 *(no=0, yes=1)*	0.433***	0.112	0.757*	0.122
Elementary occupation at *t (no=0, yes=1)*[1]	0.946	0.212	0.832	0.116
Elementary occupation at *t*+1 *(no=0, yes=1)*[1]	1.171	0.314	1.418**	0.226
Managerial occupation at *t (no=0, yes=1)*[1]	0.620	0.315	0.776	0.226
Managerial occupation at *t*+1 *(no=0, yes=1)*[1]	1.602	0.648	0.371***	0.121
N person-year observations (pers.)	26,046(3,515)		101,279(15,195)	
Log likelihood	-1,734.964		-4,649.695	
Wald $Chi^2(36)$	2164.30***		553.46***	
Pseudo R^2	0.0751		0.0735	

Notes: Pooled unweighted data BHPS 1991–2008.
Significance: *** p≤0.01, ** p≤0.05, * p≤0.1.
[1] Based on SOC2000.
Source: author's calculation

Table 4. In-migrants to the South East compared to internal migrants in the rest of the UK, random effects, odds ratios

Features and point of time of measurement	Model 5 *t* to *t*+1 OR	S.E.	Model 6 *t* to *t*+2 OR	S.E.
Transitions in employment status *t* to *t*+1*(ref.: continuously employed)*				
Entry self-employment	0.903	0.365	-	-
Exit self-employment	0.633	0.262	-	-
Continuously self-employed	0.723	0.274	-	-
Unemployed → paid employment	0.672	0.278		
Others	0.828	0.195		
Transitions in employment status *t* to *t*+2 *(ref.: continuously employed)*				
Entry self-employment between *t* and *t*+2	-	-	0.964	0.414
Exit self-employment *t* to *t*+1 and not self-employed at *t*+2	-	-	0.626	0.343
Continuously self-employed *t* to *t*+2	-	-	0.524	0.305
Unemployed *t* → paid employment *t*+2	-	-	0.472	0.247
Others	-	-	0.654	0.177
Move for employment reasons *t to t+1 (no=0, yes=1)*	1.512***	0.232	1.523**	0.278
Age *t* (*ref.: 18-29*)				
30-39	1.633	0.530	1.290	0.504
40-49	1.138	0.348	1.188	0.429
50-64	0.767	0.256	0.776	0.294
Living with employed spouse/partner *t (no=0, yes=1)*	0.528***	0.106	0.508***	0.123
Child <6yrs. *t (no=0, yes=1)*	0.656*	0.153	0.582*	0.161
Housing tenure pre & post move *(ref.: owner-occupation t* and *t*+1*)*				
Owner-occupation at *t* but not at *t*+1	1.267	0.248	-	-
Owner-occupation at *t*+1 but not at *t*	0.663	0.168	-	-
Renter/others at *t* & t *t*+1	1.532**	0.304	-	-
Housing tenure pre & post move *(ref.: owner-occupation t* and *t*+2*)*				
Owner-occupation at *t* but not at *t*+2	-	-	1.150	0.302
Owner-occupation at *t*+2 but not at *t*	-	-	0.560**	0.158
Renter/others at *t* & t *t*+2	-	-	1.682**	0.401
Sex *t* (*ref.: men*)	1.122	0.167	1.197	0.213
Marital status *t (ref.: married/civil partnership)*[1]				
Separated	0.458	0.595	0.489	0.675
Never married	0.402	0.542	0.357	0.518
Divorced	0.340	0.444	0.376	0.521
Household composition *t (ref.: single hh)*				
Couple no children	1.358	0.395	0.984	0.339
Couple with children	1.457	0.402	1.264	0.410
Lone Parent	0.978	0.320	0.977	0.380
Others	1.548	0.486	1.895*	0.706
Qualification *t*, CASMIN levels *(ref.: tertiary degree)*				
None	0.668	0.220	0.739	0.279
Basis	0.891	0.240	0.861	0.301
Middle	0.941	0.184	0.979	0.231
Higher	1.035	0.210	1.011	0.247
Commuting (km) *t (ref.: ≥45)*				
Does not apply (not working or working from home)	1.342	0.393	1.604	0.536
<5	0.683	0.231	0.582	0.236
5-<10	1.599	0.459	1.385	0.471
10-<20	0.879	0.248	0.953	0.307
20-<30	1.318	0.369	1.158	0.377
30-<45	1.271	0.397	1.543	0.541
Second job at *t (no=0, yes=1)*	0.956	0.243	1.020	0.311
Second job at *t*+1/ *t* +2 *(no=0, yes=1)*	1.861**	0.507	1.060	0.374
Elementary occupation at *t (no=0, yes=1)*[2]	0.894	0.242	0.786	0.249
Elementary occupation at *t*+1/ *t* +2 *(no=0, yes=1)*[2]	1.085	0.192	1.229	0.243
Managerial occupation at *t (no=0, yes=1)*[2]	0.924	0.553	1.392	0.971
Managerial occupation at *t*+1/ *t* +2 *(no=0, yes=1)*[2]	0.445	0.354	#	#
N person-year observations(pers.)	1240(950)		913(783)	
Log likelihood	-632.203		-444.802	
Wald Chi^2(39)	72.37***		66.11***	
Pseudo R^2	0.067		0.077	

Notes: Pooled unweighted data BHPS 1991–2008.
Significance: *** p≤0.01, ** p≤0.05, * p≤0.1.

[1] Category ‘widowed’ not shown due to large Standard Errors.
[2] Based on SOC2000.
Not shown due to large Standard Errors.
Source: author's calculation

Appendix

Table A1. Definition of South East England

GOR Name (1998)	LAD		SSR (1995)
	Code (1998)	Name	
London			South East
South East			South East
East of England	00KA	Luton	South East
	00KF	Southend-on-Sea	South East
	00KG	Thurrock	South East
	00KB	Bedford	South East
	00KC	Central Bedfordshire	South East
	22UB	Basildon	South East
	22UC	Braintree	South East
	22UD	Brentwood	South East
	22UE	Castle Point	South East
	22UF	Chelmsford	South East
	22UG	Colchester	South East
	22UH	Epping Forest	South East
	22UJ	Harlow	South East
	22UK	Maldon	South East
	22UL	Rochford	South East
	22UN	Tendring	South East
	22UQ	Uttlesford	South East
	26UB	Broxbourne	South East
	26UC	Dacorum	South East
	26UD	East Hertfordshire	South East
	26UE	Hertsmere	South East
	26UF	North Hertfordshire	South East
	26UG	St Albans	South East
	26UH	Stevenage	South East
	26UJ	Three Rivers	South East
	26UK	Watford	South East
	26UL	Welwyn Hatfield	South East

Source: Author's compilation

Table A2. Sample description by type of migrant

	Out-migrants from SE	In-migrants to SE	All UK internal migrants
Females (%)	52.6	54.8	52.7
Age, mean (std. dev.)	34.7(10.8)	31.7(9.8)	33.5(10.2)
median	33	29	31
18-29 (%)	42.6	57.7	46.8
30-39 (%)	30.2	24.4	30.4
40-49 (%)	15.4	10.1	13.9
50-64 (%)	11.9	7.8	8.9
Household type (%)			
One-person-household	14.0	21.2	15.6
Couple no children	30.5	30.5	32.1
Couple with children	43.4	29.1	38.4
Lone Parent	4.9	9.6	7.0
Others	7.3	9.6	6.9
Child <6yrs.	26.2	21.2	23.3
Marital status (%)			
Married/civil partnership	49.1	35.6	44.7
Separated, married	3.2	6.5	4.6
Never married	38.8	51.0	41.9
Divorced	8.4	6.2	8.4
Widowed	0.5	0.7	0.4
Living with employed spouse/partner	47.4	44.2	50.3
Owner-occupation (%)	62.9	41.1	54.5
Employment Status (%)			
Employed	65.5	77.1	71.1
Self-employed	8.6	5.8	8.0
Unemployed	7.3	3.8	5.7
Inactive, others	18.6	13.4	15.3
Qualification, CASMIN Levels (%)[1]			
None	4.1	4.6	6.0
Basis	9.3	8.4	9.1
Middle	17.3	19.6	19.7
Higher	12.4	15.0	15.8
Tertiary	56.9	52.5	49.5
Move for employment reason	33.7	48.3	38.1
Second job	6.3	8.4	6.1
Commute (km)			
Does not apply[3]	38.8	26.0	33.2
<5	7.0	9.6	8.8
5-<10	9.2	9.9	8.6
10-<20	15.4	12.0	15.7
20-<30	11.3	17.5	15.5
30-<45	7.6	9.3	8.6
≥45	10.8	15.8	10.7
N (person-year observations)	371	292	1,252
N (persons)	353	278	935

Note: Pooled unweighted data BHPS 1991-2008. Only person-years with information on employment status, moving status, and region of residence for adjacent waves.

[1] CASMIN is an international educational classification. Some categories are collapsed: none = no completed general education; basic = elementary or basic vocational; middle = middle general, middle vocational; higher = higher general, higher vocational; tertiary = lower tertiary, higher tertiary.

[2] SOC 2000

[3] Not working or home worker

Source: author's calculation

[i] Own calculation based on Business Demography 2010 (ONS, 2011). This includes both businesses that are registered for VAT or Pay-As-You-Earn (PAYE) schemes and unregistered businesses.

[ii] Own calculation based on ONS (2012c) matrices.

[iii] http://www.lloydsbankinggroup.com/media1/economic_insight/halifax_house_price_index_page.asp

[iv] Own calculation based on ONS (2012c) matrices.

[v] Between April and June 2012 in Greater London and the rest of the South East 18% and 15% respectively of the workforce were self-employed compared with 14% in the UK on average.

[vi] Note that Fielding's results are mainly based on mobility matrices drawn from the Longitudinal Study (LS). The LS only allows examining transitions over a ten-year period (within England and Wales). Thus in his sample workers could have switched into self-employment many years after their move from the SE. For example, in a case where there are eight years between the two events, it would be questionable, however, how strong the start-up is related to the move, i.e. human capital resources (e.g. skills/knowledge acquisition, social networks) and financial resources (e.g. housing wealth) gained in the SE. It is also likely that in Fielding's sample out-migrants commuted 'back' to the SE for a certain period of time before becoming self-employed. This method also neglects the transitional nature of self-employment in the UK context (Taylor, 1999).

[vii] "Did you move for reasons that were wholly or partly to do with your own job, or employment opportunities?"

[viii] This approach is different to Fielding's Escalator Region Model. Given the focus of the Escalator Region Model on social mobility, Fielding used the Socio-Economic Groups (SEG) classification in order to define social class categories. Having an interest in self-employment/entrepreneurship, this has the disadvantage that only employers with small- to medium-sized businesses and non-professional self-employed workers without employees together are considered as one separate group ('*Petite Bourgeoisie*'). In Fielding's study the professional self-employed without employees were included in the 'Service class' category and were thus not analysed separately from professional, technical and managerial employed workers.

[ix] Despite pooling 18 waves, the number of migration events in the BHPS is too small to model the probability of a simultaneous event of migrating and a switch into self-employment relative to other migration and employment states as a function of region of origin/destination (i.e. from/to the SE).

[x] Alternatively, the odds of switching from employment to self-employment conditional on migrating from/to the SE were estimated in order to validate the results. This alternative method confirms the estimates using

migrating from the SE/to the SE as outcome variable. Due to brevity the latter estimates are not reported (but can be obtained from the author on request).

[xi] Odds ratios indicate the number by which one would multiply the odds of group 1 of the outcome variable for each one-unit increase in continuous predictor variables (while holding all other variables constant).

[xii] The exclusion of the variable 'Move for employment reason *t* to *t*+1' from the specification has no effect on the employment status transitions.