The Home Country’s Role in Shaping Chinese Immigrant Entrepreneurship

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CHAPTER 1: INTRODUCTION

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ATTESTATION OF AUTHORSHIP

I hereby declare that this submission is my own work and that, to the best of my knowledge and belief, it contains no material previously published or written by another person, nor material which to a substantial extent has been accepted for the qualifications of any other degree or diploma of a university or other institution of higher learning, except where due acknowledgement is made in the acknowledgements.

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ETHICS APPROVAL

Ethics approval from AUT University Ethics Committee (AUTEC) was granted on July 2007, for a period of two years commencing July 2007. The Ethics Application Reference number was 07 / 27. Documents included as appendix III.
ABSTRACT

In the recent literature on immigrants, immigration is a complex phenomenon, characterised by a blurred boundary between the country of origin and the host country; the appearance of high and low skilled immigrants and global cities. This thesis argues, firstly that the country of origin plays an increasingly important role in influencing immigrants’ economic activities. Secondly, that highly skilled immigrant entrepreneurs have their own characteristics of economic activities. Thirdly, that between the global cities and non-global cities, immigrant entrepreneurs have different opportunity structures and strategies to operate their businesses. \textit{Global cities (or world cities)} are cities that are deemed to be important nodes in the international economic network. They are large metropolitan urban centres such as Tokyo and New York, important international trade and financial capitals within the global economic network. The main research questions are ‘How do changes in the country of origin influence the characteristics of high skilled Chinese immigrant entrepreneurs? How do changes in the country of origin influence the opportunity structures and business operational behaviours of high skilled Chinese immigrant entrepreneurs between a large metropolitan and a small city - each with a different co-ethnic population size?’ These were addressed by exploring a sample population of highly skilled Chinese immigrant entrepreneurs in Auckland (a large metropolitan) and Hamilton (a small city) in relation to their characteristics in modern society; their business opportunities and the strategies they used. Seventy-seven Chinese immigrants from China were interviewed. This study found that, unlike in non-world cities, Chinese immigrant entrepreneurs in world cities did not fit the Aldrich and Waldinger (1990) model (the AW Model). Environmental changes in the host and the country of origin, the technology and the immigration movements are the main reasons.

Over the last decade, more than 10 million Chinese, consisting of Chinese visitors and immigrants, went abroad each year for education, business and tourism. In turn, Chinese immigrant entrepreneurs have formed an international community, or a ‘Trans-Migrant Entrepreneurs (TMEs)’ community in advanced countries such as New Zealand, Australia, Canada and the USA. Such an international phenomenon is fundamentally different from the activities of Chinese immigrant entrepreneurs three or more decades ago. The change
can be accounted for in considerable part by their country of origin – China – that plays an important role in influencing and connecting the overseas Chinese immigrant entrepreneurs worldwide, particularly in the world cities.

This thesis introduces the Zhang Model that helps to understand the different characteristics, opportunity structures and strategies relating to highly skilled Chinese immigrant entrepreneurship from those of earlier generations of immigrant entrepreneurship in the AW Model. Furthermore, based on the Zhang Model, this thesis introduced the TMEs Model that puts an emphasis primarily on highly skilled immigrants who are mainly professional service providers, looking after co-ethnic international students, tourists, immigration applicants and business investors. The introduction of the Zhang Model and the TMEs Model is the theoretical contribution of this thesis.

The TMEs phenomenon is new and growing and therefore necessary to study and understand. The TMEs provide channels to enable co-ethnic people to become internationalised and promote the host country in the international market. Both their country of origin and the host nation should consider offering supportive policies to their entrepreneurship.

To understand how changes in the country of origin influence immigrant entrepreneurship, further research should consider a comparative study between low and highly skilled immigrant entrepreneurship, particularly in non-global cities, the non-ethnic market. In addition, more study is needed for how the one child policy impacts on Chinese immigrant entrepreneurship.
PART 1
INTRODUCTION
CHAPTER ONE:  INTRODUCTION

Chapter 1 introduces the background of the study. Subsequently, an overview of the research methodology, structure and the purpose and contribution of this thesis introduced.

1.1 Background of the study

1.1.1 The openings and new trends in international immigration studies

In the study of immigrant entrepreneurship, the disadvantage theory (Light, 1979) and the middleman minority theory (Bonacich, 1973) focus mainly on immigrant cultural factors to explain why earlier immigrant economies could exist. Furthermore, ecological succession (Aldrich, Zimmer, & McEvoy, 1989), immigrant population changes and their residential concentrations (Evans, 1989) influence immigrant entrepreneurial opportunity, such as the occurrence of the ethnic enclave phenomenon (Wilson & Portes, 1980). The opportunity structure theory (Waldinger, 1986b) has identified the business opportunities of immigrants in the co-ethnic market and the mainstream market. These theories explained mainly low skilled immigrants who undertook occupations in physically demanding industries. During the 1980s, the global economic and political changes allowed highly skilled Chinese immigrants to travel abroad. Without denying the benefits of the preceding theories, they are nevertheless inefficient in explaining highly skilled immigrant entrepreneurships (Li, 1993). In turn, Kloosterman and Rath (2000) introduced a ‘Mixed Embeddedness’ approach to recognise the impact of external changes in the host country on ethnic minority businesses. Landolt (2001) further emphasised transnationalism because of the occurrence of the ‘astronauts’ phenomenon whereby immigrants do business by travelling across nations (Beal & Sos, 1999; Ho, 2003; Ip. 2006). Still, even these approaches have paid insufficient attention to how the environmental changes in the country of origin influence immigrant entrepreneurship, especially within a Chinese context.

In the recent literature on immigrants (e.g., Li & Teixeira, 2007; Spoonley & Bedford, 2003), contemporary international immigration is a complex phenomenon, characterised by first of all a blurred boundary between the country of origin and the host countries (Spoonerley & Bedford, 2003; Wong & Ng, 2002) as some countries such as China become both (Li & Teixeira, 2007). Throughout this thesis reference to China means mainland
China. The country of origin is today no longer a place with poor economic foundations. Rather, it also has features attractive to other immigrants. Because of globalisation, immigrants keep in close contact with their country of origin (Spoonley & Meares, 2009). Secondly, contemporary immigrants consist of both high and low skilled immigrants (Li & Teixeira, 2007; Liu, 2000) and temporary visa holders who study, work, travel and invest in their host countries such as New Zealand (Benson – Rea, Haworth & Rawlinson, 1998; Forsyte, 1998; Zhang & Brunton, 2007). Finally, the appearance of global cities (Li & Teixeira, 2007; Price & Benton-Short, 2007) arouses the people’s attention to their attractiveness in recruiting highly skilled immigrants (Ewers, 2007). According to Wikipedia, global city (or world city) “is deemed to be an important node in the global economic system.” “It is a function of a network in the global economy” (Sassen, 1991, p. 349). Global cities are “the organizing nodes through which international economic activity operate” (Ewers, 2007, p. 119). These cities are characterised as “major sites for the accumulation of capital; command points in the world economy; headquarters for corporations; and important hubs for global transportation and communication; intensified areas of social polarisation; and points of destination for domestic and international migrants” (Price & Benton-Short, 2007, p.105). Ewers (2007) points out that the advantage of the world cities could attract a large number of immigrants. Consequently, most of them are immigrant gateways where a large number of immigrants, international students and visitors are concentrated. Auckland is a well-known immigrant gateway because, for example, it had more than 32.09 percent foreign-born people according to the 2001 New Zealand census and 37 percent in 2006 census (Pinkerton, Maré & Poot, 2011), placing it among the top 12 most integrated cities in the world (Price & Benton-Short, 2007). So far, although the name Auckland has not been placed in the world city rosters in the same way as New York, Tokyo and London in terms of economic power, its ‘globalness’ and domestic multicultural integration as immigrant gateway cannot be ignored. As Price and Benton-Short (2007, p. 104) point out “much of the literature on world cities disproportionately weighs economic power in ranking relative importance and connectedness.” Indeed, Sassen (1991, p. 348) point out that

There is no fixed number of global cities, because it depends on countries deregulating their economies, privatizing public sectors (to have something to offer to international investors), and the extent to which national and foreign firms and
markets make a particular city (usually an established business centre of sorts) a basing point for their operations.

Since New Zealand carried out economic reforms in the 1980s, New Zealand has become one of the most economically liberal countries in the world, and has become a key member of the world economic globalisation. Auckland, as one of the key economic centres in New Zealand and the pacific region, has become a ‘node’ that connects the economic activities in New Zealand and pacific region to the global economic networks. As a result, Auckland has attracted a large number of forging-born people who undertake transnational economic activities. For these reasons, this thesis argues that Auckland, as a ‘node’ in the global economic system, should be considered as a global city.

Nevertheless, if the preceding is indeed the case, then it is arguable that firstly, the country of origin plays an increasingly important role in influencing immigrants’ economic activities. Secondly, high and low skilled immigrants have different characteristics in terms of their economic activities. Thirdly, between the world cities and the non-world cities, immigrant entrepreneurs have different opportunity structures. These are reviewed below.

The mainstream research on immigrant entrepreneurship concentrates on answering three questions: What do immigrant entrepreneurs do? Why do they become entrepreneurs? How do they succeed as entrepreneurs? (Douglas & Shepherd, 2000; Stevenson & Jarillo, 1990). Traditionally, former immigrant entrepreneurs developed labour-intensive, small, ethnic, family businesses with a low profit. Note that former (or earlier) generations refer to the Chinese immigrants before the 1940s. They relied on their ethnic resources such as unpaid family labourers (Barrett, Jones, McEvoy, & McGoldrick, 2002; Collins, 2002) because they were poor and received limited education. Their disadvantages pushed them to become entrepreneurs because they could not find jobs in the mainstream employment market (Light, 1972). In the traditional disadvantage theory, kinship ties (Light, 1979) and the middleman minority theory (Bonacich, 1973) explained the concentration of immigrants starting-up their businesses (Li, 1993). They could however be successful when they relied on their ethnic resources and found an opportunity to serve their co-ethnics, or took on a middle role between mainstream and minority ethnic groups (Aldrich & Waldinger, 1990; Bonacich, 1973).
The cultural and opportunity structure explanations are two key features and two juxtaposed explanations of immigrant entrepreneurship. The cultural explanation focuses on studying personal characteristics, behaviours and cultural backgrounds of immigrant entrepreneurs which is the traditional approach by which researchers try to discover the impact of factors on the success of immigrant entrepreneurship. A classical model of the middleman minority theory (Bonacich, 1973) explores why an ethnic minority with sojourner’s identity can keep in business by analysing the characteristics of an immigrant group’s economic and cultural patterns. In addition, ethnic resources are emphasised such as initial advice and information from their friends and families, co-ethnic population size and their residential concentration (Aldrich & Reiss, 1989; Evans, 1989; 2005; Peters, 2002). The importance of ethnic resources in immigrant entrepreneurship study is challenged by emphasising the role of class resources. Modern immigrants hold better class resources that, it is suggested, support and enable them to compete in diverse industries (Barrett et al., 2002; Collins, 2002). Better class resources refer to highly skilled immigrants who are middle class and hold intensive class resources, meaning that they hold higher human and financial capital than former generations.

The opportunity structure explanation places an emphasis on business opportunities of immigrant entrepreneurs in the co-ethnic market and ‘niches’ in the non-ethnic market (Aldrich & Waldinger, 1990; Aldrich, Zimmer, & McIvor, 1989). To Chinese entrepreneurs the co-ethnic market, the ethnic market and the Chinese ethnic market mean both the Chinese immigrant market and the New Zealand-born Chinese market. Kloosterman and Rath (2001, p. 191) point out that “[O]portunity structure was seen to consist of market conditions (‘ethnic consumer products’, ‘non-ethnic products’) and of access to ownership (‘business vacancies’, ‘competition for vacancies’ and ‘government policies’).” Furthermore, the literature has paid more attention to either the relationship between the co-ethnic population size and the co-ethnic business opportunities (Evans, 1989) or to the sectors where ethnic businesses are found (Fong, Anderson, Chen, & Luk, 2008). Little is known about the relationship between the co-ethnic population sizes (e.g., between the world cities and the non-world cities) and the characteristics of the opportunity structure facing them and the operational strategies used by Chinese immigrant entrepreneurs.
Aldrich and Waldinger (1990) introduce a three dimensional model that puts ‘culture’, ‘opportunity’ and ‘strategy’ together to understand immigrant entrepreneurship. In addition, the impact of the wider host country’s ‘economic environment and politico-institutional environment’ on the opportunity structure of immigrant entrepreneurship is a high priority (Kloosterman, Van Der Leun, & Rath, 1999; Leung, 2002; Peters, 2002; Pio, 2007) through “Mixed Embeddedness” approach. Kloosterman and Rath (2001) argue that the economic and politico-institutional environment of the host country influences the opportunity structure of immigrant entrepreneurship at the local, regional and national levels. Meanwhile, recent immigrants travel between the borders of the host countries and the country of origin and/or place of origin (Beal & Sos, 1999; Ho, 2003; Ip. 2006). In the 1990s, such transnational activities attracted scholars’ attention (Glick Schiller, Basch, & Blanc-Szanton, 1992; Kearney, 1995). Studies (Landolt, 2001; Leung; 2002) suggested that the socio-economic and political environmental changes in both the country of origin and the host country influence trans-nationalism. In general, the impact of the host country’s economic and politico-institutional environment on immigrant entrepreneurship has been researched (Kloosterman et al., 1999; Leung, 2002; Peters, 2002; Pio, 2007a, 2007b). In contrast, less attention was given to the influences of the country of origin. However, considering the role of the country of origin is necessary when scholars study contemporary Chinese immigrant entrepreneurs because, for example, as Ip and Pang (2005, p. 174) point out the ‘China factor’ influences Chinese immigrants:

[T]he ‘China factor’ used to link New Zealand Chinese with other overseas Chinese in their allegiance and loyalty to the far off Motherland. In recent decades, the China factor assumed global economic dimensions as Chinese transnational networks have spread to all corners of the world.

This suggests that there is an important influence of the country of origin/society – in this case, China – on the immigrants’ economic behaviours in the destination country. Kuah and Davidson (2008) and Tan (2007) provide overviews of overseas Chinese in their host countries, including New Zealand, the USA, the UK, Canada, South Africa and Australia. According to Ip and Pang (2005), the Chinese people in New Zealand were mainly sojourners before the late 1940s. The former generations of Chinese immigrants came mainly from Guangdong province to New Zealand as temporary labourers. They were married, but became single people in New Zealand due to New Zealand Immigration policy
which limited their ability to bring their families to New Zealand (Ip, 2003a; Ng, 2001). Ip and Pang (2005) point out that between the 1950s and the 1970s the Chinese community became an ethnic minority in New Zealand society because New Zealand immigration policy allowed their families to come as Second World War refugees. Since 1986, in the same way as other immigrants, the mainland Chinese together with others from Taiwan, Hong Kong, Singapore and Malaysia have met the new immigration requirements on financial and human capital, including qualification and work experience, and immigrated to New Zealand (Ip & Pang, 2005).

Entrepreneurial experiences of Chinese immigrant entrepreneurs are explored worldwide, such as in Australia (Collins, 2002), Canada (Chen, 2004; OECD, 2010), the USA (Li, 1997a; Li, 1995; Li, 1976) and New Zealand (Henderson, 2003; Ho, Bedford, & Goodwin, 1999; Ip, 2001; Ng, 2001; Spoonley & Meares, 2009). The Chinese immigrant entrepreneurs have been in New Zealand for about 150 years, when some of them became self-employed as storekeepers in the gold mining era and then became market gardeners and small business owners. Their small businesses were in a limited set of sectors before the 1980s (Ding, 2001; Henderson, 2003; Ip, 2003b; Ng 2003; Yee, 2001). Traditional Chinese occupations and/or industries are the specific occupations in which earlier generations of Chinese immigrants traditionally established themselves and/or became involved. These industries are greengrocery, Chinese restaurant, market garden and laundry. Chinese immigrants established and operated these businesses before the 1980s.

New Zealand implemented economic reforms in the 1980s to favour all private sectors. In the same way as other New Zealanders, Chinese immigrant entrepreneurs are able to run their businesses not only in the labour intensive occupations but also in the capital-intensive professional occupations (Liu, 2000). In addition, in 1986, following in the Australian and Canadian footsteps, New Zealand immigration policy changed to welcome applicants who can contribute to the New Zealand economy (Bedford, Ho, & Lidgard, 2001; Hiebert, Collins, & Spoonley, 2003; Li, 2008; Spoonley & Bedford, 2003; Trlin, 1997). Meanwhile, the Chinese economy also underwent dramatic reforms in 1978. Dollar (2007) explains that the China’s reforms are more successful than any other Asian countries for three reasons. First, the Chinese have higher human capital than is this case in other Asian developing countries. In 1990, on average, the Chinese adult population has received 5.2 years of
education; compared to 3.7 years in India or 3.5 for the rest of the Asian developing countries. The other two reasons are that China is open fully to foreign investment and creates an environment that benefits the private sector. Indeed, since 1978, the Chinese economic reforms have successfully improved Chinese living standards. As a result, a proportion of the Chinese population gained intensive human and financial capital sufficient for fulfilling the immigration requirements of advanced nations such as New Zealand, Australia and Canada (Dollar, 2007). For this reason, a large number of the Chinese population immigrated to New Zealand and other Western industrialised countries through highly skilled and/or business investor categories (Benson – Rea et al., 1998; Forsyte, 1998; Li, 2008). In this thesis, contemporary Chinese immigrants are Chinese people from mainland China who travelled abroad after 1986 for permanent residential purposes. The concept is synonymous with recent and/or new Chinese immigrants. Experience of recent Chinese immigrants in the job market and their entrepreneurship in New Zealand are explored (Benson – Rea, Haworth, & Rawlinson, 1998; Forsyte, 1998; The Longitudinal Immigration Survey, 2004). Nevertheless, these studies on Chinese immigrant entrepreneurs in New Zealand focus mainly on Chinese immigrants from Taiwan and Hong Kong (Beal & Sos, 1999; Ho et al., 1999; Ho, 2002; Ip, 1990, 2001; Liu, 2000). There is an opening in the study of contemporary Chinese immigrant entrepreneurs from other areas such as mainland China. Ip and Pang (2005, p. 176) point out:

To outsiders, Chinese New Zealanders seem uniformly successful, integrated and flourishing. In reality, sharp differences exist in their divergent regional origins, economic background, political experience, community culture and, most importantly, their history of identity formation.

Contemporary Chinese immigrants from China began to come to New Zealand in the early 1990s. These principal applicants were all highly educated and had relevant professional work experience in China, meaning that they hold higher human capital than former generations (Collins, 2002; Ip, 1996). Human capital refers to professional knowledge and skills an individual acquired through work experience and educational training by school and family and society.

Class resources are cultural and material. On the material side, class resources are private property in the means of production or distribution, personal wealth and investment in human capital. On cultural side, class resources of entrepreneurship are values, attitudes, knowledge and skills transmitted intergenerationally in the
course of primary socialization. As such, these cultural resources are class specific rather than common to an entire immigrant group regardless of class level (“cultural capital”) (Light & Bonacich, 1988, P. 19).

In this thesis, class resources refer to the combination of human and financial capital. Education refers to formal training that Chinese immigrants receive from schools either in their country of origin or in host countries such as New Zealand. Better educated defines the contemporary highly skilled immigrants who hold tertiary qualifications.

Recently, scholars (Ip, 2006; Wang & Thorns, 2009) have studied Chinese immigrants from China in New Zealand. Ip (2006) used data from the New Zealand census and interviews with 100 Chinese in Auckland and another 10 Chinese who returned to mainland China, to identify their characteristics and attitudes about their identity with the host country and the country of origin. The study found that most of them do not send their savings back to their country of origin and do not rely on their ethnic ties to find jobs but they do keep close ties to the country of origin. Spoonley and Meares (2009) also show that they travel and visit their networks in China regularly. These interesting findings raise another question about what other characteristics Chinese immigrant entrepreneurs from China have. When they keep close ties to China, do factors relating to origin influence their entrepreneurial experience in New Zealand?

Wang and Thorns (2009) interviewed 14 recent Chinese immigrants from China, who were professional workers, between 2006 and 2007 in Christchurch, New Zealand. The participants include academic researchers in the universities in New Zealand and travel agents, insurance advisers, real estate agents. Wang and Thorns (2009) argue that highly skilled Chinese immigrants could be successful only when they integrate their knowledge obtained from China (formal education) into the knowledge gained from New Zealand (the host country) through their daily lives. The article puts an emphasis on the adjustment of immigrants in the host country in general, rather than concerns about how Chinese immigrant entrepreneurs rely on their integrated knowledge to start-up and/or operate their businesses. In general, there is an opening in the study of Chinese immigrants from China, in particular, concerning high skilled Chinese immigrant entrepreneurial experience. In this thesis, the successful Chinese entrepreneurs are Chinese immigrant entrepreneurs who have been in the industry for more than three years, offering employment to themselves and/or
others. The above reviews require that further study is necessary to understand these questions.

1.1.2 A new and growing international phenomenon
According to the statistics of the government agencies from China, in the last decade a large number (i.e., more than 10 million) Chinese people went abroad each year for education, business and tourism – forming a huge consumer market in their host countries (see Appendix VIII). Chinese consumers require not only daily-use goods but also capital intensive, professional services and/or luxury products. The external environmental changes have shaped a unique opportunity structure for Chinese immigrant entrepreneurs worldwide which has created an international community for Chinese immigrant entrepreneurs in countries such as New Zealand, Australia, Canada and the USA to target and serve these Chinese consumers all over the world. Such a phenomenon is fundamentally different from activities of Chinese immigrant entrepreneurs three decades ago. The change can be accounted for by their country of origin – China – that plays a key role in influencing and connecting the overseas Chinese immigrant entrepreneurs in their host countries, particularly in the ‘world cities’ (Li & Teixeira, 2007; Price & Benton-Short, 2007). This niche market influences the opportunity structures of high skill immigrant entrepreneurs and forms their unique characteristics as ‘Trans-Migrant Entrepreneurs (the TMEs).’ The TMEs concept describes the Chinese immigrant entrepreneurs in this thesis who target their clients from their country of origin. The TMEs are mainly highly skilled immigrants who hold intensive class resources and respond to the economic growth of the country of origin, and find commercial opportunities in their host country to serve co-ethnic customers who come from their country of origin. Their co-ethnic market directly connects to their country of origin.

The TMEs phenomenon is growing as rapidly as the economic growth of the emerging market economy, such as China. It is necessary to study and understand it, to enable a greater understanding of the phenomenon of contemporary highly skilled immigrant entrepreneurs that today, for example, employ non-ethnic staff (Li, 2010). Through the TMEs model, the policymakers and immigrant entrepreneurs can understand the characteristics of highly skilled immigrant entrepreneurs and their different opportunity structures and operational behaviour in world cities and non-world cities. Theoretically, this
model provides a new methodology to study immigration entrepreneurship, to close the openings that exist in the current models such as the mixed embeddedness approach and/or transnationalism model. Both of which have paid insufficient attention to the impact of environmental changes in the country of origin on the characteristics, opportunity structure and behaviours of immigrant entrepreneurs. The TMEs improve the understanding between their co-ethnic and non-co-ethnic peoples because they provide the channels to assist their co-ethnic people to become internationalised. On the other hand, the TMEs promote the host country in the international market, to assist their host country’s economic growth. Both their country of origin and host nation should consider offering supportive policies to improve entrepreneurship.

1.2 The purpose of this thesis

This study aims to explore the role of the country of origin in terms of highly skilled immigrant entrepreneurship in large metropolitan and small city. The main research questions are ‘How do changes in the country of origin (home country) influence the characteristics of high skilled Chinese immigrant entrepreneurs? How do changes in the country of origin influence the opportunity structures and business operational behaviours of high skilled Chinese immigrant entrepreneurs in a large metropolitan and in a small city - each with a different relative co-ethnic population size? These were explored through interviewing a sample of Chinese immigrant entrepreneurs in Auckland and Hamilton, in relation to three areas: their characteristics in modern society, their business opportunities and the strategies used by them.

1.3 Overview of research methodology

The main research question is ‘How do changes in the country of origin influence the characteristics of high skilled Chinese immigrant entrepreneurs? How do changes in the country of origin influence the opportunity structures and business operational behaviours of high skilled Chinese immigrant entrepreneurs who are in a large metropolitan city and a small city - each with a different co-ethnic relative population size?'

The project began by setting up the appropriate theoretical foundations for the study which was mainly using the Aldrich and Waldinger’s (1990) three dimensions model. This thesis
reviewed the literature regarding immigrant entrepreneurship, including the characteristics of immigrant entrepreneurship, opportunity structures and strategies. This study employed a qualitative methodology, in-depth, semi-structured interviews by which the overall attitudes and entrepreneurial experiences of the Chinese entrepreneur participants were explored. The targeted research community comprised Chinese immigrant entrepreneurs who lived in Auckland and Hamilton, including self-employed, who came from China after 1986. The participants were selected from different sectors, two potential interviewees from each industry, identified from *Chinese Business Yellow Pages 2007*. The sample size in this study was 40 interviewees (i.e., entrepreneur participants). In order to understand Chinese immigrant entrepreneurial characteristics about their livelihoods, it used comparisons between Chinese immigrant entrepreneurs and employees. This study also included 37 Chinese immigrant employee participants from both Auckland and Hamilton, who took part in the interviews. Totally, seventy-seven Chinese immigrants from China participated in the interviews.

Using the theories and models from the relevant literature (Aldrich & Waldinger, 1990; Bonacich, 1973; Nanda, 1994; Teixeira, 2001), the interview topics were developed. The interview topic guide included questions on the participants’ demographic, businesses information and their entrepreneurial characteristics, business opportunities and strategies employed by them. Employee participants answered the topics that mainly dealt with demographic information and personality characteristics (see Appendix II).

Before data collection, application for ethics approval for the research project was prepared and submitted to the Auckland University of Technology Ethics Committee (AUTEC). Ethical issues were addressed and the ethics approval for the research project was obtained. The participants were advised that participation in the study was voluntary. The candidate gave the information sheet to each participant and/or read it to the participants over the phone in the telephone interviews. The participant signed the consent form; and/or confirmed to accept it over the phone in the telephone interviews. The interviews were conducted by face-to-face and by telephone with notes taken. The Mandarin language was used for the interviews which were then translated into English.
Data analyses were undertaken through coding, memo-writing and identifying themes and patterns. Participant’s demographic information was provided. Analyses focusing on each interview question were conducted. Each research question was explored by analysing a group of interview questions which were supplied in the interview guide. Existing theories together with the critical analysis approach were used to generate and interpret the findings (i.e., theories generated) through data reduction and display and analysis. Data were also explained through Pearson Chi-squares analysis to find the significant relationships among themes.

1.4 Structure of thesis

This thesis is presented in nine chapters, the first of which introduces the study. Chapter 2 reviews the theories and models in immigrant entrepreneurship literature. Using mainly the Aldrich and Waldinger (1990) three dimensions model, Chapters 3 and 4 identify ‘opportunity structure’, ‘group characteristics’ and ‘strategies’ of immigrant entrepreneurship in details. Chapter 5 introduces the research method and the participants. Chapters 6 and 7 present data analysis to explore ‘characteristics’ of highly skilled Chinese immigrant entrepreneurs from mainland China, while Chapter 8 explores ‘opportunities’ and ‘strategies’ used by Chinese immigrant entrepreneurs in Auckland (a world city) and in Hamilton (a non-world city). Finally, the last Chapter provides the new model. Limitations and suggestions for further research are addressed.

1.5 Contribution of this research

This study will outline models (the Zhang model, the TMEs model) in order to provide an explanation of highly skilled immigrant entrepreneurship, particularly in large metropolitan areas (e.g., the world cities). In addition, throughout the study, this thesis recommends the following original contributions to the knowledge body:

1) A gap in the existing literature:

Previous studies of Chinese immigrant entrepreneurs focus mainly on former generations and/or Chinese immigrants from Hong Kong and Taiwan (for example, Beal & Sos, 1999; Ho, Bedford, Goodwin, Lidgard, & Spragg, 1998; Ip, 1990; Ng, 2001).
The contributions this thesis has made:
This study fills a gap in the study of highly skilled immigrant entrepreneurs who enter into mainly capital intensive, professional service sectors.

2) A gap in the existing literature:
Having the host country’s knowledge and skills helps immigrants to start-up their businesses (Le, 2000; Li, 2001). Traditionally, Chinese immigrants obtain local experience through becoming apprentices within limited Chinese immigrant businesses (Chu, 2007; Light et al., 1993). Aldrich and Waldinger (1990) point out that some immigrants are unable to turn the human capital obtained from their country of origin into ‘positions’ in host country. Aldrich and Waldinger (1990) have paid insufficient attention to identify the routes though which immigrants could turn the human capital obtained from their country of origin to use in the host country.

The contributions this thesis has made:
This study found that recent Chinese immigrants transfer their human capital through utilising ethnic and non-ethnic resources which facilitates their wider access in capital and knowledge intensive industries.

3) A gap in the existing literature:
The ‘disadvantage’ hypothesis argues that immigrants have difficulties finding employment which subsequently pushes them to enter into self-employment (Light, 1979).

The contributions this thesis has made:
It found that disadvantages and discrimination exist not only in the employment markets but also in the work places, in both Chinese and non-Chinese companies. Being dissatisfied with their employment situations (i.e., low wages, conflict with management; and organisational inequalities) can catalyse immigrants’ motivation to enter entrepreneurship. The disadvantage theory should extend to include the work place.

4) A gap in the existing literature:
Aldrich and Waldinger (1990) point out that, immigrant entrepreneurs rely on ethnic networks to obtain information, labour and capital. Existing studies show that Chinese
immigrant entrepreneurs rely less on ethnic resources (Li, 1997; Liu, 2000). This thesis argues that if Chinese immigrant entrepreneurs rely less on traditional ethnic resources, new form of resources should replace the traditional ethnic resources.

The contributions this thesis has made:
It found that, to meet the demands of the market, Chinese immigrant entrepreneurs utilise mixed ethnic and non-ethnic resources. Particularly, when they serve mainly the Chinese ethnic market, they rely on non-ethnic resources. When they serve the mainstream market, they rely on Chinese ethnic resources and/or resources in China.

5) A gap in the existing literature:
Aldrich and Waldinger (1990) argue that immigrants, who come from poorer countries, are likely to be happier to earn less benefits than are the natives. However, they have paid insufficient attention to how other factors such as the socio-economic and political environmental changes in both the country of origin and the host country affect immigrants’ aspirational orientations toward entrepreneurship.

The contributions this thesis has made:
This study explored why Chinese immigrants started-up their businesses through analysing the impact of the different external environments between the country of origin and the host country on immigrants’ aspirational orientations toward entrepreneurship.

6) A gap in the existing literature:
Bonacich (1973) uses a classical model to describe the characteristics older immigrant generations had before the Second World War. As the modern Chinese people are not sojourners, this model is not suitable for the present study. Nevertheless, non-Chinese people do not have sufficient information about the differences between the modern Chinese people and the older generations, it is necessary to examine and provide the characteristics of the modern Chinese people to society.

The contributions this thesis has made:
This study provides the cultural and commercial characteristics of Chinese immigrant entrepreneurs symmetrically.
7) **A gap in the existing literature:**
Aldrich and Waldinger (1990) recognise the different aspirations between people who are wealthy (i.e., native) and poor (i.e., immigrants). However, they fail to explore what the different aspirational orientations toward entrepreneurship between immigrant entrepreneurs who are poor and wealthy are.

**The contributions this thesis has made:**
This research found that having different financial situations, Chinese immigrant entrepreneurs have diverse aspirations. In general, wealthy Chinese entrepreneurs focus on their personal reward. In contrast, the others focus on economic reward. This thesis argues that beside cultural backgrounds, personal financial situations influence Chinese immigrant entrepreneurial aspirations.

8) **A gap in the existing literature:**
Aldrich and Waldinger (1990) point out that ‘compared to the native-born, immigrants look for ‘more economic reward than social status’ and ‘prefer to take risks’. They are happier with ‘a low profit from small business.’ Aldrich and Waldinger (1990) generalise immigrants as a whole. They fail to explain why some immigrants, but not others from the same cultural group (i.e., differentiating between employer and employee) start-up in the same host country.

**The contributions this thesis has made:**
This thesis found that more entrepreneurs are happier with financial reward than employees are. But they have no differences about personal reward. Looking for financial reward is a key reason that attracts Chinese immigrants to become self-employed.

9) **A gap in the existing literature:**
The ‘Mixed Embeddedness’ approach focuses on the influences of the external environment of the host country on opportunity structures. ‘Transnationalism’ focuses on the role of transnational activities that facilitate immigrants settling down in the host country (Landolt, 2001). Both of them and the Aldrich and Waldinger (1990) model have
paid insufficient attention to how external changes in the country of origin and globally impact on the opportunity structure of immigrant entrepreneurship.

The contributions this thesis has made:
This thesis found that Chinese immigrant entrepreneurs enter into wider sectors, particularly in professional occupations. The majority of Chinese immigrant entrepreneurs serve mainly the Chinese ethnic market and/or the non-ethnic market that link to either the Chinese immigrant market or the Chinese market in China. The factors in both the host country and the country of origin shape and influence these niches. The finding suggests that scholars should consider the impact of the changes in both the host country and the country of origin on the opportunity structure of immigrant entrepreneurship.

10) A gap in the existing literature:
In the co-ethnic market, Aldrich and Waldinger (1990) point out that accessing ownership is easy. Nevertheless, they fail to consider whether or not it is still easy for immigrants to enter professional and capital intensive occupations. In addition, Aldrich and Waldinger (1990) point out that the immigrant companies have to work in limited industries. They have a poor profit. Their co-ethnic market limits their company growth. Nevertheless, the model fails to consider the influences of external environmental changes. For instance, Chinese immigrants have improved buying ability. How has such a change influenced Chinese immigrant entrepreneurship?

The contributions this thesis has made:
This thesis found that Chinese immigrant entrepreneurs in professional, capital-intensive occupations also encounter barriers (i.e., licensing requirement) in accessing ownership. In addition, in Auckland, when a larger number of immigrants come in a particular period, these Chinese companies could grow rapidly. But, to avoid co-ethnic competition, Chinese immigrant entrepreneurs suffer higher stress in innovating their services and products to meet the more intensive changing demands of Chinese immigrant customers than those in Hamilton. Besides, in the non-ethnic market Auckland, interethnic competition is still high. Chinese immigrant businesses do not gain great opportunities for high success.
11) A gap in the existing literature:
Aldrich and Waldinger (1990) place an emphasis on the ethnic network that facilitates immigrants’ obtaining necessary resources. The Aldrich and Waldinger (1990) model fails to explain the impact of the socio-economic and political environmental changes on the strategies employed by Chinese immigrant entrepreneurs to overcome barriers and compete for survival.

The contributions this thesis has made:
This thesis found that Chinese immigrant entrepreneurs develop strategies through a combination of their group’s characteristics and the opportunity structure that is influenced by the external environmental changes in both the host country and the country of origin. Working with New Zealanders and the local experts, Chinese immigrant entrepreneurs start-up and operate their professional businesses. Employing young Chinese graduates, their businesses meet the Chinese customers’ cultural needs and cut operational costs. Selling their companies’ shares to business immigration applicants, they sustain their businesses’ financial health. In Hamilton, the Chinese immigrant entrepreneurs tend to keep close ties with Chinese customers to maintain the Chinese ethnic market. In Auckland, Chinese entrepreneurs tend to use low prices, develop unique products, and use different promotional strategies to compete with other Chinese entrepreneurs.
PART 2

LITERATURE REVIEW
CHAPTER 2: IMMIGRANT ENTREPRENEURSHIP STUDY AND THEORIES

Chapter 2 reviews the literature, beginning with the concepts of entrepreneurship and immigrant entrepreneurship. It provides an overview of further studies in immigrant entrepreneurship that includes Chinese immigrant entrepreneurship in New Zealand. The second section reviews the theories and models in immigrant entrepreneurship literature.

2.1 Immigration entrepreneurship

2.1.1 Introduction to immigration entrepreneurship

The study of entrepreneurship goes back to Knight (1921) who identifies ‘risk’ as one of the key features of entrepreneurship. Schumpeter (1934) introduces the concept of ‘innovation’ that includes activities associated with new methods of production, the new markets and new products. Other people focus on the entrepreneurial service and product opportunities (Penrose, 1959), accessing information (Kirzner, 1967) personal qualities and human capital, including imagination, foresight, business experience and communication skills (Casson, 1991). Hills (1994) defines entrepreneurship:

Entrepreneurship is the process that takes place in different environments and settings and causes changes in the economic system through innovations brought about by individuals who generate or respond to economic opportunities to create value for both the individuals and the society. (Quoted in Agrawal & Chavan, 1997, p.1)

Hills’ definition is just one of many definitions of entrepreneurship. None of them gives a comprehensive definition (Iakovleva, 2002) but innovation and risk-taking are the important features that are emphasised in most definitions. Since it is not easy to give entrepreneurship a perfect definition, relevant defining questions, such as whether an individual tries to start-up a new business or be self-employed are used to identify entrepreneurship activities (Crothers, 2002).
Entrepreneurship plays an important role in today’s economy and the employment market and becomes the engine of economic and social development throughout the world. Constant and Zimmermann (2006, p. 279) point out:

Entrepreneurship not only injects new dynamism into an economy but it is also of great importance for the economic prosperity and the future economic development of a country. Entrepreneurship is also a significant element in combating unemployment and welfare drain through job creation, at the very least for the self-employed themselves. Small entrepreneurs, in particular, have contributed in the creation of revolutionary businesses and they account for the majority of the employed workers.

The Global Entrepreneurial Monitoring Survey (GEM) (Frederick, 2004) studies entrepreneurship through surveys involving 41 countries which enables comparative research amongst participant countries. According to GEM, New Zealand has the highest level of entrepreneurship among western countries. Entrepreneurs play a critical role in the New Zealand employment market.

Waldinger et al. (1990, p. 3) consider the features of ethnic entrepreneurship to be “[A] set of connections and regular patterns of interaction among people sharing a common national background or migration experience.” Ethnic entrepreneurs employ co-ethnic employees and service co-ethnic customers. In a comparative study between Asian and Latino entrepreneurs, through a structured questionnaire survey with 112 samples, Chaganti and Greene (2002, p.126) suggest the term “[Ethnic entrepreneur] should be defined by the level of personal involvement of the entrepreneur in the ethnic community instead of reported ethnic grouping.” This should consider factors including personal background characteristics and values, business goals, strategies and performance of immigrant entrepreneurs. For example, Chaganti and Greene point out that ethnic entrepreneurs prefer to enter sectors with low entry barriers. Indeed, this causes distinctions between ethnic business study and the business study in general which considers no differences between ethnic and non-ethnic entrepreneurships (Kloosterman et al., 1999). Rath and Kloosterman (2000) point out that the immigration entrepreneurship study can be located at the intersection of a number of rather different scientific disciplines, such as sociology and economic geography and small business study in general. This means that it can be explained in different ways.
They are the same: From the economist’s point of view, in general, all ethnicities are the same because all businesses have their niches. They are staying in the industry because they have their advantages in serving that particular niche. To compete with others, they all have to focus on innovating their operations and take risks.

They are different: Firstly, their behaviours are different. For instance, Nandan (1994) studied Indian dairy shops in New Zealand and pointed out that Indians entered into mainstream businesses, but Chinese rely mainly on the Chinese immigrant market. Secondly, their opportunity structures are different. The Aldrich and Waldinger (1990) model has identified different opportunity structures between natives and immigrants because their distinct experiences affect their diverse aspirations, goals and skills. Thirdly, Chinese entrepreneurs experience more challenges in New Zealand compared to the native entrepreneurs because English is their second language. For example, the requirement set by the Immigration New Zealand is that all Chinese immigration consultancies should meet the IELTS 7.0 in order to obtain an agent licence because English is their second language. However, there is no requirement for natives as they are native English speakers. This is an opportunity structure difference.

The above discussion demonstrated that, immigrant entrepreneurship can be explained in different ways. Both explanations are supported by the different disciplines in the different point of views.

Distinction between immigrant entrepreneurship and ethnic entrepreneurship

*Immigrant entrepreneurship* means self-employment within the immigrant group at a rate much in excess of the general rate. “*Ethnic entrepreneurship*” means ethnic minority specialisation in self-employment without, however, imposing the requirement of foreign-born origin. Thus, immigrant entrepreneurship turns into ethnic entrepreneurship when a second, native-born generation continues the self-employment of the parental generation. Obviously, immigrant and ethnic entrepreneurship often accompany one another (Light & Bonacich, 1988, P. 19).

This thesis, rather than study entrepreneurship in general, focuses on the study of immigrant entrepreneurship. What is an immigrant entrepreneur? Light, Bernard and Kim
(1999, p. 5) point out “[U]nlike ethnic economies, in which co-ethnics hire co-ethnics, immigrant economies arise when immigrants hire non-co-ethnic fellow immigrants.”

This thesis defines that

An immigrant entrepreneur is an individual, who works individually, or employs others, is involved in either co- or the non-ethnic market, or both, to respond to a disadvantaged position and/or economic opportunities through entrepreneurship, including taking a risk by starting-up and innovating to meet demands of the market.

Immigrant entrepreneurship is recognised as an economic driving force in many western countries. Using a number of data sources, including the 2001 New Zealand census and an Auckland City Council survey, Crothers (2002) examines the business environment in Auckland and the role of immigrant entrepreneurship. Crothers points out that those immigrant entrepreneurs have the advantage of understanding co-ethnic tastes and preferences. They start-up their businesses to serve the niche market and drive local economic development. In addition, they have international ties. They are able to introduce the new market to their host countries such as New Zealand (Harkess et al., 2009; New Zealand Immigration Service, 2008). This is important to New Zealand economic development because New Zealand is one of the most isolated countries in the world. It is necessary to develop the international market (Frederick, Thompson, & Mellalieu, 2004).

Traditionally, the image of earlier generations of immigrant entrepreneurs was not perfect, as described by Peters (2002, p. 39): “[The immigrant entrepreneur was] arriving as an adult with little or no capital and relatively few qualifications and subsequently moving from unemployment into self-employment in a business that requires little capital outlay, few qualifications and minimal English language competency.” This situation does not always occur. Peters (2002) shows that this image fits the characteristics of only the first generation of immigrant entrepreneurs in studies of Western Australia. Using census data and reviewing relevant literature, Peters (2002) explains immigrant entrepreneurship in Western Australia from a historical perspective, through the “mixed embeddedness” approach.
Reviewing immigrant business in the UK from both cultural and economic structure issues, together with census data, Barrett et al. (2002) identify that the disadvantages of immigrant entrepreneurs in mainstream society push them to become entrepreneurs. Due to a lack of class resources, immigrant entrepreneurs enter industries with easy set-ups which are labour intensive, highly competitive with a low profit. Moreover, these businesses have high failure rates and produce quantity but not quality businesses. A common phenomenon is that immigrant businesses concentrate in limited industries. For instance, using survey data collected from five Asian groups and three Hispanic groups to compare with whites and blacks in non-Hispanic groups, Logan, Alba and McNulty (1994) show in 17 metropolitan areas of the U.S.A. that immigrant businesses concentrate mostly in a few sectors such as food and retail. Peters (2002, p.38) describes how the first generation of immigrants started-up their businesses and then become role models that influenced their followers to enter into the same business sectors:

It begins when chain migration pioneers find and operate a business niche, later they sponsor co-ethnics into this niche by providing advice, employment, patronage, credit and/or skills training. During the process, the initiator-entrepreneur’s behaviour becomes a model for the actions, dreams, attitudes and beliefs of increasing numbers of compatriots. Later arrivals adopt similar strategies because resources most available to entrepreneurs are common to the whole group. Though uncoordinated, these parallel decisions pushed ethnic groups into select niches just as if a master plan were in effect.

The explanation of why immigrant entrepreneurship exists in advanced economies attracts attention of many researchers from the USA (Aldrich & Waldinger, 1990); Britain (Barrett, et al., 2002); Canada (Marger, 2001; Li, 1998); Australia (Peters, 1999, 2002) and New Zealand (Ho et al., 1999; Ip, 2001, 1996, 1990; Pio, 2008, 2007a, 2007b, 2006). In general, former generations of immigrant entrepreneurs relied on their ethnic resources such as unpaid family labourers (Barrett et al., 2002; Collins, 2002) to serve their co-ethnic market such as in an ‘enclave economy’ (Portes, 1987). They could enter the non-ethnic market in the unpopular occupations within the mainstream business communities (Waldinger, 1986) or take on a ‘middle role’ (Bonacich, 1973).

Evans (1989) considers that a ‘co-ethnic group’ is a niche to immigrant entrepreneurship and suggests that a large immigrant community group provides more niches for their co-
ethnic immigrant entrepreneurs than a small immigrant community group. Furthermore, living in a large urban area where ethnic groups are concentrated, members of the immigrant groups tend to become self-employed because the big co-ethnic population offers more market opportunities. In addition, when an immigrant community has many members who do not speak English, their co-ethnic immigrant entrepreneurs will access protected niches to serve their co-ethnic clients. Also, non-English speakers provide their co-ethnic entrepreneurs with a protected labour pool. Another example is in Canada. Using Canadian census data, Li (1993) shows that the size of the Chinese population influences Chinese immigrant businesses.

2.1.2 Impact external of environmental changes on immigration entrepreneurship

Spoonley and Bedford (2003, p 316) point out:

New Zealand at the beginning of a new century is at an interesting crossroad. The old understandings and certainties have gone. The restructuring of the state, especially the departure of many of the provisions and institutions of the welfare state, the effects of globalisation, the repositioning of New Zealand in line with the economic and political interests of the Pacific and Asia regions and fundamental changes to the nature of work and community have all contributed to the transition to a new era.

There were two important changes in New Zealand that have influenced the opportunity structures of Chinese immigrant entrepreneurship. One was the New Zealand economic reforms in the 1980s, the other was New Zealand’s immigration policy changes in 1986/87. The effects were seen in the 1990s. In 1984, after the election, the new Labour government implemented economic reforms by incorporating more private sector friendly policies. The government cut agricultural subsidies and removed trade barriers. The deregulation of public owned companies reduced the role of the government in the economy. Furthermore, the foreign exchange rate was floated and import regulation was liberated. These policies provided all New Zealanders with more freedom to start-up their own businesses. For example, it took an average of only 12 days to set up a new company, compared to 43 days in other countries (see the World Bank’s “Doing Business 2008 Survey”). According to the World Bank’s “Doing Business 2008 Survey,” New Zealand became a well-known country for its “business freedom.” The Global Entrepreneurial Monitoring Survey (GEM)
(Frederick, 2004) studies global entrepreneurship through a survey of 41 countries. New Zealand was ranked at the highest level of entrepreneurship among western countries. The study found that almost all New Zealand entrepreneurial activities are stimulated by structural opportunities. As a minority group in New Zealand, Chinese immigrants have accessed these great opportunities for start-up. In addition, entrepreneurial opportunities also exist in their co-ethnic community which is influenced by New Zealand immigration policy changes.

Following in the footsteps of Australian and Canadian immigration policy changes, New Zealand immigration policy was changed in 1986 when the newly elected Labour government wanted to attract more immigrants who could contribute to New Zealand’s economic growth and to society. The new immigration policy targets both business immigrants and highly skilled immigrants and treats all applicants equally regardless of their origins. This policy was further enforced by the National government in 1990, with an added emphasis on Asia (Bedford, Ho, & Lidgard, 2001; Hiebert, Collins, & Spoonley, 2003; Trlin, 1997). Bellows are visa categories:

**The investor visa category:** In 2009, business visa changed into three categories. Firstly, the Global Category requires the investment of NZ$20 million for at least four years, NZ$5 million of which must be actively invested in New Zealand. Secondly, the Professional Category requires the investment of NZ$10 million for at least four years, NZ$2 million of which must be actively invested in New Zealand. Thirdly, General Category (Active) requires the investment of NZ$2.5 million for at least four years in New Zealand actively. The applicants should meet other requirements such as a minimum of four years business experience, be under a maximum age, English language, settlement funds, a minimum time spent in New Zealand during the application, as well as good health and character.

**Long term business visas (LTBV) category:** This category was introduced in 1999. The applicants must have successfully established a business in New Zealand; their businesses must benefit New Zealand; and the applicant must meet an English requirement. The policy changed in 2006 to raise the English requirement from IELTS 4.0 to IELTS 6.0. This change decreased the number of applicants from China. The current policy is that investment capital should be at least NZ$500,000 while holding an initial nine-month long
term business visa; applicants have to have business experience relevant to their business proposals; the English requirement is IELTS 4.0; and at least three new FTE (full-time equivalent) jobs be created for New Zealanders. These must be new jobs in addition to positions already existing in business. They must be self-employed by their businesses in New Zealand for two years (inclusive of time spent on LTBV); applicants must meet health and character requirements. Finally, residence could be granted once requirements are fulfilled.

Skilled migrants’ category: The applicant must have good health, character and an IELTS 6.5 and over; the applicant can claim points from skilled employment in New Zealand. Others are work experience, a recognised qualification, age (55 years or younger) and close family. This category favoured Chinese immigrants. By 2002, approximately 14,400 Chinese immigrants came to New Zealand, dominating the source of immigrants under this category.

Li (2008) reviews immigration policy changes of the United States, Canada, Australia and New Zealand and outlines the consequences of contemporary immigration policy changes that form four kinds of immigration categories. The ‘Immigrant Race and Class Hierarchies’ consists of transnational elites who are company executives and business investors. The ‘Skilled, Middle-Class Immigrants’ are mainly permanent immigrants who undertake the knowledge-based occupations. The other two categories are ‘Other Immigrants by the Sponsorship of Extended Family Members’ and ‘Undocumented Migration.’

Immigration patterns change as business and highly skilled immigrants come in. The importance of class resources, consisting of human and financial capital is emphasised in immigrant entrepreneurship success. Barrett et al. (2002) suggest that the accumulation of class resources of immigrant entrepreneurs is most important for their entrepreneurial success. Meanwhile, the impact of the wider host country’s economic environment and politico-institutional environment on the opportunity structure of immigrant entrepreneurship is a high priority (Kloosterman et al., 1999; Leung, 2002; Peters, 2002; Pio, 2007) because “[E]thnic enterprise is in no way isolated from the surrounding environment” (Barrett et al., 2002, p.11). For example, Ding (2001) reviews Chinese
immigrants in New Zealand. In the 1960s, the New Zealand economy enjoyed a great period. The job market was good. Almost all New Zealanders, including Chinese could have jobs in the mainstream employment market. Many Chinese began to leave the fruit shops, market gardens and other small businesses and find jobs in the mainstream New Zealand. This change made it hard for Chinese small business owners to find Chinese staff. They turned to other ethnic groups within New Zealand in search of employees (Ding, 2001). In Canada, Li (1993) shows that when Canada’s immigration policy changes to limit the number of Chinese chefs working in Canada, this change causes a shortage of Chinese chefs in Canada (Li, 1993).

According to Kloosterman and Rath’s (2001) three levels approach, immigrants have to consider some questions before starting-up their businesses, including “are national economic environment and national policies good for the businesses they want to enter?” And “how do regional and urban policies impact on the markets?” By answering the above questions, they can evaluate the opportunities for starting-up their businesses. For example, during World War II in New Zealand, since there were strong demands for vegetables and fruits, the government encouraged the Chinese market gardeners to make more products to support the army. The Chinese market gardeners did well (Ding, 2001, p. 26). Beyond the national level, immigrant entrepreneurs have to consider how regional and urban policies impact on the market. For example, before selecting a business to enter, it is always good to ensure that such businesses are consistent with regional and urban development objectives and strategies. At neighbourhood level, immigrants have to consider the size of the ethnic groups, along with the tastes and habits of the local communities.

Since the 1980s, the phenomenon of ‘astronauts’ (Beal & Sos, 1999; Ho, 2002) has occurred whereby immigrants do business by travelling across-nations. This is because, in the globalisation era, cheap travel fares and phone cards are available to immigrants. Scholars (Davidson & Dai, 2008; Ip, 2008; Tan, 2007) argue that the traditional concept of immigrants should be defined as transmigrants. Ip (2008. p. 33) points out those transmigrants build social fields that cross geographic, cultural and political borders, maintaining multiple involvements in both home and host societies where they are engaged in
patterned, multifaceted, multicultural processes that include economic, socio-cultural and political practices and discourses.

Meanwhile, Li (2008, p. 74) describes the ‘Changing Immigrant Settlement and Communities:’

Within these immigrant communities, goods and services primarily catering to first generation adult immigrants, as well as language schools for later generations, are abundant ... Such communities exhibit intense transnational connections to countries of origin, from communication and travel and visiting family members and relatives, to the country of origin societies and politics.

Recent immigrants keep intensive economic ties with their countries of origin (Ip, 2006; Li, 2008). The economic and political environments of the country of origin will be considered in order to understand immigrant entrepreneurship.

2.1.3 Chinese immigrant entrepreneurship

It was said that Chinese people first went to European countries as sailors and then they started-up small businesses such as food restaurants and laundries near the harbours of European countries. Others went to the USA, Australia and then New Zealand as gold seekers. The studies show that former generations of Chinese immigrant entrepreneurs, before the Second World War, became storekeepers, market-gardeners, greengrocers, or laundry-owners in their host countries such as Australia (Collins, 2002), Canada (Chen, 2004) the USA (Li, 1976) and New Zealand (Henderson, 2003; Ng, 2001). Up to the 1980s, former generations of Chinese immigrants had limited class resources, hence, relied heavily on ethnic resources within limited sectors (Ding, 2001; Ip, 2006).

In 1986, New Zealand immigration policy was adjusted to attract applicants with appreciable education, business and professional experience. The new Chinese immigrants came from mainland China, Hong Kong and Taiwan during the last two decades (e.g., Collins 2002; Liu, 2000; Wong & Ng, 1998). Analysis of data from the 1996 New Zealand census and the survey data from New Zealand and Hong Kong, Ho et al. (1999) shows that disadvantages such as the non-recognition of their overseas qualification and work experience and having English as their second language, pushed Chinese immigrants from Hong Kong to enter into self-employment in New Zealand. Ho (2003) shows that in 2001,
there were 10,458 immigrants from Hong Kong, 10 percent of the total Chinese population in New Zealand. After 1997, the number of Hong Kong immigrants decreased with many returning home. The study shows that changes in the Hong Kong’s socio-economic and political environment and barriers existing in the New Zealand employment market caused such a phenomenon. Meanwhile, in 1998, by interviewing approximately 80 Chinese immigrants from Australia and New Zealand (30 of whom were Chinese immigrants from Taiwan), Beal and Sos (1999) show that the main reason that Taiwan-Chinese immigrants migrated was for better lifestyles and child education. Most of them had unrealistic expectations and failed in their settlement in the host countries. They travelled between borders, were labelled ‘astronauts’. They usually had their own businesses in their places of origin whilst living abroad for an improved lifestyle and education. After 2000, the majority of Chinese immigrants come from mainland China.

Compared to former generations, contemporary Chinese immigrants have high human capital (e.g., high qualifications and professional work experience), rely less on their ethnic resources and thus enter into diverse industries (Ding, 2001; Liu, 2000). Liu (2000) and Marger (2001) argue that contemporary Chinese immigrants rely less on ethnic networks than did their predecessors because, as recent immigrant entrepreneurs enter diverse and technical industries, their families and friends cannot provide useful information and advice. Yoo (2000) suggests that recent immigrant entrepreneurs hold sufficient human capital that can help them access the information sourced by mainstream society and local networks (Verdaguer, 2003).

From ‘gold seekers’ (Ng, 2001) to ‘astronauts’ (Ho, 2002; Ip, 2001, 2006), Chinese immigrants’ class resources change considerably. Recent Chinese people have backgrounds and aspirations that differ from former generations (Ip, 2006). Li (1993) suggests using different approaches to explain different types of Chinese immigrant entrepreneurship. For instance, the approaches of blocked mobility and kinship ties used to explain Chinese small family businesses success before the 1980s. Nevertheless, the approaches of blocked mobility and kinship ties are less efficient in the explanation of recent Chinese immigrants.
2.2 Theories of immigrant entrepreneurship

In general, the existing theories and models mainly originate from scholars in North America. This section reviews these theories and models.

2.2.1 The disadvantage theory

The disadvantage hypothesis argues that immigrants have difficulties finding employment, so starting-up a business is the only way of gaining employment. Using the USA census data, Light (1979) examines the patterns of self-employment by immigrants and suggests that immigrants’ disadvantages in the job market push them to enter self-employment. They have to start-up small-scale ethnic businesses to survive.

In her study, Dana (1997) suggests that when immigrants are denied access to mainstream society and political power, in particular, when their overseas qualifications and work experience are not recognised and when their English skills are poor, when they are faced with disadvantages in looking for ideal jobs; they are likely to become self-employed. By interviewing Indian women entrepreneurs in New Zealand, Pio (2006, 2007) shows the entrepreneurial path of the Indian women from being in a disadvantaged position in the job market to becoming business owners. The Indian women experienced obstacles, including discrimination, lack of knowledge and less opportunity to acquire government resources. According to Benson–Rea et al. (1998), highly skilled Chinese immigrants from China experienced disadvantages in New Zealand job market. The disadvantage theory is relevant to them.

2.2.2 The cultural theory

The cultural theory promotes the idea that ethnic resources help an immigrant to start-up and sustain a business in the advanced economy. For instance, relying on ethnic social networks, immigrant entrepreneurs can access the necessary labour, capital, information and family support (Peters, 2002). Cultural explanation puts an emphasis on the fact that the ethnic groups’ particular cultural element provides useful practices. For instance, the Chinese culture involves being industrious, saving and reinvesting earnings in business (Li, 1993; Wu, 1983) and Chinese cultural elements such as valued family support, hard work, education and land help overseas Chinese people become entrepreneurs and contribute to
the success of their entrepreneurship (Goldberg, 1985). All of the preceding suggests that the cultural theory is relevant to this thesis.

2.2.3 The ethnic enclave model

The ethnic enclave theory argues that the concentration of immigrants in some occupations is the result of their disadvantages in the mainstream employment market. An ‘ethnic enclave’ is a special form of ethnic resources where ethnic entrepreneurs are interlinked to form their own ethnic businesses networks. They find labourers through the immigration chain. They employ their co-ethnic employees and serve mainly co-ethnic customers (Portes, 1987; Wilson & Portes, 1980). Portes and Jensen (1989) examined the characteristics and consequences of participation in an ethnic enclave economy through analysing the longitudinal survey data and data from the 1980 census of Cuban-born adult immigrants in South Florida. This study shows that residential clusters are not necessary for ethnic enclave economy. Ethnic enclave economy is formed because of the concentration of ethnic companies, rather than dwellings.

Using the 1981 census data from all non-Anglophone countries represented in Australia, Evans (2005) shows that ethnic enclave benefits poor English-speaking immigrants who could have a better job in co-ethnic businesses than in local firms. That study shows a positive relationship between poor English-speakers and the employment in an ethnic enclave economy. However, there is a very weak or no relationship between English-speakers and employment when immigrants speak middle level and fluent English. Using data from the 2001 Canada census, Li and Dong (2008) show that incomes of Chinese employees in enclave businesses is lower than that of Chinese employees in majority businesses. Logan et al. (1994) show that the enclave economies in 17 USA metropolitan areas normally consist of ethnic food and manufacturing sectors. Minority businesses concentrate in a few industries with low-wages, of which a high percentage of the employees are female. In this thesis, income refers to the total personal gross income annually earned by immigrants through economic activities as self-employment. It does not include cost of sales, operating expenses.

Reviewing the literature and immigrant population development in Australia and analysing government statistics and data from the Australian censuses, Agrawal and Chavan (1997)
examine the development of immigrant entrepreneurship in Australia and identify the relevant theories to the Australian context. Agrawal and Chavan (1997) argue that neither the ethnic enclave theory nor the middleman minority theory relate to Australian immigrant small business because the number of immigrants of any one cultural group is low. This theory is not relevant to the Chinese immigrant entrepreneurs in New Zealand because, according to the New Zealand 2006 census, the total population of Chinese group is less than 15 percent of the aggregate population in Auckland. In addition, there is no such big Chinese population being concentrated in particular occupations in either Auckland or Hamilton, New Zealand.

2.2.4 The middleman minority model
Blalock (1967) first developed the concept of the ‘middleman minorities’ because by relying on their competitive advantages, a particular ethnic minority can occupy an intermediate position, such as the Chinese people in South East Asia, the Jews in Europe before the Second World War. Bonacich (1973, p. 584) points out:

Middleman minorities tend to concentrate in certain occupations, not only trade and commerce, but also agent, labour contractor, money lender and broker. They play the role of middleman between producer and consumer, elite and masses and plug the status gap between elites and masses.

This model assumed that middleman minorities are sojourners who wish to make their fortunes and return to their homeland. Thus their status of being temporary residents gives these ethnic minorities unique characteristics and different behaviours from settlers or the locals. They are strangers to the host nationals; Bonacich (1973) argues that immigrants being sojourners results in the formation of their unique characteristics which shapes their stranger status and causes hostility in mainstream society. As Bonacich (1973, p. 593) wrote: “[M]iddleman minorities are strangers, they keep themselves apart from the societies in which they dwell.” Bonacich (1973, p. 586) wrote: “[T]hey have strong ethnic ties. They have no desire for full participation in their host community life.”

Reviewing the earliest Chinese immigrants in New Zealand between 1865 and 1901, Ng (2003) points out that after the Second World War, immigration policy changed to allow
Chinese families to come to New Zealand. Since then, Chinese immigrants have changed their status as sojourners in New Zealand (Ip 2003a).

As modern Chinese immigrants are not sojourners, this model is not suitable for the present study. However, it is necessary to provide the characteristics of the modern Chinese immigrants to society. For this reason, this thesis uses the characteristics identified in the model as a part of the frameworks.

Pitfall: The disadvantage theory, the cultural theory, the ethnic enclave theory and the middleman minority model all focus on studies about ethnic cultural elements; but they do not explain why ethnic groups have different start-up rates from nations. Therefore, others study the opportunity structures of host countries in relation to for immigrants’ access ownership.

2.2.5 The ecological succession concept

The ecological succession concept suggests that when the environment of a residential area changes, for instance, the immigrant population increases, the native people tend to move to other areas and their population decreases. The co-ethnic population provides favourite niches to immigrant entrepreneurship. Immigrant businesses are increasing (Aldrich, Zimmer, & McEvoy, 1989; Evans, 1989). Through observation, interview and population studies in four USA business sites, Aldrich and Reiss (1989) show that when the black population increases in one area, this causes a transition from the local (white) business ownerships to black ethnic ones. Aldrich et al. (1989) argue that accordingly, these large-scale areas and high residential concentrations of new immigrants favour the growth of ethnic enclaves. Aldrich’s et al. (1989) study tests the hypotheses through the observation study of 571 small shops in British and USA cities.

This model is relevant to this thesis as it is a common phenomenon for the Chinese agencies to promote existing businesses (i.e., through local Chinese newspaper) and generate a trend whereby some Chinese immigrants access ownership through buying existing local businesses.
2.2.6 The opportunity structure theory

The opportunity structure model emphasises that the host country has demands for small-scale commercial activities although such demands do not favour the big scale distribution and production. In such situations, native people’s businesses are not interested. They lower barriers for immigrants to achieve access. When immigrants cannot find employment in mainstream society, they rely on their ethnic resources and start-up businesses to serve these niches. For instance, immigrant entrepreneurs have the advantage of knowing their co-ethnic customer preferences and offering comfortable service because they speak the same language and have skills to serve their co-ethnic customers. Their co-ethnic customers like to go shopping within their co-ethnic community and form a protected market (Evans, 1989). In addition, they can serve the non-ethnic market in which mainstream businesses are not interested (Aldrich & Waldinger, 1990; Aldrich et al., 1989). Aldrich and Waldinger (1990) point out that immigrant businesses are in the mainstream market (i.e., the non-ethnic market) under the following four circumstances: “[U]nderserved or abandoned markets, markets characterised by low economies of scale, markets with unstable or uncertain demand and markets for exotic goods” (p116). The reasons for immigrants’ entering ‘niches’ are:

- Immigrants like to take risks and work longer hours. They also prefer to obtain small benefits because when compared to their income in the country of origin, small benefits are still comparatively large.
- In comparison to larger local firms, entering small businesses, immigrants can rely on their families and/or available co-ethnic resources to gain.

However, this model fails to consider the impact of the external environment and the differences between ethnic groups on immigrant entrepreneurship.

2.2.7 The interactive theory, the Aldrich and Waldinger (1990) model

In the 1990s, Aldrich and Waldinger (1990) promoted the interactive model. According to the Aldrich and Waldinger (1990) model, the traditional strategy used by immigrants was created through interactions between the group’s characteristics and the opportunity structures in the host countries. The interactive approach argues that there is congruence between the informal resources of the ethnic population and the demands of the host country economic environment. The interactive approach considers that immigrant
entrepreneurial opportunities exist in the interactions between the demands of the economic structure and the availability of ethnic resources such as immigrant family labourers and community. There is a good example: by interviewing 30 Indian dairy shop owners in the Auckland region and using data from the New Zealand census, Nandan (1994) shows that Indian immigrants owned 84 percent of total dairy shops in the Auckland region. They worked long hours and relied on unpaid labourers. Their wives operated their businesses on a full time basis.

In immigrant entrepreneurship studies, the cultural theory and the opportunity structure are two key theories and they compete with each other. The Aldrich and Waldinger (1990) model combines ‘culture’ and ‘opportunity’ methods to understand immigrant entrepreneurship (Li, 1993). Aldrich and Waldinger (1990, p 114) point out:

Opportunity structures consist of market conditions which may favour products or services oriented to co-ethnics and situations in which a wider, non-ethnic market is served. Opportunity structures also include the ease with which access to business opportunities is obtained and access is highly dependent on the level of interethnic competition and state policies.

Group characteristics include predisposing factors such as selective migration, culture and aspiration levels. They also include the possibilities of resource mobilization and ethnic social network, general organizing capacity and government policies that constrain or facilitate resource acquisition.

Strategies emerge from the interaction of opportunities and group characteristics, as ethnic groups adapt to their environments.

Figure 2.1 presents the Aldrich and Waldinger’s (1990) three dimensions model.

Both Agrawar and Chavan (1997) and Aronson (1997) recommend the interactive model. Agrawar and Chavan (1997) point out that this model is appropriate for explaining immigrant entrepreneurship in Australia. Aronson (1997) points out that “[the model provides] a conceptual framework and identifies a wide range of factors which have an impact on ethnic entrepreneurship” (Aronson, 1997, p. 6). However, both Light and Bhachu (1993) and Kloosterman and Rath (2000) identify the pitfalls of the interactive model, in that it ignores local economy influences on immigrant entrepreneurship. For instance, between the world cities and the non-world cities, the different external environments will produce different opportunity structures of Chinese immigrant entrepreneurship.
Figure 2.1: The Aldrich and Waldinger (1990) Three Dimensions Model
Limitations and concerns:

Group characteristics: The Aldrich and Waldinger (1990) model emphasises the skills (human capital) and goals (cultural orientation, aspirations) immigrants brought from their country of origin to their entrepreneurship in the host country.

1. Skills (human capital): Aldrich and Waldinger (1990, p. 123) point out that “Some immigrant group members have not been able to turn their previous education and experience into positions in the host country... so they turned to start up.”
   - Limitation is that it fails to identify the routes through which immigrants could turn human capital obtained from the countries of origin to use in the host countries.

2. Goal (cultural orientation, aspirations) towards entrepreneurship: Aldrich and Waldinger argue that the reason immigrants prefer to enter into small business ‘niches’ is that immigrants come from poor countries, so they prefer to take risks, receive a low profit, work in small-scale businesses and look for economic gains rather than social status. There are three limitations however:
   - Limitation one: the model considers immigrants as a whole, but fails to explain why some immigrants started-up while others from the same cultural group in the same host country did not.
   - Limitation two: the model identifies the influences of their poorer country of origin on immigrant aspirational orientations toward start-up of their businesses, but it fails to explore how other factors in the country of origin impact on immigrants’ aspirations toward entrepreneurship.
   - Limitation three: the model recognises the different aspirations toward entrepreneurship between people who are wealthy (i.e., native) and poor (i.e., immigrant), but it fails to explore the different aspirational orientations toward entrepreneurship between the wealthy and poor immigrant entrepreneurs.
Opportunity structure:

1. In the co-ethnic market
   - Limitation one: the model argues that access to ownership in the co-ethnic market is easier than in the non-ethnic market. But it fails to consider whether or not entering professional, capital intensive occupations in the co-ethnic market is equally easy.

   - Limitation two: the model points out the outcomes of the Immigrant Company working in small businesses, in limited industries and receiving a poor profit. But the model fails to consider the influences of external environment changes, for example, Chinese immigrants have improved buying power that forms the capital-intensive co-ethnic market. This change will influence the outcomes of immigrant entrepreneurship.

2. In the non-ethnic market
   - Limitation: the model argues that by accessing the non-ethnic market, immigrant entrepreneurs gain great opportunities. But it does not consider the impact of competition between co-ethnic businesses in the non-ethnic market on the opportunity structure of immigrant entrepreneurship.

Strategies

   - Limitation: The emphasis of the model is on the ethnic networks that help immigrant entrepreneurs obtain ethnic resources. But it does not consider the fact that ethnic customers also need non-ethnic products and services. Immigrant entrepreneurs have to rely on non-ethnic resources available to serve co-ethnic customers. Their non-ethnic network should also be considered.

Using the three dimensional model (Aldrich & Waldinger, 1990), chapters 3 and 4 review those ‘group characteristics’ (chapter 3), ‘opportunity structures’ and ‘strategies’ (chapter 4) of immigrant entrepreneurship in great depth.
2.2.8 The economic model

Looking for economic reward attracts people to enter into entrepreneurship. People tend to become entrepreneurs if they believe that doing so will bring higher income than being an employee (Segal et al., 2005). Campbell (1992) introduces a decision-making model used by the potential entrepreneur comparing the anticipated gains between entering into entrepreneurship and being an employee. According to this decision model, when the anticipated returns are greater than the anticipated gains from wages, people are likely to decide to become entrepreneurs. By analysing data of the German Socioeconomic Panel 2000 (GSOEP) release about immigrants and native Germans, Constant and Zimmermann (2006) show that both immigrants and native Germans have similar characteristics, that is, potential higher earnings attract individuals to enter into self-employment. Contemporary Chinese immigrants are New Zealand citizens and/or permanent residents. Although they face difficulties searching for jobs, they are nevertheless entitled to social welfare assistance. Arguably, Chinese immigrants become entrepreneurs because they are mainly attracted by the economic reward. This model is relevant to this study.

2.2.9 The mixed embeddedness approach

The Mixed Embeddedness approach seeks to explain the opportunity structure of immigrant entrepreneurship through considering not only immigrants’ social networks, but also the external environment of the host country at three levels, as introduced previously (Kloosterman et al., 1999; Kloosterman & Rath, 2000). This approach is suitable to study Chinese immigrant entrepreneurs because they do not live in a vacuum. The drawback of this approach is that it fails to explain the comprehensive inter-ethnic differences within the entrepreneurial concentration. Moreover, there is an absence of historical perspective because it focuses on the lower end of the market.
2.2.10 The Ethnoburb model

Wei Li created the ‘Ethnoburb’ model in 1997. Li defines “Ethnoburbs as suburban ethnic clusters of residential areas and business districts in large metropolitan areas. They are multi-ethnic communities in which one ethnic minority group has a significant concentration, but does not necessarily comprise a majority.” (Li, 1997b, p. 2). Ethnoburb is a residential area that consists of 10-15 percent of the ethnic population. Depending on the area, this might include wealthy and poor, low and highly skilled immigrants and of different social classes. Immigrants might also find their jobs and do businesses in ethnic precincts or concentrates of businesses owned by minority ethnic groups (Li, 1997a, b; Li & Teixeira, 2007; Li, 2009). Ethnic precincts can be found in New Zealand such as Dominion Road, Howick district and downtown Auckland. Li (1997b, p.3) points out that:

Economic activities in ethnoburbs not only incorporate the ethnic economy in the traditional sense, but involve the globalisation of capital and international flows of commodities, skilled labour, high tech and managerial personnel. The situation may vary among ethnic groups, depending on their population size, willingness to relocate, economic capacity, local response/resistance from the majority and promotion or restriction by government policies.

This model provides a clearer understanding of the patterns that result from migration. Considering Chinese immigrant entrepreneurs in Auckland, the following assumptions will be considered:

- Chinese immigrants undertake economic activities in diverse occupations, both those that are labour and capital intensive and which involve both low and highly skilled immigrant entrepreneurs.
- Chinese immigrant entrepreneurs are faced with different circumstances in Auckland than in Hamilton. Chinese immigrants in Auckland will have more advantages than those in Hamilton, especially when undertaking cross-border business affairs.
- Auckland and Hamilton provide different economic environments. These differences affect the opportunities and the nature of Chinese immigrant entrepreneurship in these two cities.

The differences between Chinese immigrant entrepreneurship in Auckland and Hamilton will be explored.
CHAPTER 3: GROUP CHARACTERISTICS

This chapter reviews those group characteristics which constitute predisposing factors and encourage certain sorts of resources mobilisation. The predisposing factors include ‘human capital’, ‘cultural and aspiration levels’, ‘population size’ and ‘residential concentration’. Resource mobilisation concerns the utilisation of ‘ethnic resources’, including the network of families and friends and communities.

The first section (i.e., Section 3.1) reviews how immigrants’ human capital influences immigrant entrepreneurship and then the development of Chinese immigrants’ human capital. The second section (Section 3.2) reviews the role of ethnic resources in terms of both older generations and recent immigrant entrepreneurship. Following that, cultural and aspirational orientations toward entrepreneurship are reviewed in Section 3.3 as well as the characteristics of former generations of Chinese immigrant entrepreneurs. Furthermore, the influences of personal, cultural background factors about start-up and reward are reviewed. Research questions are generated.

3.1 Human capital
3.1.1 Human capital influences immigrant entrepreneurship
Aldrich and Waldinger (1990) fail to identify the routes by which immigrants turn their human capital obtained from their countries of origin to use in the host countries. This section reviews how human capital, obtained either from the country of origin or the host countries impacts on immigrant entrepreneurship.

Human capital is one of the key predisposing factors which influences immigrant entrepreneurs’ behaviours. GEM shows a positive relationship between the level of education and the rates of start-up activities in New Zealand in the 2003 survey (Frederick, 2004). ‘The level of education’ is emphasised. However, a number of conflicting findings appear in the international literature on the relationship between the propensity to enter into entrepreneurship and qualifications. Studies in Australia (Evans, 1989; Le, 2000) show that a high level of education reduces the propensity to enter entrepreneurship. This is not consistent with the findings from Canada (i.e., Li, 2001) and New Zealand (Frederick,
Le (2000) argues that higher educational attainment helps the immigrant to get a job in either the ethnic or the mainstream employment market. This deters immigrants from being entrepreneurs. However, the higher educational attainment helps immigrants to increase managerial skills and transition into entrepreneurs.

By surveying 78 immigrant business owners, consisting of Indian (67%), Pakistani (18%) and Bangladeshi (12%) entrepreneurs in the UK, Basu (1998) shows that their business successes were linked mainly to their human capital investments. Peters (2002) shows that in Australia, earlier successful Dutch immigrant entrepreneurs received further training at night school after their self-employed jobs. Campbell (1992) puts an emphasis on the human capital investment such as formal education and/or on-the-job training. Basu suggests that immigrant entrepreneurs with a higher level of qualification tend to have business-first aspiration which helps their business growth. Basu and Gowsami (1999) also identify a significant positive correlation between the level of qualification of the entrepreneurs and business growth rates achieved by them. By analysing national economic data and survey data from the 118 participants who were medium- and large-sized South Asian business owners, it suggests that the human capital of business owners relates to business growth.

Le (2000) points out that in Australia, English competency is a critical factor relating to the immigrants’ entry into entrepreneurship. Having English language skills, entrepreneurs are able to access information for starting and sustaining businesses, or undertaking middle roles in the economic transactions between retailers and producers. In contrast, Evans (1989) shows that in Australia, English competency is not significant. Le (2000) argues that immigrants with poor English have less opportunity to become self-employed. However, according to the disadvantage theory, they are forced into self-employment. In addition, Altinay and Altinay (2008) evaluate the relationship between personal human capital and Turkish business growth through 227 structured interviews with immigrant business owners in London. Altinay and Altinay identify that speaking fluent English helps immigrants’ business growth in all sectors.

Studies (Crothers, 2002 Basu, 1998) show that experience and knowledge of the host country influence immigrants’ decisions about entering entrepreneurship. Le (2000) shows
that in Australia, host country experience supports immigrants becoming entrepreneurs. Evans (1989) described similar findings in Australia for men. Local experience enables immigrants to find the local suppliers, customers and information needed for starting-up their businesses. Having knowledge of the host country’s institutions will help immigrants to enter entrepreneurship (Li, 2001).

The ‘original situations’ of immigrants in their country of origin influence their entrepreneurship. According to data from the 1980 USA census, Yuengert (1995) shows that immigrants who held human capital with formal or informal business experience from their country of origin tend to become self-employed. Evidence from the UK (e.g., Basu, 1998) and Western Australia (e.g., Peters, 2002) shows that immigrants’ previous business experience affects their selection of industries. Furthermore, Basu and Gowsami’s (1999) study shows that previous business-related experience is useful in helping entrepreneurs’ access to market information and business networks and to improving business management skills and knowledge, which has a positive impact on growth. Surveying 509 Vancouver residents, including Chinese immigrants, Bauder (2008) examine the relationship between individual attitude towards entrepreneurship and their original situation in their country of origin. The study shows that immigrants with rural backgrounds are more likely to become self-employed than those with urban backgrounds.

The above discussion shows how human capital relates to immigrant entrepreneurship. In general, high human capital holders have more opportunities to enter entrepreneurship than those who with poorer human capital. Work experience and qualifications obtained from the host country are highly emphasised by scholars (Le, 2000; Li, 2001); but the human capital gained from the country of origin cannot be ignored (Yuengert, 1995; Peters, 2002). The fact is that contemporary Chinese immigrants enter into more diverse sectors than did former generations (Ip 2003; Ng, 2001, 2003). Arguably, the human capital obtained in China assists Chinese immigrants to update their human capital in their host country.

Next, contemporary Chinese immigrants’ human capital is reviewed.
3.1.2 Development of Chinese immigrants’ human capital

Most former generations of Cantonese immigrants (i.e., Chinese people in Guangdong province, China) had rural peasantry backgrounds (Ding, 2001; Ng, 2001, 2003). From data in the 1881 New Zealand census, only 104 out of 5,004 Chinese in New Zealand could read and write English while 12 others could only read English. In the 1896 New Zealand census, only 90 people out of 1,104 had six or more years of Chinese education in New Zealand (Ng, 2001). Their prior work experience as farmers in China helps them to become market gardeners (Ding, 2001).

A particular immigration group’s previous human capital is mainly associated with the host country’s immigration policies. The ‘selective migrants’ bring their previous human capital to their host societies (Aldrich & Waldinger, 1990). In 1986, New Zealand immigration policy adjusted to attract applicants with high qualifications, business and professional experience. Contemporary Chinese immigrants are different from former generations. Ip (2003, p. 139) points out:

> Instead of arriving from the previous source region of the Cantonese countryside, they came from other regions of mainland China, they were middle-class professionals from cities like Shanghai and Beijing and they had no connection with the previous settlers who came from rural south China.

Below are the main immigration categories in New Zealand:

- Business Investor Category
- Highly skilled Category
- Entrepreneurs (Long Term Business Visas) Category
- International Students Category
- Working Holiday Visa Category
- Family Category
- Refugee Category
- General Skills Category
- Work Visa Category
- Limited purpose Category
- Visitor Category

This thesis studies recent Chinese immigrants from China in the first four categories because this research focuses mainly on high skill immigrant entrepreneurs. Those four categories are reviewed next.
a) **Chinese immigrants in business investor category**

Following New Zealand’s introduction of the business immigration category in the 1990s, contemporary Chinese business immigrants arrived. Applicants should have at least four years business experience. From data collected through in-depth interviews with 30 immigrants in the business category and the statistics data from Immigration New Zealand, Forsyte (1998) provides information about business immigrants and their immigration decision to settle in New Zealand. Business immigrants enter into entrepreneurship because they belong to the business immigration category. They must do so in order to immigrate into New Zealand. Business immigrants in the business investor category should invest enough money in New Zealand. Interviewing Chinese immigrants in New Zealand, Ip (2001) shows that because of the lack of the investment environment and the government support policies, some business investors just deposit their investing capital in the banks in New Zealand and then return to their businesses in the country of origin. This is the so-called ‘astronauts’ phenomena, whereby some Chinese business immigrants from Taiwan and Hong Kong travelled between New Zealand and their places of origin between the 1980s and 1990s. Their investments in New Zealand were not active. In addition, data from the Ministry of Social Development and the Department of Labour, Quazi (2008) provide information regarding social welfare received by the immigrants in 2007. This report shows that highly skilled and business immigrants rely less on social welfare than other immigration groups.

b) **Highly skilled Chinese immigrant category**

Highly skilled Chinese immigrants from China began to come to New Zealand in the early 1990s. These principal applicants were all highly educated and have had relevant professional work experience in China (Collins, 2002; Ip, 1996). Through interviews with over 7,100 immigrants, including Chinese immigrants from China, the Longitudinal Immigration Survey (2004) shows that skilled immigrants have a higher employment (e.g., self-employment) rate than all other immigrant groups. They are likely to have an occupation in skill shortage areas (Merwood, Tausi, & Masgoret, 2009). Using data collected from 12 semi-structured interviews in New Zealand, including 10 Chinese immigrant employees and two European employers, Benson–Rea et al. (1998) show that there is an imbalance between employment demand and supply. Local employers found it difficult to find the right staff, while immigrants found it difficult to find jobs. Benson–Rea
et al. (1998) show that the critical success factors in finding a job, according to highly skilled Chinese immigrants from the China, are relevant work experience, practical skills related to the host country and good English.

c) **Chinese immigrants in the long term business visas (LTBV) category**

In 1999, New Zealand immigration policies offered ‘Long Term Business Visas (LTBV)’ to immigrant entrepreneurs. Their prior business experience and a business plan with financial evidence are essential requirements for acceptance into New Zealand. Compared with highly skilled Chinese immigrants, they have the advantages of their prior business experience and financial capital. Data from the 2006 New Zealand census and the New Zealand 2007/2008 report to the *International Migration Outlook* show that under the Long Term Business Visa (LTBV) policy, immigrant businesses employed more workers than non-immigrant businesses (Merwood et al., 2009). In 2002, the New Zealand Immigration Service (NZIS) reviewed the 1999 business immigration policy through analysing immigration databases and approved applications files, and interviewing 25 principal applicants in the ‘Investor Category’ and 59 LTBV principal applicants. The study shows that 70 percent of business immigrant applicants intended to establish business in Auckland, 7 percent in Canterbury. Nearly two thirds of the respondents were involved in the same business types as they were before they moved to New Zealand. The majority of immigrant entrepreneurs are in ‘Accommodation, Cafés and Restaurants’ industries (NZIS, 2002). The number of approved immigration applicants in the LTBV Category was 1,068 in 2006, but it decreased rapidly after 2006 because immigration policy raised the English requirement from IELTS 4.0 to IELTS 6.0.

d) **Chinese international students**

New Zealand removed the limits on the number of Chinese students entering the country in 1998. The number of Chinese students has increased in New Zealand (Zhang & Brunton, 2007). One hundred and forty Chinese international students from five educational institutions across university, institute of technology and private sectors, participated in the study in 2004, Zhang and Brunton (2007) show that the Chinese students’ academic achievements depend on their comprehensive adaptation capability to their host country. New Zealand Immigration policies offer work permits of 20 hours per week to international students who enrol in an academic programme to pursue a diploma qualification and above
and/or who study English at a language school and their IELTS score must be over 5.5 overall. Some Chinese international students find jobs in retail shops as assistants, or restaurants as waiters/waitresses; others enter into entrepreneurship such as buying houses and/or businesses or becoming self-employed subcontractors such as cleaning subcontractors. Their parents, who invest money in New Zealand, support their investment.

Former generations of Chinese immigrant entrepreneurs obtained local experience through working for co-ethnic businesses as apprentices and then they entered into traditional sectors (Light, Bhachu, & Karageorgis, 1993; Ng, 2003). Nevertheless, it is not certain how contemporary Chinese immigrants acquire their local knowledge and experience, in order to enter a wider range of industries that are outside the traditional Chinese occupations. The research question is:

- How do Chinese immigrants rely on their human capital obtained in China to develop their knowledge and experience in New Zealand?

### 3.2 Ethnic resources

In order to understand the characteristics of immigrant entrepreneurs, beside the predisposing factors such as human capital discussed previously, resource mobilisation is also emphasised because heavy reliance on ethnic resources is essential for immigrant entrepreneurship (Aldrich & Waldinger 1990; Pio, 2006; Teixeira, 2001). According to the interviews with 14 Indian women aged between 35 and 50, all of whom were university graduates who operated their own businesses in Auckland, Pio (2006) shows that they rely on their ethnic networks, ethnic products, services, customers and co-ethnic workers to operate their businesses. Ethnic resources consist of values, attitudes, entrepreneurial heritage, family, kinship organisation and ethnic community including ethnic association and social networks which contribute to ethnic entrepreneurship. The cultural theory emphasises that ethnic resources help immigrants’ starting-up and sustaining businesses in an advanced economy (Teixeira, 2001). Ethnic culture consists of useful businesses practice elements, such as the Chinese culture of being industrious, hardworking, saving and reinvesting business earnings (Li, 1993; Wu, 1983). Beside, immigrant entrepreneurs could use unpaid family labourers and the community networks (Basu & Gowsami, 1999) which help immigrant entrepreneurs to cut costs. They access their co-ethnic customers.
through their ethnic associations (Ding, 2001). Through informal interviews with 27 immigrants from the Portuguese community and 23 real estate agents in Toronto, Teixeira (1998) shows that immigrant entrepreneurs become real estate agents and access the co-ethnic market through the introduction of their co-ethnic friends and relatives.

Hence, this section reviews these ethnic resources which include family, ethnic community, partnership and ethnic social networks.

3.2.1 Family, friends, community and ethnic networks are traditional forms

Studies (e.g., Ip, 1996, 1990; Yu, 2001) show that ‘family’ is the most important ethnic resource used by Chinese immigrant entrepreneurs. Yu (2001) shows that family firms in Asian cities, such as Hong Kong and Taiwan, have competitive advantage due to their flexibility and low transaction costs. Redding (1990) points out that the features of the Chinese family including children obeying their parents and inputting of family member’s individual money for family goals, shape the Chinese family firms’ competitive advantages.

In traditional Chinese culture, being filial is a concept from Confucianism that promoted the belief that sons and unmarried daughters must take care of and abide with their parents. This allows a Chinese family to form a business organisation that is based on the culture of loyalty and obligation (Ip, 1990). The studies (e.g., Redding, 1990; Yu, 2001) identify the advantage of Chinese family-run businesses, including

- Reducing the formal management systems that reduces costs and enables quick decision-making;
- Providing an opportunity for the second generation to learn how to manage a business;
- Members of the family being willing to work longer hours and provide joint income for investment in order to achieve their family goals.

In practice, family members as unpaid employees are common among most early generations of Chinese immigrant businesses as a strategy of survival. Ip (1990) introduces the Chinese women’s life in New Zealand through interviewing several women from the ‘old Chinese families’. Overall, this book provides an in-depth understanding of the Chinese women’s life in the mid-20th century, New Zealand (around the 1940s and the 1950s), particularly from Chinese immigrant entrepreneurs’ families. Chinese family
businesses rely heavily on their ethnic resources. Ip (1996) introduces the Chinese community in New Zealand through a collection of stories gathered from oral (interviews) of New Zealand born Chinese. The Chinese associations look after the Chinese people. It is formed based on the Chinese cultural elements. It includes the Chinese business associations and religious groups. This book introduces the history of the Chinese population in New Zealand, their community development and the transformation from being sojourners to a minority group in New Zealand. It deals with numerous issues such as identity, family, workplace, the New Zealand environment, education and marriage. Both Ip (1990) and Ip (1996) provide a wealth of data on the Chinese family entrepreneurship in New Zealand, in particular around the 1940s and the 1950s. The wives and children of former generations of Chinese green grocery owners were all helpers to do their family businesses (Ip, 1996). The following ‘picture’ provides a sense of this:

I was around eleven or twelve. I was a big boy… taking cases of fruit to the railway station by trolley was what I had to do. I went to Remuera Primary. I had many friends, all Europeans, very fine friends. There was very little time for me to play sports because it was always after school and I had to work in the shop. (A Chinese boy from former green grocery owner’s family, quoted in Ip, 1996, p. 22)

Again, “[S]ports and other extracurricular activities were often looked upon as frivolous, distracting and ‘a waste of time’” (A Chinese New Zealand boy, quoted in Ip, 1996, p. 26). Another important issue of using owners’ family members is safety. The following example from the Doos family demonstrates this point:

We imported textiles, tablecloths and camphor boxes. We imported from China and Japan. I have five sons and therefore five daughters-in-laws as well. They have all worked for the family business. Our number one rule is family loyalty above all else. Depending on family members is much safer than depending on employees. Employees can always learn your trade secrets and then set up a rival firm. (A Chinese woman from a former merchant family, quoted in Ip, 1990, p. 59)

Using data from the Australian census and other secondary data, together with survey data from 104 Chinese and 40 Indian entrepreneurs, Collins (2002) reviews the history of immigrant entrepreneurship in Australia since the 1800s. In Collins’ study, family is a safe ethnic resource for Chinese immigrant entrepreneurs. In Collins’ words, “[F]amily members were regarded as being trustworthy and committed to the business” (2002, p.122).
Basu and Gowsami (1999) argue that family businesses contribute to business survival, but do not facilitate business growth. Reliance on family creates ethnic solidarity that does not favour business growth.

‘Ethnic partnership’ from family and/or other co-ethnic members is a kind of ethnic resource. Traditionally, the immigrant business partnership consists commonly of the people from within the family such as the husband and wife, father and son and/or among extended family members, including uncles and/or co-ethnic friends (Kamm, Shuman, Seeger, & Nurick, 1990). However, this traditional co-ethnic partnership is changing. Recent business immigrants claim in Forsyte’s (1998) study, that finding opportunities to be business partners with New Zealand local experts and business people is critical to their businesses success in New Zealand. Kamm et al. (1990) show that accessing financial capital and obtaining industry knowledge and management skills are the main reasons for entrepreneurs to form partnerships. It is necessary to investigate how recent Chinese immigrant entrepreneurs select their business partners.

‘Ethnic community’ is formed based on the communal networks, including extended immigrants’ families and/or associations which are based on the same surname and same hometown, school and so on. Yoo (2000) shows how in Atlanta, Asian immigrant entrepreneurs claim that the community plays a more important role than their family does during the start-up of their businesses period because their communities allow them to gain access to social networks that provide business information, capital and management assistance. Teixeira (1998) shows that by being community members and having the same backgrounds, immigrant entrepreneurs give their co-ethnic customers a sense of trust and confidence that makes customers very comfortable. Ethnic community is one of the key ethnic resources critical to their entrepreneurship success.

Social networking (Kwong, 2001; Yoon, 1995) and guanxi (interpersonal relationships) (Chu, 1996; Kiong & Kee, 1998) are ethnic resources in Chinese studies, particularly in the Southeast Asian context. Interviewing 20 entrepreneurs in Hong Kong and another five in British Columbia, Canada, Chu (1996) examines the development of networks for the Chinese entrepreneurs at different growth periods. Chu (1996) argues that ethnic resources help immigrant entrepreneurship, but networks are critical for immigrant entrepreneurs to
obtain ethnic resources. For instance, by relying on the co-ethnic networks, immigrant entrepreneurs find co-ethnic employees, suppliers and the market.

Studies (Raijman & Tienda, 2003; Werbner, 1984) show that co-ethnic networks consist of family and friends who provide immigrant entrepreneurs with sponsorship, advice, credit, business market information and technical advice. The same findings were found in Asian immigrants in the U.S.A in the late 1960s (Yoon, 1995). Furthermore, by personally interviewing 159 immigrant entrepreneurs in 1994, Yoo (2000) shows that co-ethnic social networks provide immigrants with essential resources for starting-up their businesses. After starting-up, ethnic networks of immigrant entrepreneurs consist of co-ethnic business people such as suppliers, lawyers, accountants, employees, producers and distributors.

Although co-ethnic networks help immigrants to obtain ethnic resources, Kwong (2001) argues that ethnic networks deter employees from joining labour unions and immigrant employees suffer from receiving low pay and poor working conditions. The literature (Chu, 1996; Kiong & Kee, 1998) argues that co-ethnic networks help immigrants enter into entrepreneurship through the immigration network chain which promotes immigrant owners entering limited industries. For instance, newcomers come to the host country through their relatives and friends and then enter into the co-ethnic businesses. Lippard (2005) points out that immigrant networks provide ethnic businesses with competition within limited occupations. Thereby, heavy reliance on the co-ethnic network increases immigrants’ solidarity and leads to isolation from mainstream society.

Spoonley and Meares (2009) provide details on the development of Chinese immigrant businesses and their community, located around Greys Avenue in Auckland, in the early 1900s. Before the Second World War in New Zealand, Chinese grocer’s shop had become the community centre where married and single Chinese formed their businesses and social networks. In addition to selling goods to Chinese immigrants, the shop owners also helped Chinese newcomers to find jobs and accommodation because newcomers had limited human capital and came to the Chinese community for help. A Chinese woman from a former merchant family remembered:
I had to do all the cooking as well. Three meals a day, not just for the family, but for our visitors as well. There were always many visitors to the Doos family. Many stayed around, waiting for boats to go back to China, or waiting for work after arriving in New Zealand... My father-in-law and my husband would try to find work for them by asking round and by writing letters on their behalf, frequently to as far away as Whangarei and Wellington. We had extensive connections; father-in-law was the founder of the Kong Chow Club, an association for his fellow village people. He was also generous in lending money to people their poll tax. He knew customs and immigration officers well and helped many people. That is why people are so friendly with us. (Ip, 1990, p. 56)

Studies (Peterson, 1995; Teixeira, 1998, 2001) show that immigrant entrepreneurs involved in the community activities and membership in the Chinese associations, or as leaders who take part in political activities on behalf of their communities, tend to be successful.

The above discussion shows that immigrant entrepreneurs could be successful when they rely on their ethnic resources (Aldrich & Waldinger, 1990). Min and Bozorgmehr (2000) suggest that ethnic resources help only small-sized businesses.

In a recent study on the development of Chinese immigrant businesses in Indonesia, Wijaya (2008) shows that globalisation drives the younger generation of Chinese to transform their business styles with less reliance on family resources, and more on modern professional ideas than their former generations. The term ‘astronaut’ has been used to describe recent immigrants because they travel between their country of origin and the host country (Beal & Sos, 1999; Ip, 2006). This indicates that recent immigrants put an emphasis on non-ethnic resources and resources in their country of origin.

3.2.2 Ethnic resources in the country of origin are increasingly emphasised

A new form of the ethnic network exists called transnationalism. It connects immigrants in the host country and their family, friends and relatives in their country of origin. In the 1990s, the phenomenon of such intensive transnational activities attracted the interest of scholars (Glick Schiller, Basch, Blanc-Szanton, 1992; Held, McGrew, Goldblatt, Perraton, 1999; Kearney, 1995; Popkin, 1999; Portes, 1999a). There were intensive studies regarding transnationalism and transmigrants. Basch et al. (1994, p. 7) first defined the concept of transnationalism and transmigrants:

[Transnationalism] as the processes by which immigrants forge and sustain multi-stranded social relations that link together their societies of origin and settlement …
Transmigrants are immigrants who develop and maintain multiple relationships - familial, economic, social, organizational, religious and political - that span borders … transnationalism is the multiplicity of involvements that transmigrants sustain in both home and host societies.

Historically, scholars (Bonacich, 1973; Glick Schiller, Basch, & Blanc-Szanton, 1992) found that immigrants regularly sent money back (‘remittances’) to their home country. Ng (2001) shows that immigrants went back to their home country with savings in their old age. McKeown (1999) reviews the history of old Chinese immigrants in the USA between 1875 and 1943 and identifies that Chinese families immigrated to the USA through ethnic networks which were critical in channelling the flow of immigrating Chinese families. The networks connecting the country of origin and the host country helped transnational families over generations. However, traditional transnational defined activities were simple and rare. Recently, after the 1980s, transnational activity amongst immigrants has become a mass phenomenon (Portes, 1999a). This is because today’s communication and media technology, including for example telephone, email and Skype, enable immigrants to interact intensively with their networks in their country of origin and/or other countries. Globalisation - cheap airplane tickets - allows immigrants to travel between their country of origin and the host country (Landolt, 2001). A noticeable recent phenomenon (in particular in the 1980s and 1990s) is that research paid attention to so-called ‘astronauts’ - immigrants who undertook a transnational economic linkage between their host countries and original places (Beal & Sos, 1999; Ho, 2003; McKeown, 2000; Ng & Wong, 1998). The linkages between their host countries and original places form a new network that “connects immigrants and non-immigrants across time and space” (Boyd, 1989, p. 639), linking immigrants in the host country and their friends as well as relatives in the place of origin. Their social relations between the host country and the country of origin enable them to become involved in transnational activities between the national borders (Kearney, 1995; Vertovec, 1999). Beside, Brees (2010) points out that transnationalism can be maintained through organising and participating in cultural activities (i.e., cultural events) which enable immigrants to build and maintain their ties to their country of origin.

Transnational activities influence immigrant identity. By studying the small transnational firms of recent Chinese immigrant entrepreneurs in Vancouver Canada, Wong and Ng (2002) point out that, in contrast to earlier Chinese immigrants who were temporary
stayers/sojourners in the host country, contemporary immigrant entrepreneurs and their families tend to have a new transnational and multicultural identity. Similar findings have been discovered in New Zealand. Ho (2002) shows, using longitudinal survey data to explore the dynamics of some Hong Kong Chinese families settled in New Zealand during the early 1990s, that in the new transnational family structure, members are separated out over several countries, rather than living in only one place. Transnational activities maintain social contacts amongst family members in different countries. Interviewing 20 Chinese from mainland China, Taiwan and Hong Kong in Australia between 2004 and 2005, Ip’s (2008) study found that Chinese immigrants suffered pain, upset and stress when they experienced their transmigration from their country of origin to host country. This is due to the change from their old form of identity and social institutions into totally new forms. It promotes the view that mainstream society should understand both the positive and negative sides of such transition in order to understand the transmigrant.

Granovetter (1985) argues that economic activities are embedded in social relations. Transnational business activity becomes popular because it benefits immigrants who obtain resources from their country of origin to settle in the host country, at the same time benefitting economic growth of the country of origin (Landolt, 2001; Glick Schiller et al., 1992). Landolt (2001) shows that recent transnational business activities benefit immigrants themselves who rely on their economic activities connecting with their country of origin or place of origin. Immigrants often get involved in transnational business activities as a strategy for settling in their host country. Another study also suggested that transnationalism enables immigrant entrepreneurs to obtain critical resources for their entrepreneurship in their host countries. These resources include investment in capital and human resources (Smart, 2003). Dong and Salaff (2000) used interview data to examine how middle class Chinese immigrants manage their networks that contribute to both their immigration to Canada and transnational business activities with the country of origin. This study shows that Chinese immigrants organise their networks through schoolmates. Their networks facilitate both their pre- and post- settlement in the host country. In transnational level, the participants paid attention to the development of guanxi that is embedded in the social contacts with the country of origin. The conclusion is that immigrant networks link to both the local and global levels that facilitate Chinese immigrants settling in their host
country and developing *guanxi* in their country of origin that contributes to their transnational businesses and benefits economic growth of the country of origin.

Transnational activities are explained mainly by means of “embeddedness” in which the interplay of immigrants through ethnic networks across the countries and the social political and economic environment of both their country of origin and host country were emphasised. Landolt (2001) points out that in transnationalism, there are two key processes: establishing transnational social relations and interacting with wide social formations in which immigrant transnational activities are embedded. Kloosterman et al. (1999) introduced an approach of ‘mixed embeddedness’ in which immigrant entrepreneurship will be explained through considering not only immigrants’ social networks, but also the environment of the host country. Popkin (1999) points out that transnational activities involve both the home and host countries’ issues, and the social, political and economic environmental changes in both the country of origin and the host country affect transnational activities. Using data from interviews with 150 Burmese refugees in Thailand, Brees (2010) shows that refugees, in the same way as other immigrants, could manage and maintain their social networks with co-nationals. Brees argues that rather than the legal status of person, it is the socio-economic and political environmental changes in both the host country and the country of origin which play critical roles in transnationalism. The impact of the socio-economic and political environmental changes in the host country on transnationalism has been studied (Beal & Sos, 1999; Ho, 2003; Landolt, 2001; Leung; 2002). Beal & Sos (1999) show that due to barriers existing in the host country, Chinese immigrants from Taiwan have to do their businesses by travelling between borders. Ho (2003) shows that because of the disadvantages of Chinese immigrants from Hong Kong in the host country employment market, Chinese immigrants become transmigrants to seek opportunity between borders. Leung (2002) shows that Chinese restaurants in Germany recruited Chinese labourers by trans-nationalist means from their place of origin. This study used a qualitative method through literature reviews and fieldwork observations in Germany. Leung (2002) examined how Chinese restaurant owners accessed Chinese employees through transnationalism. The study shows that Chinese restaurants recruited Chinese chefs who were imported from Taiwan. However, import of Chinese chef was dependent on German immigration policies and socio-economic demands.
Throughout the literature reviews, two concerns are raised. First, the literature heavily emphasises the benefits gained by either immigrants or their countries of origin from transnationalism (Landolt, 2001; Glick Schiller et al., 1992; Granovetter, 1985). Although the impact of immigrants on the economy of their host country was investigated regularly in the host country - such as in New Zealand through the government statistics data, from either Immigration New Zealand (i.e., Longitudinal Immigration Survey New Zealand - LisNZ) or national survey (i.e., census), less attention is given by scholars to benefits gained from transnationalism by the host country.

Secondly, theoretically, the impact of the social political and economic environment of both the country of origin and the host country on transnationalism were emphasised. But on the practical side, the studies were mainly focused on the settlement of immigrants in the society of the host country (Beal & Sos, 1999; Ho, 2003; Landolt, 2001; Leung; 2002). More attention should also be given to the impact of the social political and economic environmental changes in the country of origin on transnationalism. i.e., how do social political and economic environmental changes in the country of origin influence transnationalism? Indeed, there is an opening in the study of the role of the country of origin in terms of immigrant life in their host country, in particular immigrant entrepreneurship. This is due to the fact that transnational activities are mainly explained by means of an “embeddedness” approach in which the majority of literature focuses mainly on the immigrants’ settlement activities in the environment of the host country where immigrant transnational activities are embedded (e.g., creating a niche market).

It is suggested that when the economic situation of the country of origin changes toward growth, transnationalism becomes even more complex. The social economic and political environments of the country of origin will play a more and more important role in transnationalism. This is partly because transnational businesses are developing from time to time in accordance with changes within the country of origin where transmigrants are embedded. Meanwhile, when economy of the country of origin becomes strong, immigrants could enlarge their transnational economic interactions. This is demonstrated through reviewing Chinese immigrant entrepreneurship in transnationalism below.
Before the 1980s, Chinese immigrants imported ethnic, small daily-use goods from China for Chinese consumption to meet Chinese cultural needs (Ding, 2001; Ip, 2003b). Ip (1990) describes how the Doos family operated a grocery to serve the Chinese community through imported daily-use goods from China. This study introduces Chinese women’s life in New Zealand through interviewing several women from an ‘old Chinese family’ who gave their views about the earlier society of New Zealand (around 1940s and 1950s), in particular, the life of their Chinese entrepreneurs’ families. In the same way as in other readings this showed that former generations of Chinese families were involved in small businesses, associated with market garden, greengrocery, import and export, working long hours, being isolated, using child labourers and belonging to the Chinese associations. Similarly, Shum (2003) describes how in the Chinese businesses in the ‘old China Town’ in Wellington before the 1950s, Chinese groceries included herbs and other goods. Meanwhile, Chinese immigrants sent their savings back to their family in China. This was another noticeable mode of transnationalism amongst older generations of Chinese immigrants (Ng, 2001).

Before the 1980s, overseas Chinese imported daily-use goods with low value that could be found easily in China. In addition, immigrants’ families in China received money. These businesses benefited the economic development of China. China was suffering a poor economy before the 1980s. This situation produced less impact from China on immigrant businesses in the host country. Instead, their host country’s social economic and political environments influenced immigrant entrepreneurship at either local or international levels.

After 1986, transnational activities became noticeable in the study of immigrant entrepreneurship. Using in-depth interviews with 64 Chinese immigrants, 59 of whom were operating their businesses, in Vancouver Canada, through both closed and open-ended questionnaires which provided data for both quantitative and qualitative analyses, Wong and Ng (1998) show that transnational networks were intensively used by Chinese immigrant entrepreneurs to obtain resources in order to compete and survive in the advanced economy. The benefits of the networks were identified as: friends and family members familiar with Canada providing information about Canada; family members migrating to Canada through their family chains; their family members and friends in Canada providing initial accommodation, and help for new comers to apply for a medical card. Wong and Ng (2002) show that transnationalism is a strategy used by Chinese
immigrants to develop their businesses. By means of cross-borders’ networks, immigrants were involved in three types of transnational businesses, including import and export businesses, wholesale and retail chains, setting up of factories in Asia and then distributing products worldwide. Rath (2006) identifies that transnational activities (businesses) occur when:

- Immigrants demand goods from their country of origin
- Immigrants’ class resources in their country of origin form new transnational activities (businesses) in their new country
- Immigrants return to their country of origin.

However, a different story also emerges with transnationalism of Chinese from Taiwan in Australia and New Zealand. By interviewing 80 Chinese immigrants (thirty of them Taiwanese) from both Australia and New Zealand in 1998, Beal and Sos (1999) studied experiences of Chinese immigrants from Taiwan in both Australia and New Zealand. The study shows that the main reason for immigration of Taiwanese was to seek an improved lifestyle and children’s education. It was not for doing business. Most of them had unreal expectations and failed to settle in host countries. They travelled between borders and were called ‘astronauts’. They did businesses in the place of origin and left their families in host countries. It was suggested that Taiwanese should commit themselves to overcome barriers to settle in the host country whereas they were keeping their close tie to their place of origin. Ho (2003) shows the same story. This raised an argument that the country of origin (place of origin) is influencing the settlement of Chinese immigrants in their host country.

New Zealand studies (Ip, 2006, 2003a, 2002, 2001) found that contemporary Chinese immigrants travel across the borders intensively. Chinese immigrants tend to keep in close contact with their places of origin (Beal & Sos, 1999; Ho, 2003; Ip, 2003a; 2006; Spoonley & Meares, 2009). Today, new technology such as the internet allows immigrants to access information about the country of origin easily, just as they would if they lived in the country of origin. Meanwhile, overseas co-ethnic media also strongly influence immigrants’ lives. For instance, in New Zealand, due to the availability of Chinese TV and radio programmes imported from the TV stations of mainland China, Taiwan and Hong Kong directly, Chinese immigrants could watch and/or listen to these programmes every day as they would if they were in China. Recent studies (Ho, 2003; Ip, 2003c) show that the
economic and political situation differences in the place of origin (or the country of origin) can influence the life of immigrant and their entrepreneurship. Ho (2003) shows that in 2001, there were 10,458 immigrants from Hong Kong in New Zealand which constituted about 10 percent of total Chinese population. However, after 1997, the number of immigrants decreased, many of them returned to Hong Kong. The study shows that the change of the socio-economic and political environment of Hong Kong influenced immigrants’ attitudes. Some left their families in New Zealand and went back to earn capital. Ip (2003c) shows the same story about Chinese immigrants from Taiwan. By interviewing 10 Chinese immigrants who returned to mainland China from New Zealand recently, Ip (2003a, p. 44) points out:

The new Chinese are still ‘floating’ but they are no longer sojourners lacking rights to stay in New Zealand. They are mostly New Zealand citizens or have rights of permanent residency. But at present the Chinese job market as well as the economic scene are much more attractive. They have become transnationals by choice.

Since the 1980s, China has opened its doors to the outside world and implemented economic reforms that made China’s economy grow rapidly. Today, China is no longer the old China that had suffered war before 1949 and poverty before the 1980s. However, to overseas Chinese, how is today’s China different from that in the past?

Firstly, immigration policies of advanced countries such as the USA, the UK, Australia and New Zealand have increasingly opened to Chinese immigrants. For instance, in New Zealand, Chinese skilled and business immigrants came in 1986, and then the immigration policy was fully opened to Chinese students in 1998 and then working holiday visas were available in 2009 after China and New Zealand formed a free trade partnership. Meanwhile, China’s economic growth supports Chinese people going abroad not only looking for job opportunities but also study opportunities. They are full fee paid international students and/or visitors. These markets are shaped by the socio-economic and political environmental changes in both the host country and the country of origin. This niche should become part of the host country’s opportunity structure to Chinese immigrant entrepreneurship. Arguably, the Chinese people should have strategies to facilitate accessing these niches.
Secondly, since 1949, China has implemented the free education system. Meanwhile, a planned economic system allows Chinese graduates to have jobs in public enterprises (Hunter & Sexton, 1999). These changes increased Chinese human capital in education and professional work experience. Moreover, since the 1980s, China’s economic reforms have allowed some Chinese people to become wealthy. A large number of Chinese hold significant class resources. By interviewing 10 Chinese immigrants from China, including two employers of travel agencies and an import and export firm in Auckland, Liu (2000) points out that ethnic resources have become less effective when Chinese immigrant entrepreneurs are in non-traditional businesses and local businesses. Nevertheless, Liu (2000) failed to produce a comprehensive analysis in two areas: Does non-traditional business (i.e., travel agent) target mainly the Chinese customers (to China) and have import and export firms been linked with the Chinese immigrant market and/or the Chinese market in China? If so, Chinese ethnic resources are still critical to their businesses. Here, the market in their country of origin (China), business partners and all the networks (i.e., guanxi) in China are all forms of ethnic resources available to modern Chinese immigrants. These cross-border ethnic resources should not be ignored.

This study argues that although they are outside their traditional industries, immigrant entrepreneurs believe ethnic resources are still the foundations by which they could own their businesses in an advanced economy. It is arguable that when modern immigrants enter a wider range of industries, new forms of ethnic resources should replace their traditional ethnic resources in supporting their businesses’ operations in new occupations. The characteristics of these new occupations require either intensive financial capital or the knowledge and skills of professional expertise. For this argument, it is necessary to explore how recent Chinese immigrants use their new forms of ethnic resources in their entrepreneurship. The research question is as follows:

- What are the characteristics of new forms of ethnic resources used by modern Chinese entrepreneurs?
3.3 Cultural values and aspiration levels

3.3.1 Cultural aspirational origins of former generations of Chinese entrepreneurs

As one of the key predisposing factors, cultural and aspirational orientations shape the group’s characteristics that influence immigrant entrepreneurship. Nevertheless, the cultural values and aspirational orientations of immigrant groups are changing as society changes. Ng (2001) reviews the history of Chinese immigrant in New Zealand. According to Ng (2001), the development of Chinese immigrant entrepreneurship in New Zealand can be divided into the four periods below:

- Being storekeeper and gold seeker (1865-1900)
- Being market gardener, greengrocer and laundry owner (1901-1950)
- Being small business owners (1951-1985)
- Chinese entering in diverse and professional sectors (1986-)

Former generations of Chinese immigrants went overseas in the 1800s to avoid poverty and war. At that time, young men in the Guangdong province went overseas to find new sources of income and ways of supporting their families in China and then to return with savings for the rest of their live (Wong, 2003). Ng (2003, p. 27) introduces the earliest Chinese immigrants in New Zealand in the period of 1865 and 1901 as sojourners. Ng describes the aspiration of these gold seekers:

Gold and China were their prime desires; the wellspring of their inner selves was their faithfulness to their families. I was astonished to see their contributions to their families and villages, like substantial housing (from sod to “tang” brick), towers, village halls, schools, ponds, wells and even bridges.

However, Ng (2003, p. 15) points out that immigrants’ lives were sometimes full of bitterness and sadness: “[T]he Chinese aimed to return to China every five years. Many a young wife has seen her husband leave, to return rich in five years: six and eight times five passed and he has not come; his parents are dead and she is alone …”
Before the Second World War, China had experienced wars. Chinese people were poor and went overseas for survival. As a result, they formed some of the following characteristics which were described in Bonacich’s (1973) model.

a) Maintaining Chinese traditions
Ip (1990) shows that former generations of Chinese immigrants preferred to live together as neighbours, marry other Chinese people and maintain their Chinese culture in their host countries. The following example shows how former Chinese people maintained a distinctive culture: “[F]ather believed firmly in a good family background. In choosing prospective daughters-in-law, he wanted girls from traditional families” (a former Chinese entrepreneur’s wife, quoted in Ip, 1990, p. 62). Moreover, these can be seen from the words of the following interviewee:

It is really luck that all of my children married Chinese people. Of course, no previous New Zealand Chinese would approve of his children marrying foreigners. Now times have changed and I think it is quite all right to marry a westerner, as long as he is a good and decent man. Today, it is useless to object anyway, it is most important that they are happy. (A former Chinese entrepreneur’s wife, quoted in Ip, 1990, p. 96)

Although former generations of Chinese immigrants maintained their distinctive culture in their host country, there was no evidence to show that this was because of their sojourners status. It can be argued that modern Chinese New Zealanders in New Zealand are also maintaining their traditional culture, for example, the majority of Chinese people still marry other Chinese people; they maintain China-towns in all their host countries such as in the UK, the USA and Australia. In Auckland, the Chinese lantern festival has become a popular yearly Chinese cultural event. Chinese media, including newspaper, television programmes and radio are available throughout New Zealand. Recently, Confucian institutions have been increasingly established worldwide.

b) Lacking in interaction with mainstream society
Ip (1996) describes former generations of Chinese people in their community: “[W]e never went to other people’s houses. No one was ever invited to our house. Mother did not speak English and she was not very keen on visitors” (A Chinese descendant, quoted in Ip, 1996, p. 18). The lack of communication with mainstream society caused their ‘stranger’
status (Bonacich, 1973). Studies (e.g., Ng, 2001, 2003) show that almost all former generations of Chinese immigrants received limited education and had poor English skills. Because of this, they had to live in Chinese neighbourhoods such as China-town and relied on Chinese services. It is suggested that rather than this being because of their sojourners’ status, it is because their poor human capital deterred their communication with mainstream society.

c) **Selecting occupations that require small amounts of capital investment**

Bonacich (1973) argues that sojourners were unwilling to invest heavily in their host country due to their expectation of returning to their homeland. Apart from the point above, occupation selection was also associated with previous experience and the availability of financial capital. Former Chinese immigrants entered into market gardening, greengrocery and laundry industries because they had limited money and had prior experience when they were in their country of origin as market gardeners. Also, their poor human capital pushed them to select businesses which were easy to set up and did not require a high level of English-language skills. However, these occupations normally belong to labour intensive industries (Ding, 2001; Shum, 2003). Beside Bonacich’s (1973) explanation, prior experience as well as poor English and financial disadvantage were all relevant to the occupational selections of the former generations of Chinese immigrant entrepreneurs.

d) **Avoiding involvement in local politics**

A study (Ding, 2001) shows that former generations of Chinese immigrants were absent in any political events. This is because they had temporary status in New Zealand. Using interview data from Chinese New Zealanders, Yee (2001) examined how the Chinese people dealt with discrimination and assimilation. Yee (2001, p. 6) describes a former generation Chinese person's attitudes and strategies:

> Granddaughter and grandsons, when you go out in the world, be very careful. Do not do anything that might bring attention to you. Do not create waves, or stand out like tall poppies. Do not speak out, but gain respect through diligent work habits and accomplishment.

Following the footsteps of other countries such as Australia and Canada, in 1881 the New Zealand immigration policy introduced the poll tax to limit Chinese immigrant applications.
(Murphy, 2002). However, the Chinese ‘community organisation’ had played an important role in dealing with either internal conflicts among Chinese immigrants themselves or the external social and political environment of their host country to promote Chinese immigrants’ interests (Sedgwick, 1985). In her speech at the ‘Chinese New Year Celebration’, 12 February 2002, former New Zealand Prime Minister Helen Clark announced to the Chinese community:

It is my pleasure this evening to welcome all our guests to this celebration of the Chinese New Year at Parliament. I extend a special welcome to all guests from the Chinese community, many of whom have travelled from other parts of New Zealand to be with us this evening …

In the late nineteenth century, the New Zealand Parliament passed discriminatory laws against Chinese people seeking to enter New Zealand … No other ethnic group was subjected to such restrictions or to a poll tax’ …

Modern New Zealand has a bi-cultural foundation and today is home to many peoples. It is important that we value, honour and respect all our communities and see our diversity as a great strength.

After 1986, contemporary Chinese immigrants came from mainland China. Compared to former generations, they have better class resources (Ding, 2001; Liu, 2000). They are New Zealand citizens and permanent residents. Today, these Chinese New Zealanders have improved political situations. For instance, one Chinese immigrant from mainland China has become an MP (parliament member) in the Labour party since 2009 and two Chinese immigrants became mayors in New Zealand. What cultural and commercial characteristics do modern Chinese immigrant entrepreneurs from mainland China have? This will be explored.

3.3.2 Aspirations associated with individual, factors relating to host country and country of origin and personal financial situation

Three issues are unclear in Aldrich and Waldinger’s (1990) study which have been identified previously. Firstly, how do differences in the socio-economic and political environment between the host country and the country of origin affect immigrants’ aspirational orientations toward entrepreneurship? Secondly, why, in the same host country, some immigrants started-up, but others from same cultural group did not. Thirdly, what are the different aspirations toward entrepreneurship between immigrant entrepreneurs who are poor and those who are wealthy. This section focuses on these issues.
Firstly, personal enthusiasm influences individuals to start-up a business. Peters (2002, p. 45) argues: “[I]t is individuals who pursue self-employment who recognise, discover and exploit opportunities.” Dana (1997) shows that entrepreneurial motives are influenced by individuals’ high aspirations, need for achievement and risk taking. Similarly, Constant and Zimmermann (2006) also identify the sense of independence, of higher self-worth and of life satisfaction as relevant. Studies (Orhan & Scott, 2001; Teixeira, 2001) show that the reason for immigrants to start-up their own businesses is to achieve economic independence. To ‘be their own boss’ and to ‘have power’ are the driving forces found in Australia (Peters, 2002). Other motives include desire for niche market identification, the best use of expertise, business experience, the high growth market potential (Basu & Gowsami, 1999) and the hope of making a social contribution for women (Orhan & Scott, 2001). The above literature review demonstrates that individual factors are relevant to their aspirations toward entrepreneurship. Aldrich and Waldinger (1990) explain immigrants as a whole, but fail to explain why some immigrants started-up, while others from the same cultural group, in the same host country did not. Between Chinese immigrant employers and employees in New Zealand, what are the different aspirations toward entrepreneurship?

Secondly, the various cultural backgrounds in the country of origin affect the aspirational orientations of entrepreneurs toward entrepreneurship. For example, Dana (1997) shows that some ethnic groups respect the ‘employer’ status, notably in India. Here, such aspirations motivate individuals to enter entrepreneurship. To the Chinese people, for instance, guanxi is emphasised (Kiong & Kee, 1998). What is guanxi? “[Guanxi refers to] interpersonal relationships which, for the Chinese, are seen as critical for facilitating smooth business transactions” (Kiong & Kee, 1998, p. 2). Using fieldwork in Singapore and Malaysia, Kiong and Kee (1998) explore how guanxi influences the decision-making processes. The Chinese business decision making is based on the judgment of the quality of guanxi between the parties. Good quality guanxi between business partners facilitates trade transactions efficiently and effectively. The above literature review shows that ethnic cultural backgrounds influence immigrants’ aspirational orientations toward entrepreneurship. In addition, the Aldrich and Waldinger (1990) model identifies the influences of their poorer country of origin on immigrants’ starting-up their businesses. Arguably, changes in the ethnic cultural backgrounds, social institutional, economic and political environment of original places and/or the country of origin of immigrants...
influence immigrants’ aspirations toward entrepreneurship. For instance, the differences of the company registration systems, government assistance policies, social welfare systems between the host country and the country of origin could influence the immigrants’ aspirations toward entrepreneurship. The research question is as follows: ‘How do differences in the socio-economic and political environments and cultural institutions between the host country and the country of origin affect aspirational orientations of immigrants toward entrepreneurship?’

Thirdly, Forsyte (1998) argues that Asian and European entrepreneurs have different perceptions regarding the definition of successful entrepreneurship. Frederick et al. (2004) show that New Zealand entrepreneurs are more life-style focused. They do not pay attention to the economic rewards and their business growths. With interviews of 30 business immigrants in New Zealand, who came from Australia, Canada, the USA the U.K, Europe and Asia countries, Forsyte (1998) shows that economic and personal rewards are the features of a successful business. “[A successful business includes] good return on investment, growing business, returning clientele, long term prospects, continuous business, providing steady employment, quality products and services, good accounting practices, job satisfaction, sense of pride, having fun and allowing a better lifestyle” (Forsyte, 1998, p.76). This study shows that, generally speaking, Asian people focus on the economic rewards, but Europeans pay attention to their personal enjoyment.

On the surface, this study provides a feeling that the cultural differences between eastern and western countries produce the different values and behaviour entrepreneurs have. But behind this surface phenomenon, it can be argued that the different economic environments between eastern and western countries cause Asian and European entrepreneurs to have different aspirations regarding the definition of successful entrepreneurship. Economic situations in Australia, Canada, United States, United Kingdom and Europe are better than the majority of Asian countries. It is possible that the majority of European immigrants from these advanced countries are richer than Asian immigrants, so European entrepreneurs wish for their personal enjoyment, while Asian entrepreneurs have to pay attention to their economic issues. This raised the research question ‘Do rich and poor immigrant entrepreneurs have different aspirational orientations toward entrepreneurship?’
3.4 **Summary of main points**

This chapter reviews the characteristics of immigrant entrepreneurs which include their human capital, ethnic resources and cultural and aspirational orientations toward entrepreneurship. Firstly, a personal and cultural background factors’ review raises the question of ‘how do the different external environments between the host country and the country of origin affect the immigrants’ aspirational orientations toward entrepreneurship?’ Secondly, in general, high human capital holders should have more opportunities to enter into entrepreneurship than those who hold poorer human capital. Recent Chinese immigrants in New Zealand have higher human capital than former generations. Recent New Zealand immigration policy favours high human capital applicants who are highly skilled business people, full-fee paid international students. The reason behind this is that China’s economic growth in the last three decades equipped them with high-class resources; they can meet the requirements of the immigration policy. It is not certain ‘how Chinese immigrants use their human capital, gained in the country of origin to develop their local knowledge and experience in the host country?’ Thirdly, recent immigrants rely less on old forms of ethnic resources than their predecessors did. However, new forms of ethnic resources should replace traditional ethnic resources. The research question is as follows: ‘What are the characteristics of new forms of ethnic resources used by highly skilled Chinese immigrant entrepreneurs?’ Fourthly, what cultural and commercial characteristics Chinese immigrant entrepreneurs from mainland China have? Fifthly, between Chinese immigrant employers and employees in New Zealand, what are their different aspirations toward entrepreneurship? In addition, sixthly, it is argued that the economic situation of Chinese immigrant entrepreneurs should influence their aspirational orientations about reward. The research question is as follows: ‘Do the different personal economic situations of immigrant entrepreneurs influence their aspirational orientations toward improved rewards and lifestyles?’

The following questions are to be explored:

- How do differences in the socio-economic and political environments and/or cultural institutions between the host country and the country of origin affect aspirational orientations of immigrants toward entrepreneurship?
• How do Chinese immigrants rely on their human capital obtained in China to develop their knowledge and experience in New Zealand?
• What are the characteristics of new forms of ethnic resources used by the modern Chinese entrepreneurs?
• What are the characteristics of new forms of ethnic resources used by highly skilled Chinese immigrant entrepreneurs?
• What are the different aspirational orientations toward entrepreneurship between Chinese immigrant employers (i.e., entrepreneurs) and employees in New Zealand?
• Do the different personal economic situations of immigrant entrepreneurs influence their aspirational orientations toward improved rewards and lifestyles?
CHAPTER 4: THE OPPORTUNITY STRUCTURE AND STRATEGY

The study of cultural and aspirational orientations toward entrepreneurship, human capital and ethnic resources helps explain the characteristics of immigrant entrepreneurship. However, it does not explain why immigrants have different entrepreneurial rates in different countries (Barrett et al., 2002). This chapter reviews the opportunity structures and strategies which are two dimensions of the Aldrich and Waldinger (1990) model. It is argued in Section 2.2.7 that the opportunity structure and strategy explanations in the Aldrich and Waldinger (1990) model have limitations. In the ethnic products market, the model fails to consider whether or not entering into professional, capital intensive occupations is equally easy and also fails to consider the impact of changes in the external environment on the outcomes of immigrant entrepreneurship. Furthermore, in the non-ethnic market, the model does not consider the impact of competition between co-ethnic businesses in the non-ethnic market on the opportunity structure of immigrant entrepreneurship. Neither does the model consider the fact that ethnic customers also need non-ethnic products and services which should affect strategies the immigrant entrepreneurs use. This chapter reviews the ‘structures opportunity’ and ‘strategies’ of immigrant entrepreneurship in great depth.

4.1 Opportunity structures

Section 4.1 focuses on reviewing the opportunity structures of the immigration entrepreneurship in the Aldrich and Waldinger (1990) model and, furthermore, how changes in the external environment affect the opportunity structures of Chinese immigrant entrepreneurship. Section 4.1.1 reviews the concepts of niches and the non-ethnic market and the development of occupations of Chinese immigrant entrepreneurship in New Zealand. Section 4.1.2 reviews the opportunity structure in the co-ethnic market and the co-ethnic population changes influencing the opportunity structure of immigrant entrepreneurship. Following that, the section reviews the development of the Chinese population in New Zealand, including Auckland and Hamilton. Section 4.1.3 reviews the interethnic competition, state and industry policies and the characteristics of the structural
opportunities in big sized co-ethnic population areas (e.g., Auckland) and in small sized co-ethnic population areas (e.g., Hamilton). Lastly, the question of how changes in the external environment affect the opportunity structures of Chinese immigrant entrepreneurship is reviewed.

4.1.1 Niches in the non-ethnic market

The opportunity structure explanation focuses on the immigrants’ aim to serve niches which exist in both the co-ethnic and the non-ethnic market (Aldrich & Waldinger, 1990; Bonacich, 1973). What is a niche market? The Oxford dictionary has defined a niche market as “[A]n opportunity to sell a particular product to a particular group of people.” According to this definition, all businesses should have their niche (i.e., opportunity to sell their products and services to targeted customers). Niche is the market where immigrant entrepreneurs selling value-added products to meet co-ethnic customers’ demands and/or attract local customers. Ideally, these services and products are not the same as those offered by the majority of businesses in mainstream society; majority group’s businesses do not compete with the immigrant businesses in these niches.

Aldrich and Waldinger (1990) identify that under particular conditions, immigrant businesses can access certain kinds of the non-ethnic markets. These are:

- The underserved markets
- The abandoned markets
- The markets characterised by low order economies of scale
- The markets with unstable or uncertain demand

Immigrants can access niches by either buying existing businesses or setting up of a new one. Traditionally, immigrant entrepreneurs concentrate in the niche through reliance on ethnic resources (Aldrich & Waldinger, 1990). The following niches have the characteristics identified by the model of Aldrich and Waldinger (1990) and Bonacich’s (1973) middleman minority model.

Immigrant businesses are located in ‘low income areas’ to serve the markets with small demands and low profits. These markets are generally the underserved markets that are avoided by mainstream businesses. For example, Loewen (1971) shows that in Mississippi,
the USA, since Afro-Americans did not have the capital to own grocery stores and
Caucasians were reluctant to do business in Afro-American neighbourhoods; Chinese
tenrepreneurs entered to serve this niche and played a middle role between the Afro-
Americans and Caucasians. Chinese businesses provided cheap products. Some of their
products were imported from abroad, such as garments and small daily-use goods, at lower
prices than the host country’s super-market prices. It follows then that immigrant
tenrepreneurs can find niches in ‘neighbourhood communities’. Indian Dairy Shops and
Chinese Fish and Chips Takeaway Restaurants offered long business opening hours and
convenient locations to the local neighbourhood. These markets are characterised by small
orders with unstable or uncertain demands. Mainstream businesses have no interest in
entering these markets (Aldrich & Waldinger, 1990; Aldrich et al., 1989). Moreover, local
customers throughout time have accepted occupations such as market gardening, laundry
industry and fruit shops belonging to traditional immigrant businesses. However, it is
interesting to know how these traditional niches were formed. Take Chinese immigrant
entrepreneurship in New Zealand as an example below.

In the early 20th century, following the depletion of gold in Otago, Chinese in New Zealand
began to leave the gold-mining industry. When the majority of them could not find jobs,
you could become self-employed. Shum (2003, p. 84) describes the Chinese businesses in the
Chinese community (i.e., Haining St, the old China Town), Wellington:

In 1894, it was reported that there were 200 Chinese in the city. They occupied 47
fruit and vegetable shops, ten market gardens, three boarding houses, one wholesale
house and one laundry. In 1900, there was a Chinese doctor, popular with Europeans
and Chinese and the first Chinese restaurant. There were perhaps half a dozen shops
selling Chinese groceries and other goods in the area. The shops were a focal point
for community life, operating as unofficial banks and places where mail could be
sent to local residents. Some Chinese grocery stores also sold herbs used in
traditional Chinese medicine and advised customers on their use.

Up until the 1980s, earlier generations of Chinese immigrants had limited human capital,
hence, relied heavily on ethnic resources within limited sectors (Ding, 2001; Ip, 2006).

Ding (2001) shows that earlier generations of Chinese immigrants held limited class
resources which affected the selections of these traditional industries. For instance, by
relying on their prior experience as small farmers, they entered the market garden. They entered into laundry businesses because it required limited resources – merely their hands and water. Chinese immigrant businesses were concentrated in these occupations and were around urban areas throughout New Zealand (Ding, 2001). Ng (2001, p. 9) explains: “[T]he Chinese businesses, being chiefly constrained to market gardens, fruit-shops and laundries, crowded in and competed with each other. Since the Chinese skill fully provided a major social service in each. Labour unions finally left the Chinese alone in these three trades.”

In the 1940s, the Chinese market gardening had become large-scale enterprises that supplied about 80 percent of the vegetables to the mainstream market. An example of a successful entrepreneur is Mr Yuxi YANG, the owner of a market garden in South Auckland in the 1940s (Ding, 2001). Ding (2001, p. 27) described that “[His farm had] about five hundred acres, tens of tractors and the warehouse was as big as a soccer ground.” However, until the 1970s, most Chinese immigrants were concentrated on limited occupations and small businesses such as being retailers and restaurateurs (Ho et al., 1998).

Did former generations of Chinese immigrant entrepreneurs enter the niche markets? Yes, former generations of Chinese immigrant entrepreneurs in these traditional industries did not compete with the majority group’s businesses in mainstream society. For instance, the Chinese market garden in New Zealand did not produce vegetables the same as the European market garden did. The European market gardeners produced bigger volumes for cold storage purposes and supplied to wholesalers. The Chinese market gardeners mainly produced fresh vegetables in small volumes and for greengrocers (Ding, 2001). The same case was found in Australia, as Collins (2002, p.117) identifies, “[T]he Chinese market gardeners in Australia found a niche that did not threaten others.”

Like the market garden, the Chinese laundry, one of the key traditional Chinese immigrant businesses, was not the same as the European laundry. European laundries used machines to wash the goods in big volumes. In contrast, Chen (2004) points out those earlier Chinese laundry businesses were mainly hand washing and offered ironing and small repairing services, in small orders. Chinese restaurants offered value-added dishes and food to serve the Chinese tourists and local customers. Small retail shops and Chinese supermarkets offered Chinese goods imported from China and/or other Asia countries. Traditionally, the
Chinese businesses did not compete with the majority ethnic businesses in mainstream society. They served niches.

The features of the immigrant businesses’ niche inside The Aldrich and Waldinger (1990) model includes:

- Labour intensive and unfriendly environment
- Require longer working hours
- Low income and profit
- High co-ethnic competition

The disadvantage theory states that although immigrants do not want to become self-employed in these niches, they, nonetheless, have to (Light, 1979).

Researchers from Canada (Wong & Ng, 1998) and Australia (Collins, 2002) show that recent Chinese immigrant entrepreneurs prefer to set up new businesses. Through in-depth interviews with Chinese immigrants in Vancouver Canada, Wong and Ng (1998) found that the Chinese do not enter the niche markets that are given up by local businesses, or businesses with low technical barriers of entry. They serve mainly the majority market, both Chinese and non-Chinese (Collins, 2002). Liu’s (2000) study shows recent Chinese businesses’ differences. Liu (2000, p. 62) points out:

> Chinese immigrant entrepreneurship is experiencing significant changes, with services that rely on a non-ethnic clientele encompassing the rise of a new range of knowledge-intensive services such as travel agency and medical/health services. That is, traditional Chinese businesses-restaurants, market gardening and fruit shops - are being replaced by a wide spectrum of both old and new industries.

In summary, by relying on ethnic resources, immigrant entrepreneurs can find niches to serve the non-ethnic markets with value added products and services and/or trade with their country of origin. Former generations of Chinese people found their niches in market gardening fruit shops and the laundry industry. However, recent Chinese immigrant entrepreneurs enter into both old and new occupations. During the 1980s, contemporary Chinese groups, including business immigrants came from Hong Kong and Taiwan to New Zealand. According to Ng (2001), in 1996, Chinese immigrants’ businesses included language schools, property agencies, stores, supermarkets, butchers, food shops, restaurants,
furniture shops, travel and immigration agencies, ceramics factory, computer design firms, IT wholesalers, Chinese food factories, property developers and hotels.

In the last decade, the increasing Chinese immigrant population meant a rapid increase in Chinese immigrants starting-up their businesses. A Chinese website (www.180.co.nz) described the rapid growth of the Chinese businesses in Dominion Road, the central area of Auckland (dated February 23, 2006). The article reports that five years ago, Dominion Road, between Mt Roskill and Mt Eden, had very few Chinese businesses, but today, there are about 48 Chinese stores. Businesses include 19 restaurants, two supermarkets, seven dairies, five beauty and hair salons, two massage parlours, two electronic equipment shops, five laundries and four social clubs.

*Chinese Business Yellow Pages 2008* gives a full breakdown of Chinese immigrant businesses in Auckland, showing a great variety (*see Appendix I*). A Chinese newspaper firm in Auckland owned by a Chinese New Zealander edited the publication. The editor declared that it does not cover all Chinese businesses. For example, the Chinese fish and chips takeaway restaurants and two-dollar shops were not included in the *Pages* because the Chinese fish and chips takeaway restaurants target their neighbourhood communities, the owners promote their businesses through local papers instead. The figures in Appendix I are not completely accurate. However, the figures are more accurate in describing Chinese immigrant businesses involved in the co-ethnic markets.

According to the *Chinese Business Yellow Pages 2008*, financial and agency firms, as well as private schools, are more likely to locate in the Downtown Auckland area because most international students and visitors are there. Since the majority of Chinese residents live in central and southern Auckland, many Chinese businesses such as retailers concentrate in areas such as East Tamaki, Howick, Pakuranga and the central areas of Auckland. Other Chinese businesses that serve lower income communities are more likely to operate their businesses in southern Auckland such as East Tamaki. Fish and chip takeaway restaurants are anywhere throughout the Auckland region because they serve the mainstream neighbourhood communities.
4.1.2 The co-ethnic market

Co-ethnic consumer products are goods and services combined with co-ethnic cultural elements aimed at meeting the co-ethnic customers’ demands and preferences. Selling these co-ethnic cultural elements added products and services to co-ethnic customers, enable immigrant entrepreneurs to find the markets more easily than they would in mainstream society. With the same cultural backgrounds, immigrant entrepreneurs have the advantage of understanding how to serve co-ethnic customers. Immigrant entrepreneurs have the skills to serve their co-ethnic customers (Evans, 1989; Waldinger (1990). As identified previously, the Aldrich and Waldinger (1990) study is weak in explaining the difference in market conditions between the cities (such as the world cities and the non-world cities) where co-ethnic groups have different co-ethnic population sizes. Furthermore, how such differences influence the outcomes and behaviour of immigrant entrepreneurship. Secondly, patterns of immigration have changed over time with recent trends showing more incoming business and skilled immigrants, alongside ethnic consumers, including tourists and international students. These new immigrant consumers have intensive expenditure capacity and can form a large ethnic market during a period. How does this changing situation affect ethnic business growth? Thirdly, although Aldrich and Waldinger (1990) recognise that ethnic entrepreneurs provide ethnic products to meet the preferences of ethnic minority, they pay insufficient attention to how socio-economic and political environmental changes in the country of origin, host country and globally, influences the ethnic product markets. The next section will address these issues.

Li (1993) shows that in Canada, Chinese immigrants are involved in two major types of Chinese businesses. First, modern Chinese enter into their traditional occupations. Studies (e.g., Henderson, 2003; Ng, 2001) show former generations of Chinese entrepreneurs served their co-ethnic Chinese gold seekers before the 1900s. Merchants and storekeepers were the most popular occupations because they provided necessary food and goods for living. These studies show that in New Zealand, some former generations of successful Chinese immigrant entrepreneurs started-up by serving Chinese customers. For example, Mr Choie Sew Hoy, from a former generation of Chinese immigrants, came to Dunedin in 1869 and started a store that sold food and tools to the Chinese gold seekers. Later, his chain of stores expanded to serve almost all the miners in Otago (Ng, 2001).
Immigrant entrepreneurs find niches in ‘import and export’ businesses, to serve co-ethnic customers. Chinese supermarkets import goods from overseas such as China, Taiwan and Hong Kong and sell it to Chinese tourists, to meet their preferences. A Chinese immigrant entrepreneur’s wife explains: “[M]y father-in-law brought an import grocery business in 1915. The grocery imported Chinese rice and other dried and preserved foodstuffs. Just like … in Auckland today, selling miscellaneous Chinese things, oil, soya sauce and things like that” (Ip, 1990, p. 52). Immigrants can enlarge their businesses through import and export activities with their homeland. Take the Doos family, a former generation of Chinese immigrant entrepreneur’s family, as an example:

My main duty at the shop was to keep accounts, write letters with their country of origin because they are familiarised with the cultures and languages of their country, copy records, write out receipts and so on. All these had to be in Chinese because our suppliers and customers were Chinese. (A former generation of Chinese lady from Doos family, quoted by Ip, 1990, p. 55)

The Doos family imported goods from China in the early 20th century and became very successful. The Doos family was one of the seven authorised importers of rice during World War II and became a big firm in the 1940s (Ip, 1990).

Modern Chinese supermarkets and Chinese restaurants serve Chinese and non-Chinese customers throughout the world. These traditional Chinese occupations have been studied intensively (Barrett et al., 2002; Peter, 2002).

Second, the development of contemporary Chinese immigrants’ entering wider professional occupations is rapid. Recent examples include Chinese immigrants becoming agents to assist the Chinese international students and visitors from China into the local schools and to act as travel agents. According to the Aldrich and Waldinger (1990) model, the co-ethnic-population and residential concentration affect the opportunity structure of the co-ethnic markets. Furthermore, Li (1993) shows that the host country’s immigration policies influence the size of Chinese immigrant population. Fang and Brown (1999) explain the relocation of immigrants (e.g., Chinese) in three large cities, including New York. This study shows that the population growth and economy differences of the cities affect the
immigrants’ redistribution. The environment of the cities influences the occupation development of the immigrants.

a) Co-ethnic population size, residential concentration and the world cities

_Co-ethnic population size influences business opportunity of immigrant entrepreneurs._

Studies (for example, Evans, 1989) show that opportunities to serve the co-ethnic markets are associated with co-ethnic population size and their residential concentration. The larger the immigrant group, the larger ethnic market and the greater the immigrants’ business opportunities. For instance, Spoonley and Meares (2009) point out that the Chinese population size and their residential concentration are critical to Chinese immigrants’ business growth and survival. Furthermore, living in large urban areas where an ethnic group is concentrated, members of that immigrant group tend to be self-employed because the big co-ethnic population offers more market opportunities. In addition, Aldrich and Reiss (1989) and Aldrich et al. (1989) show that when the immigrant population is growing, this change will result in the transition of business ownership from the mainstream majority to ethnic minority.

_Co-ethnic population size influences occupations of immigrant entrepreneurs._

Combining data from the 2001 Canadian census and Chinese business directories produced by the city of Toronto in 2000 and York Region in Canada in 2001, Fong et al.’s (2008) study argues that immigrant business location is the result of interactions between business environment of neighbourhood and the demand for the ethnic resources in the sectors. Fong et al. (2008, p.500) propose that four types of neighbourhood business environments affected the Chinese businesses:

The ethnic enclave neighbourhood is characterized by having (1) a large number of ethnic businesses, (2) a low level of industrial diversity among all businesses and (3) a larger proportion of ethnic population who have recently immigrated.

The ethnic clustered neighbourhood is characterised by having (1) a large number of ethnic businesses in adjacent neighbourhoods and (2) a large proportion of recent ethnic immigrants.

The minority neighbourhood is characterised by having (1) a small number of ethnic businesses and (2) a small proportion of ethnic businesses in adjacent neighbourhoods.
The non-ethnic/minority neighbourhood is characterised by having (1) a small number of ethnic businesses and (2) a high level of industrial diversity among all businesses.

Fong et al. (2008) show that in ethnic enclaves, retail stores, financial, real estate and insurance services are available for their co-ethnic customers. In ethnic clustered neighbourhoods, co-ethnic goods services (i.e., food industry) are available to meet the demand of the neighbourhood community. However, in the minority neighbourhoods, the immigrant businesses serve the unattractive non-ethnic markets, such as doing business in lower income areas. In the non-ethnic/minority neighbourhoods, immigrants operate their businesses (e.g., manufacture sectors) in a mainstream environment outside a protected ethnic market.

*The immigration population size influences the globalisation of the cities which affects the opportunity structure of immigrant entrepreneurship.*

Some of the world cities have become immigrant gateways where a great number of diverse immigrants are living and/or distributed into other cities after their temporary stay. Those world cities promote economic globalisation. Price and Benton-Short (2007, p. 104) point out:

> [This large number of diverse immigrant] formation challenges assumptions about identity, the power of the state and the role of millions of individual immigrants to influence global economic processes via redirecting flows of capital to the home countries (as remittances) or by investing in cities of destination (as entrepreneurs).

According to Price and Benton-Short (2007), Auckland in New Zealand belongs to the top 100 metropolitan areas in the world that umbrellas more than 100,000 foreign born immigrants. Auckland is a world city that is at a different level of globalisation from other non-world cities such as Hamilton.

*The competitive advantage of cities increases their immigrant population size.*

Ewers (2007) studied what attractive factors should world cities have in order to foster their competitive advantage in recruiting highly skilled immigrants. Accordingly, highly skilled immigrants are attracted to the world cities that have excellent education, high standard housing, an international financial centre, easy lifestyles, infrastructural amenities,
excellent companies, convenient airlines and telecommunication, friendly economic environments and regulations (Ewers, 2007). Beyond the cities level, Ewers (2007) emphasises the state immigration policies that should help the highly skilled immigrants to obtain visas. However, Ewers (2007) has paid insufficient attention to other factors at the state level. What do other state-level factors influence immigrants’ decision-making? For example, the demographic, geographic and economic sizes of the countries may influence Chinese immigration applicants during their destination selection process.

It is possible, for example, that Chinese people prefer to migrate to the United States because it has an advanced economy and innovative industries; or Australia for its larger geography. For these reasons, the Chinese immigrant applicants may believe that the United States and Australia could offer them more business and/or employment opportunities compared to a smaller economy such as New Zealand. In fact, most Chinese immigrants in New Zealand chose the country primarily for its clean image and lifestyle rather than economic opportunities (NZIS, 2008). In contrast, other Chinese immigrants chose alternative countries due to economic opportunities rather than the lifestyle (Forsyte, 1998). Arguably, without a competitive country, a city could not become a gateway for immigrants. Second, to immigrant entrepreneurs, highly skilled immigrants are only a part of their clients’ base. The co-ethnic markets also consist of lower skilled immigrants, tourists and international students. At the end of the day, it is necessary to understand factors that influence all the immigrants’ decision-making about coming to host countries and world cities. Since the immigrant population size of the ethnic group is critical to immigrant entrepreneurship, it is necessary to review Chinese immigrant population in New Zealand.

b) The Chinese population development in New Zealand
Ng (2001) shows that the first group of Chinese immigrants came to New Zealand around the 1840s and then more groups of Chinese immigrants came later because of the Otago gold rush after 1865. The 1867 New Zealand census showed that 1,219 Chinese people (China born) were in New Zealand, including six females. This peaked at 5,033 in 1881 (Statistics New Zealand, 1995, p. 5). Between 1865 and 1900, the majority of Chinese immigrants were gold seekers in Otago and on West Coast of the South Island (Ng, 2001).
By the end of the 19th century, following the depletion of gold in Otago, Wellington had become an important Chinese centre.

The 1916 New Zealand census data shows that 2,147 Chinese people were in New Zealand, 42 percent of whom were living in Auckland, 34 percent in Wellington and 16 percent in Otago. The number of Chinese people reached 5,000 in 1945 (Statistics NZ, 1995). In the 1940s, their wives and children came to New Zealand as war refugees (Wong, 2003). There were 5,723 Chinese people in New Zealand in 1951, including 3,633 males and 2,090 females (Ding, 2001, p. 169). The Chinese population doubled, in 1966 to reach 11,040 and more than doubled again between 1966 and 1986 (Ng, 2001). New Chinese immigrants came from mainland China, Hong Kong and Taiwan during the last two decades. The number of Chinese people, whose birthplaces were overseas, reached 38,949 in 2001 and then 78,117 in 2006. According to the 2006 New Zealand census, the Chinese population in Auckland has reached 98,391. In contrast, there were 7,122 Chinese immigrants in Hamilton. Contemporary Chinese immigrant entrepreneurs should have more business opportunities in the Chinese immigrant markets in Auckland than Hamilton, due to the larger Chinese population in Auckland today.

During the last three decades, a large number of Chinese people went abroad for education. According to the statistics from China’s Ministry of Education, between 1978 and 2007, there were 1211,170 Chinese international students abroad. Particularly in 2007, there were 892,000 Chinese students in foreign countries. In that year, a total of 144,500 Chinese international students left China (officially through China’s custom) to study abroad.

Meanwhile, a large number of Chinese people travelled abroad for tourism and immigration. For example, Statistics New Zealand 2008 shows that the short-term overseas visitors from China between 1992 and 2007 were 722,103. Likewise, Canadian Immigration Statistics shows that between 1991 and 2006, there was a total of 333,030 new Chinese immigrants. As a result, they formed a huge consumer market that required daily goods and/or capital intensive, professional services, and luxury goods. Unsurprisingly, they became the targeted clients of Chinese immigrant entrepreneurship in New Zealand, the U.S.A, Australia, and Canada.
4.1.3 Accessing the markets

a) Interethnic competition in Auckland and Hamilton

Chinese immigrants serving a co-ethnic market and a non-ethnic market have different business outcomes. Aldrich and Waldinger (1990, p.114) point out:

Market conditions may favour only businesses serving an ethnic community’s needs, in which case entrepreneurial opportunities are limited. Or, market conditions may favour smaller enterprises serving non-ethnic populations, in which case opportunities are much greater.

Although serving co-ethnics allows easier access to businesses than serving non-ethnics, serving the co-ethnic market alone will cause intense competition and a high failure rate because of the concentration of co-ethnic businesses in that sector. When immigrant entrepreneurs succeed in a niche, many co-ethnic immigrants learn to start-up the same businesses. This results in the concentration of ethnic businesses in limited sectors. Aldrich and Waldinger (1990, p. 125) point out that, “[Doing business] in large ethnic concentration, intense competition from co-ethnic for an inherently limited number of small business opportunities, imposes a significant ceiling effect.” Chinese immigrant entrepreneurs in Auckland are experiencing higher competition than in Hamilton. In contrast, as the local industry authority increases entry costs (Aldrich & Waldinger, 1990), entering the non-ethnic markets is more difficult than entering the co-ethnic markets. However, by entering wide non-ethnic markets, entrepreneurs could gain a stable market.

Another characteristic of the co-ethnic immigrant market is that co-ethnic customers have the same demands as local customers. They also have additional demands to meet their cultural needs. Their needs are influenced by the international social and economic environmental changes more than local customers are because Chinese ethnic minority customers are linked to customs and economic situations of their country of origin. They are immigrants who have to interact with changes in the host country immigration policies and global environment more than the local people. Chinese immigrants who serve the co-ethnic market in big cities (the world cities) face changes in demands and intense competition. Hence, immigrant entrepreneurs in big cities have to put an emphasis on product and service innovation and/or enter into wider range of non-ethnic markets to avoid the internal competition. By using data from the 2001 New Zealand census and 73
in-depth interviews with key informants in Scotland, Deakins, Smallbone, Ishaq, Whittam and Wyper (2009) show that immigrant business owners in declining sectors and markets have adopted innovation in service and product provision and in adding value and entered into more diversification and/or breaking into the new markets.

The modern Chinese immigrant consumers are business professionals, skilled immigrants, tourists and international students who have extensive purchasing power. It is possible that in Auckland, the large Chinese ethnic market could support the Chinese business growth fast. However, it is influenced by the socio-economic and political environmental changes in the country of origin, host country and the international markets. Nevertheless, these successful Chinese immigrant entrepreneurs are probably facing intensive interethnic businesses competition, meaning that immigrant entrepreneurs in Auckland put emphasis on innovation than those in Hamilton. In comparison, as a non-global city, Hamilton is less influenced by global environmental changes compared to Auckland, meaning that the Chinese immigrant market in Hamilton is relatively stable. In Hamilton, the Chinese immigrant population is comparatively small with a small Chinese ethnic market. Ideally, they entered into the non-ethnic markets in order to serve all and more customers. Although the non-ethnic market is big market, it is not easy for Chinese immigrants to access to it. This is to be further explored.

b) State and industry policies

In their study, Aldrich and Waldinger (1990, p. 121) point out,

All western societies also maintain policies that implicitly impede ethnic business development. Policies that regulate business and labour markets, through licensing and apprenticeship requirements, health standards, minimum wage laws and the like, raise the costs of entry and operation for small firms-ethnic or not.

Immigrant entrepreneurship is usually influenced by the host country’s national policies. The study used the Australian censuses and other secondary data from the relevant literature, including survey data of 104 Chinese and 40 Indian entrepreneurs in the Lever-Tracy et al. (1991) study. Collins (2002) reviews the history of Chinese immigrant entrepreneurship in Australia from the 1800s until now and suggests that the Chinese immigrants and their entrepreneurship were shaped by the development of globalisation
and national policies of the host country. These factors affected their prospects in the employment market and their place in the Australian society. By analysing national and local census data and data from Chinese phone books of Richmond, Canada, Li (1992) explores Chinese immigrant business patterns. Between the 1980s and the 1990s, Chinese businesses had developed to include professional services. Joint venture investments were increased instead of family businesses. Throughout the analysis of Chinese immigrant businesses in Canada, the paper shows that changes of national policies in the host country, such as immigration policy, influenced the size of the Chinese immigrant population and their geographic concentration which impacted on these Chinese businesses. It is possible that these Chinese businesses relied mainly on the Chinese ethnic markets. As discussed in Section 2.1.1, Kloosterman and Rath (2001) use a three levels approach to explore the opportunity structure of immigrant entrepreneurship at the local, national and regional level with the ‘mixed embeddedness’ method. Immigrant entrepreneurs should interact with the host country’s environment such as state policies.

Beside the national policies, immigrant entrepreneurship is also influenced by the regulations and requirements set by the local industry authorities for entering non-ethnic markets. One such requirement is the recognition of foreign qualifications. By analysing data from Statistics New Zealand on immigration and the interviews with Taiwanese immigrants in New Zealand, Ip (2003c) shows even though most 30 year olds held high qualifications, they had very low labour force rates. Likewise, this study found that the host country’s local industry authority and employers did not recognise overseas qualifications and work experience which limited capacity to enter into the non-ethnic markets, in professional occupations such as the accounting, legal and medical sectors. The argument is that, that in the co-ethnic market, modern Chinese people entering into professional industries such as accounting to serve mainly Chinese clients, should have a license too. Arguably, Chinese immigrant entrepreneurs are still influenced by the regulations and requirements set by the local industry authority for entering not only the non-ethnic markets (Aldrich & Waldinger, 1990) but also the ethnic markets.
4.1.4 Changes in the external environment influence the opportunity structure

External environmental changes influence the opportunity structure of immigrant entrepreneurs. Firstly, environmental changes in the host country affect the opportunity structure of immigrant entrepreneurship (Kloosterman & Rath, 2000). For example, following the Australian and Canadian footsteps, New Zealand immigration policy has changed in 1986 to welcome applicants who can contribute to New Zealand’s economy regardless of ethnicity factors. (Bedford, Ho, & Lidgard, 2001; Hiebert, Collins, & Spoonley, 2003; Li, 2008; Spoonley & Bedford, 2003; Trlin, 1997). Highly skilled Chinese immigrants could come to New Zealand. Their class resources could support them to start-up in professional service occupations. In addition, since New Zealand carried out economic reforms in the 1980s to favour all private sectors, in the same way as other New Zealanders, Chinese immigrant entrepreneurs could enter capital-intensive professional occupations (Liu, 2000). In 1999, when New Zealand removed the limits on the number of Chinese international students, many Chinese students came to New Zealand which offered start-up opportunity to Chinese highly skilled immigrants who became self-employed as students recruitment agents. The external environmental changes in New Zealand influenced the opportunity structure of immigrant entrepreneurs.

Secondly, environmental changes in the country of origin affect the opportunity structure of immigrant entrepreneurs, particularly in those large metropolitans (the world cities). For instance, the Chinese economy also underwent dramatic reforms in 1978. As a result, a proportion of the Chinese population gained more and intensive human and financial capital sufficient for fulfilling the immigration requirements of advanced nations such as New Zealand, Australia, and Canada (Dollar, 2007). In contrast to the low skill immigrants in predominant industries (e.g., food and accommodation) (Spoonley & Meares, 2009), the highly skilled immigrants are able to start-up of their businesses in the capital-intensive professional occupations (Ip, 2006; Li, 2008) to serve their co-ethnic market. Furthermore, the economic growth in the country of origin provided those highly skilled immigrants with a huge co-ethnic market. For example, recently, more than 10 million Chinese people went abroad each year for education, business, and tourism. Chinese immigrant entrepreneurs are able to start-up their businesses as real estate agents, immigration agents, legal advice providers, educational service providers.
Thirdly, changes in technology affect the opportunity structure of immigrant entrepreneurship. For example, with the assistance of new technologies (Landolt, 2001), Chinese immigrant entrepreneurs, in their host countries’ offices, can easily communicate with their business partners and clients in either the host country or the country of origin through phone, internet, visual talk and fax. This way, they are able to look after their extended service chains from their country of origin to their host country. They are able to access the market opportunity in their country of origin as well.

Fourthly, changes in the international immigration movement affect the opportunity structure of immigrant entrepreneurship. For instance, the advantage of a large metropolitan area (e.g., the world cities, international immigration gateways) enables Chinese immigrant entrepreneurs to keep closer ties to the global markets, and have more interaction opportunities with the new Chinese immigrants such as tourists and students than those small cities (e.g., the non-world cities, non-international immigration gateways) (Li & Teixeira, 2007). Such differences create the different opportunity structures to the Chinese immigrant entrepreneurs between large metropolitan area (e.g., Auckland) and small cities. (e.g., Hamilton). For instance, in Auckland, this world city attracts a larger number of temporary visa holders from China that forms the characteristics of Chinese ethnic market as large, unstable in population size with dynamic purchasing habits and strong purchasing power, all of which are different from the market in Hamilton where a small number of Chinese clients formed a stable market.

The preceding discussed immigrant entrepreneurs’ accessing ethnic and non-ethnic markets in Auckland and Hamilton. Immigrant entrepreneurs are influenced by the co-ethnic competitions, national policy changes and the requirement of the industry regulations. In addition, the external environment changes also influence the opportunity structure of Chinese immigrant entrepreneurship in Auckland and Hamilton. Chinese immigrant entrepreneurs need strategies to interact with the above inflecting factors, and overcome barriers to acquire and maintain their operational licences and operate their businesses.
4.2 Strategy

Aldrich and Waldinger (1990, p. 114) point out that, “[E]thnic strategies emerge from the interaction of opportunities and group characteristics, as ethnic groups adapt to their environments.” Immigrant entrepreneurs rely on the ethnic resources available to promote ethnic entrepreneurship. The strategy for accessing ethnic resources is to keep close co-ethnic ties and ethnic social networks by extending family, kinship, friendship, associations that so as to obtain information, labourers and capital. Immigrant entrepreneurs obtain capital through engaging in rotating credit associations. They acquire job experience and skills by working for co-ethnic companies. They recruit cheap labour through using families and co-ethnic labourers as unpaid and loyal workers. In addition, they manage relationships with their customers through extending credit, offering special services and delivering mobile services to clients (Aldrich & Waldinger, 1990; Basu & Gowsami, 1999; Ding, 2001; Teixeira, 1998). Moreover, immigrant entrepreneurs used ‘surviving strenuous competition strategies.’ This section first reviews the strategy used by immigrant entrepreneurs within the Aldrich and Waldinger (1990) model. These include:

- Self-exploitation
- Diversification
- Ethnic association.

Second, barriers existing in the host country are reviewed and the possible strategies used by immigrant entrepreneurs to overcome barriers are discussed. Finally, competition strategies used in either the ethnic or non-ethnic markets are discussed. The different strategies used by Chinese entrepreneurs in Auckland and Hamilton are proposed and research questions are generated.

4.2.1 Strategies within the Aldrich and Waldinger (1990) model

‘Self-exploitation’ is high priority. Firstly, former generations of Chinese immigrants set up mainly family businesses. They tended to rely on their families’ resources to cut costs. For example, they used unpaid family labourers (Henderson, 2003; Ip, 1996; Ng 2003). Bonacich (1973) points out that the typical immigrant entrepreneurs lived with their families behind the store.
Ip (1996) provides evidence to support the above characteristics among Chinese immigrant entrepreneurs. For example, a member of the former generation of Chinese immigrants spoke of his childhood, saying: “[I] was also aware that we were very different from the other New Zealand children … very few people lived in shop as we did” (Ip, 1996, p.18). The wife of another member of the former generation of Chinese entrepreneurs described, “[T]he children always returned from school directly to the shop. They could all help. Everyone started to work: arranging goods, selling, tidying up” (Ip, 1990, p. 94).

Secondly, former generation Chinese entrepreneurs used long hours of work and an emphasis on being industrious to increase savings. They always worked long hours, meaning that they had no time to go shopping (Ding, 2001; Shum, 2003). The following two interviewees illustrated this: “[I] remember holding my baby in one arm and copying accounts and receipts with the other hand. Often I had to do such paper work until 12 or one o’clock in the morning” (a former generation of Chinese importer’s daughter-in-law, quoted in Ip, 1990, p. 55). Another example strengthens this picture “[T]he shop closed round 10 pm. We just hoped that we could do a little bit more business. Daytime was spent in the shop, washing and cooking too. Evening was sewing time” (A Chinese immigrant entrepreneur’s wife, quoted in Ip, 1990, p. 94).

Thirdly, they relied on cheap co-ethnic labourers. Existing research (Aldrich & Waldinger, 1990; Pang, 2002) identifies that when immigrants first came to the host country they were likely to approach their co-ethnic friends and work in co-ethnic businesses as apprentices. These employees were willing to earn a low income in order to learn the necessary skills and knowledge before they started-up their own businesses (Aldrich & Waldinger, 1990; Pang, 2002). In other words, these apprentices earned mainly work experience rather than money. This way, ethnic businesses could cut labour costs.

The above strategies applied to the earlier Chinese immigrant businesses. However, the situation has changed since China carried out their one child policy, children have become ‘little emperors’ of the family. Chinese people emphasise their education. Parents encourage their children to study hard. Contemporary Chinese people seem not want to use their children as labourers. In addition, since modern Chinese immigrants are skilled immigrants and business immigrants in New Zealand, they should have more opportunity
to find jobs than their predecessors. Before having a job they can rely on the New Zealand welfare system for economic assistance. Arguably, it is not preferred that they become cheap labourers. However, it is unclear what strategies the modern Chinese immigrant entrepreneurs use to have ideal employees in New Zealand are.

‘Diversify’, Aldrich and Waldinger (1990) point out that immigrant entrepreneurs rely on strategies such as extending their chain of products and services or opening other unrelated businesses. A business on an enlarged scale could gain purchasing power; an expanded chain of production could control the channel flow from supply to distribution and lower the transfer costs (Kotler & Armstrong, 2004; Thompson & Strickland, 2001). There was evidence that earlier generations of Chinese people had used this strategy. For example, some Chinese immigrant entrepreneurs controlled their supply and distribution channels through being the owner of both fruit shops and market gardens in New Zealand during the 1900s (Ding, 2001). From the study of 28 Chinese immigrant businesses in Australia, Lever-Tracy and Ip (2005) show that Chinese immigrant entrepreneurs were diversifying their businesses in the unrelated markets and products. For example, a construction firm owner simultaneously owns a café shop. The reason for doing this is that they can withdraw from an overly competitive business environment when necessary. They manage their risk by allocating their investments into different businesses. Is this the case in New Zealand?

‘Ethnic association’ was emphasised (Aldrich & Waldinger, 1990). In 1909, the first Chinese Association was set up in Wellington. The aims were to act as a liaison to the Chinese people in New Zealand, to help each other and improve the relationship among Chinese people in New Zealand. Since then, Chinese associations have been created all around New Zealand (Ding, 2001). According to the Chinese Yellow Pages 2008, there were 61 Chinese associations in Auckland, New Zealand in 2007. By relying on the Chinese associations, Chinese immigrants could gain negotiation power. An example is that former generations of Chinese market gardeners organised their association to protect their interests. Through negotiation with a mainstream labour union the Chinese market gardeners have been competitive in the industry right up until today (Ding, 2001).

Previously, the Chinese association acted as a liaison with the Chinese people in New Zealand; meaning that leaders could find members who were potential co-ethnic customers.
Recently, China’s economy has been strong. Chinese government officers come to New Zealand for business purposes. It is assumed that the leaders of these associations build *guanxi* with the Chinese government and organisations, who in turn, facilitate their business growth. This will be examined.

In summary, ‘self-exploitation’, ‘diversify’ and ‘ethnic association’ are the strategies within the Aldrich and Waldinger (1990) model used by immigrant entrepreneurs. It is not certain how recent Chinese immigrants find cheap labourers, develop their life styles and whether or not they would like to be members of Chinese associations and/or whether being leaders of the Chinese associations could benefit their personal businesses.

Next, the strategies used by Chinese immigrant entrepreneurs to overcome barriers and compete in either the Chinese or non-ethnic markets, in Auckland and Hamilton are discussed.

### 4.2.2 Barriers and the possible strategies used to overcome barriers

Barriers exist in both the co-ethnic and non-ethnic markets. When Chinese immigrant entrepreneurs are in the Chinese ethnic market, high competition will limit their finding more customers. Meanwhile, when they are in the non-ethnic markets, cultural differences will also be a barrier to the local customers. Moreover, Crothers (2002) points out that the obstacles caused by the host country’s state policies, economy, politico-institutional environment and institutions affect the immigrant entrepreneurial opportunities. The major barriers include the banking system, cultural and social norms, education, training, financial support, government policies and support programmes. Other difficulties include a lack of information about business practices, discrimination by both suppliers and financial institutions (Beal & Sos, 1999; Forsyte, 1998; Ip, 2001; Poot & Cochrane, 2004; Teixeira, 2001) and poor social networks (Wauters, & Lambrecht, 2008).

Using data from the 1996 New Zealand census (*New Zealand Population and Dwellings*) and interviews with 42 Hong Kong immigrants in New Zealand, Ho et al. (1998) show that non-recognition of overseas qualifications and work experience were barriers which limited Hong Kong immigrants to enter into the local employment markets. Aldrich and Waldinger (1990) point out that some industry authorities set high entry requirements to limit
immigrants entering into sectors. Through non-recognition of overseas qualifications and work experience, together with having English as a second language, Chinese immigrants endured substantial limitations on entering professional occupations such as medical doctor, lawyer and accountant.

By interviewing twenty-two Taiwanese business immigrants in New Zealand, Beal and Sos (1999) show that although some planned to enter the local markets, due to barriers they could only successfully serve the Chinese ethnic markets. Barriers included local suppliers not working with them on small volume trade; structural economic differences such as the banking system; slowness of government agents and small markets. Although these problems clearly exist, nevertheless, Chinese immigrants enter into both old and new industries (Liu, 2000). However, it is not known how they overcome these barriers and meet the industries’ entry requirements.

Fernandez and Underwood (2006, p.78) show that in China where “[Foreign companies employ Chinese staff who can] contribute toward company goals by bringing insights into local business environments, establishing operations, a strong client base and skills for negotiating with the government.” Is this the case with Chinese immigrant entrepreneurs in New Zealand?

**4.2.3 Competition strategies and the markets in Auckland and Hamilton**

Earlier generations of Chinese immigrant entrepreneurs were concentrated in limited occupations and competed with each other heavily (Ding, 2001). They relied on family labourers to cut costs and their businesses opening hours were longer in order to attract more customers (Ip, 1996, 1990 Ng, 2001). In addition, customer service was emphasised.

*Earlier generations of Chinese immigrant entrepreneurs put an emphasis on customer relationships.* From the Australian census data and secondary data from relevant literature and the survey data, collected from 104 Chinese and 40 Indian immigrant entrepreneurs in the Lever-Tracy’s et al. (1991) study, Collins (2002) points out that those Chinese immigrant businesses relied mainly on their Chinese customers more than the Indian immigrant businesses did. A New Zealand example comes from Ip (1990, p. 52). A Chinese woman immigrant entrepreneur in the 1940s stated: “[W]e had good connections
with our clients. All over the country, I’d say that we had some 1000 or 1200 customers. We had to do a lot of travelling, visiting and took orders from our retailers in all the little towns.”

Modern business management puts an emphasis on the customer relationship as a strategy to keep customers happy and loyal. Customer service becomes one of the four P’s (i.e., people, products, price and promotion) which are core factors in modern marketing. This strategy is useful when they have stable clients which allows immigrant entrepreneurs to look after relationships with their clients by keeping in regular communication with them. Nevertheless, recent Chinese immigrant entrepreneurs face unstable Chinese immigrant markets, particularly in Auckland where many Chinese people hold temporary visas are new-comers, and have no relationships with local Chinese immigrants. It is hard for Chinese immigrant entrepreneurs to maintain relationships and communicate with their customers regularly. What strategies do recent Chinese immigrant entrepreneurs use to attract customers? To explore this question, it is necessary to look at the contemporary business marketing theories below.

Contemporary business marketing theories focus on price, product, customer service and efficient promotion by which business organisations win the markets (Kotler & Armstrong, 2004; Thompson & Strickland, 2001). Thompson and Strickland (2001) identify competitive strategies including a ‘low-cost strategy’ to achieve lower production costs. Therefore, the lower price can be offered to beat their competitors. ‘Different strategy’ is offering different products from rivals to attract more customers. A focus on ‘niche market strategy’ is based on either lower cost or differentiation. Moreover, building close relationships with target customers, advertising and sales promotions are all critical. It is possible that recent Chinese immigrant entrepreneurs apply these strategies as well.

Contemporary Chinese immigrant entrepreneurs face more complicated markets than did their predecessors. China’s strong economic growth made it possible for Chinese people to come to New Zealand, particularly to Auckland. Arguably, Chinese immigrant entrepreneurs, in Auckland and Hamilton, use different strategies because their opportunity structures are different.
4.3 Summary of main points

Immigrant entrepreneurs find niches to serve either ethnic or non-ethnic markets with value added products and services and/or through trade with their country of origin. Recently, opportunity structures of Chinese immigrant entrepreneurs changed alongside the evolving global environment. Environment changes in the host country and the country of origin, changes of the new technology and the deviant environment between world cities (e.g., Auckland) and non-world cities (e.g., Hamilton), impact on the opportunity structure of immigrant entrepreneurship.

Over the past three decades. Chinese immigrants have come to New Zealand for the purposes of immigration, study, tourism, businesses and investment. The growing Chinese immigrant population provides business opportunities for contemporary Chinese immigrant entrepreneurs to become self-employed in the Chinese ethnic markets, particularly in world cities. The different Chinese population sizes in Auckland and Hamilton influence Chinese business opportunities. Chinese immigrant entrepreneurs in Auckland have more business opportunities than in Hamilton. However, it is proposed that Chinese immigrant entrepreneurs in Auckland (a world city) suffer higher stress innovating their services and products to meet the changing demands of the markets, than those in Hamilton (a non-world city) Research question are identified:

Research question:
- How do environmental changes in New Zealand and China influence the opportunity structures of Chinese immigrant entrepreneurship? As a result, what are the opportunity structures of Chinese immigrant entrepreneurship in Auckland compared to those in Hamilton?

Chinese immigrants have traditionally relied upon cheap labourers as a business survival strategy. However, finding cheap labourers is not easy in today’s employment markets for at least two reasons. Firstly, being influenced by the one child policy in China, Chinese immigrant entrepreneurs do not want to use their children as labourers. Secondly, they are unable to employ their friends as cheap labourers because their potential employees are
able to rely on New Zealand’s warfare assistances. It is not clear how recent Chinese immigrant entrepreneurs find cheap labourers.

Thirdly, obstacles caused by the host country’s state policies and economic, politico-institutional environment and institutions affect immigrant entrepreneurial opportunities. It is not certain that how Chinese entrepreneurs overcome barriers and enter a wider range of sectors. Contemporary Chinese immigrant entrepreneurs face complicated market conditions because many of their customers are Chinese temporary visa holders particularly in Auckland. Arguably, Chinese immigrant entrepreneurs use different strategies in Auckland compared to Hamilton because of customers’ differences.

Research question:

- Do Chinese immigrant entrepreneurs in Auckland and Hamilton use different strategies to overcome barriers and attract customers?
PART 3

METHODOLOGY AND PARTICIPANTS
CHAPTER 5: METHODOLOGY AND PARTICIPANTS

5.1 Methodology

5.1.1 Research objective

The objective of this study is to explore perceptions and experience of contemporary Chinese entrepreneurs in New Zealand, to find and add new knowledge to current debates; and to provide valuable information about Chinese immigrant entrepreneurs to society. The pursued aim in this thesis is to explore the role of the country of origin in terms of highly skilled immigrant entrepreneurship in a large metropolitan area (a world city) and a small city (a non-world city). This was achieved through interviewing samples of Chinese immigrant entrepreneurs in Auckland and Hamilton, New Zealand – each with a different co-ethnic population size, in relation to three areas: their characteristics in modern society; their business opportunities and the strategies they used.

5.1.2 Research questions

The main research questions being studied are ‘How do changes in the country of origin influence the characteristics of high skilled Chinese immigrant entrepreneurs? How do changes in the country of origin influence the opportunity structures and business operational behaviours of high skilled Chinese immigrant entrepreneurs who are in either a large metropolitan or a small city - each with a different co-ethnic population size? The research questions have been addressed through answering the following questions.

A. To find the role of the country of origin in shaping the characteristics of contemporary Chinese immigrant entrepreneurs through exploring the following questions:

- How do differences in the socio-economic and political environments and/or cultural institutions between the host country and the country of origin affect aspirational orientations of immigrants toward entrepreneurship?
- How do Chinese immigrants rely on their human capital obtained in China to develop their knowledge and experience in New Zealand?
- What are the characteristics of new forms of ethnic resources used by the modern Chinese entrepreneurs?
• What are the characteristics of new forms of ethnic resources used by highly skilled Chinese Immigrant entrepreneurs?
• What are the different aspirational orientations toward entrepreneurship between Chinese immigrant employers (i.e., entrepreneurs) and employees in New Zealand?
• Do different personal economic situations of immigrant entrepreneurs influence their aspirational orientations toward an improved reward and lifestyles?

B. To explore factors relating to both the host country and the country of origin impacting on the opportunity structures of Chinese immigrant entrepreneurship, the following questions will be answered:
• How do environmental changes in New Zealand and China influence the opportunity structures of Chinese immigrant entrepreneurship? As a result, what are the different opportunity structures of Chinese immigrant entrepreneurship between Auckland and Hamilton?

C. To explore how the role of the country of origin influence Chinese immigrant entrepreneurs to use strategies to overcome barriers and compete in the Chinese immigrant markets by answering the following question:
• Do Chinese immigrant entrepreneurs use different strategies to overcome barriers and attract customers in Auckland and Hamilton?

5.1.3 Overview of research methods in the social sciences
In the study of social sciences, research methods are mainly qualitative, quantitative and the mixed method that integrates both qualitative and quantitative methods. Qualitative and quantitative methods have their different concerns and goals in the social sciences study. Punch (1998, p. 240) points out:

Quantitative research is thought to be more concerned with the deductive testing of hypotheses and theories, whereas qualitative research is more concerned with exploring a topic and with inductively generating hypotheses and theories … Similarly, qualitative research can certainly be used for testing hypotheses and theories, even though it is the more favoured approach for theory generation.
Patton (1984, p. 14) identified the advantages of a qualitative approach “[Q]ualitative methods typically produce a wealth of detailed information about a much smaller number of people and cases. This increases understanding of the cases and situations studied.” In the words of Page and Meyer (2000, p. 18):

[The qualitative approach] is often used in the early stages of research in order to establish the nature of as yet unknown key variables of effects. Once such effects have been identified, quantitative research methods may be able to be used to examine them more exactly, so that theories or models can be tested and developed.

Bernard and Ryan (2010, p. 5) explain how different data are formed for either quantitative or qualitative method:

In the social sciences, we are interested in people’s behaviour, thoughts, emotions and artefacts (the physical residue of people’s thoughts, emotions, and behaviours) and the environmental conditions in which people behave, think, feel and make things. When we reduce our experience of those things to numbers, the result is quantitative data. And when we reduce people’s thoughts, behaviours, emotions, artefacts and environments to sounds, words, or pictures, the result is qualitative data.

Data collections methods are different in qualitative and quantitative methodologies. For instance, in the qualitative method, there is an interactive relationship between the researcher and the research subjects, such as between interviewer and interviewee. Researchers are not separate from their research subjects. However, for the quantitative method, the researcher is separate from the research participant, for instance, researchers collect survey questionnaires by mail (Bergman, 2008).

Data analyses between qualitative and quantitative methods are different. Qualitative data analysis methods generate theory through analysis of sounds, words, or pictures. In qualitative analysis, systematic chunking and coding of unstructured, non-numerical data is achieved by means of computer software such as ‘The Ethnograph’ and ‘Nvivo’. Its main advantages are easy to copy data that is stored in the computer, easy to code data, easy to locate data for further uses and easy to pick out small but significant data out from a huge amount of material. However, its weakness is that a computer does not think, judge and interpret; it does not develop concepts by itself. Moreover, it does not link unlinked data because it cannot understand the meanings of the background of the events. In addition,
more and more complex codes and procedures and the extra costs for small-scale project are the disadvantages which deter researchers from using it (Denscombe, 1998).

The major advantages of qualitative analysis include that “[T]he descriptions and theories such research generates are ‘grounded in reality’” (Denscombe, 1998, p. 220) and the “[Qualitative data] focus on naturally occurring, ordinary events in natural settings, so that we have a strong handle on what ‘real life’ is like” (Miles & Huberman, 1994, p. 10). But “[Disadvantages are that] interpretation is bound up with the ‘self’ of the researcher ... there is the danger of oversimplifying the explanation ... data may be less representative … such as generalisation is still more open to doubt than it is with well conducted quantitative research” (Denscombe, 1998, p. 221-222).

The quantitative analysis method relies on numerical data that input it into computer software such as SPSS to conduct the hypotheses and theories testing. “[H]ypothesis-testing study uses statistical techniques to test whether research findings do, or do not, support the predictions arising from a theory at a statistically significant level” (Page & Meyer, 1984, p.22). For example, by Chi-Square, researchers can test the significance of the relationships between two nominal variables (Bernard, 1995).

Mixed research method is to integrate both qualitative and quantitative methods within one study. There are three classical mixed methods (Creswell, 2002). Triangulation method design is to collect and merge both quantitative and qualitative data to understand the research questions. An explanatory method design is to collect quantitative data first and then qualitative data that supports the explanation of research results identified from quantitative. The third design called exploratory design uses qualitative data first to discover a phenomenon and then uses quantitative data to find out the relationships within the qualitative data (Tashakkori & Teddlie, 2003). Punch (1998, p. 150) argues that “[H]ow they are combined will be determined by the reasons for doing so.” For instance, quantitative method assists qualitative method to justify findings and/or combine both quantitative and qualitative methods to give general information (Punch, 1998).

Bergman (2008) points out that the mixed method allows researchers to collect and analyse research data through both qualitative, with open-ended approaches, and quantitative, with
close-ended approaches, within a single research study in either concurrent or sequential design. One of the key strategies for sampling in concurrent design is to use the same participants for both samples which is perfect for researchers to conduct the comparative studies regarding data and results.

Bergman (2008) shows that the advantages of mixing both qualitative and quantitative methods within one research study include achieving better validity (triangulation) and more comprehensive studies (completeness) and to help explain the findings of each other’s (explanation). For instance, qualitative findings could explain quantitative findings. Todd, Nerlich, McKeown and Clarke (2004) identify ten reasons for combining both the quantitative method and qualitative method. For instance, triangulation methods could increase researchers’ confidence regarding the findings. Understanding of both methods could facilitate researchers communicating efficiently and effectively. Using the mixed method, researchers can make “[T]he results more presentable to a hostile audience, e.g., using quantitative work to back up qualitative work” (Bergman, 2008, p. 12).

5.1.4 Research methods and rationales: qualitative methodology and interviews
The research project began with a search for relevant literature to identify and develop an appropriate theoretical foundation for the study. Once the literature was analysed, the research questions were identified. Furthermore, a research method was selected. The purpose was to obtain current research data which would provide insights into experience and perceptions of Chinese entrepreneurs.

According to the discussion in last section, a qualitative methodology is appreciated for this thesis because the pursued aim of this study is to explore unknown research questions; the qualitative method is appropriately used in the earlier stage of the study to generate theories on these unknown research questions. Moreover, for social sciences study that is concerned with people’s feelings and experience, the qualitative approach enables the researcher to explore people’s perceptions, their ordinary living, in depth. Bernard and Ryan (2010) point out that exploration, comparison, description and testing models are four main goals in the qualitative study. Exploration is to answer the research questions such as ‘what are the things there and the relationships between them?’ The description is about ‘what do things look like?’ The comparison study is about ‘how is group A differs from group B?
Qualitative comparison study is to identify characteristics that groups or individuals have and/or do not have. The testing models is to identify such as “[T]o what degree does a particular case conform to the proposed model?” (Bernard & Ryan, 2010, p. 8). This thesis aims to find out the relationship between the role of the country of origin and Chinese immigrant entrepreneurship in New Zealand. To achieve this goal, research needs to explore the relationship between the country of origin and Chinese immigrant entrepreneurship by generating theories inductively. The research needs to explore the characteristics of Chinese immigrant entrepreneurs through data description and comparison between highly skilled Chinese immigrant entrepreneurs and their earlier generations and/or Chinese immigrant employees. Furthermore, the research needs to explore their business opportunities and the strategies they used in Auckland and Hamilton through data description and comparison. For these reasons, the qualitative method is suitable for this thesis.

Interview is the common data collection tool used in the qualitative method. Interviews and conversations are not the same concepts. Interviews will be guided by the values and social norms, researchers use either unstructured and/or semi-structured topics in an in-depth interview and/or a structured interview that allows researchers to achieve what they hope to achieve (Bechhofer & Paterson, 2000).

Interviewing is a social process – you ask people questions and they provide answers – so it’s the most reactive of data collection methods. Interviews can be unstructured, semi-structured, or structured. And of course, you can mix the type in any given study. (Bernard & Ryan, 2010, p. 27)

Mixed data collection method is a useful approach in social sciences studies. Bernard and Ryan (2010, p. 40) point out:

In fact, many social researchers now routinely begin with ethnography or with unstructured interviews to get a feel for what is going on and then move to semi-structured or structured interviews to test hunches or hypotheses … or they may start with a questionnaire and move on to open-ended interviewing in an effort to better understand the quantitative results.

By mixed data collection approach, two kinds of qualitative data can be collected by face-to-face interviews using interviews topics in the forms of multiple questionnaires (Alreck &
Settle, 1985). For instance, it is an efficient way of collecting demographic data first and then gaining data of participants’ perceptions in depth within one interview.

Denscombe (1998) identifies that interviews have eight advantages which include depth of information (i.e., obtain data about topics in depth and detail); insights (i.e., access key information); equipment (i.e., need only simple equipment, e.g., pencil and tape recorder); informants’ priorities (i.e., participants have the opportunity to express); flexibility (i.e., interviewer control the interviews); validity (i.e., data can be checked to ensure its accuracy and relevance by the interviewer during the interviews); high response rates (i.e., prearranged schedule at interviewees’ convenience); and therapeutic (participants have reward experience as they express their opinion and the interviewer listens to them).

Wodak and Krzyżanowski (2008, p. 150) point out:

More recently, researchers have seen the interaction as contributing to the interviewee’s self-presentation, not interrupting it; analyses take up issues of narrative and treat the interviewee as artfully crafting an identity in a specific context, often for an interviewee who is younger, who comes from elsewhere, or who has different experience.

Like unstructured interviewing, semi-structured interviewing provides freedom for participants to talk; however, semi-structured interviewing should have topics guides that ensure that researchers obtain reliable and comparable data within the design timeframe. In semi-structured interviews, interview guides consists of a list of questions and topics; each topic is explored by asking a set of questions. Comparison study across all interviewees can also be achieved when all participants are asked the same questions (Bernard & Ryan, 2010). Semi-structured interviews use interview guides to control the interviews to allow researchers to have what they want (Bernard, 1995; Bernard & Ryan, 2010).

Denscombe (1998) points out, however, that interviews also have disadvantages. Time consuming (i.e., requires transcribing and coding); data analysis (i.e., there are no standard answers and pre-coded data for unstructured and semi-structured interviews); reliability (i.e., consistency and objectivity are influenced by both interviewer and interviewees); interviewer effect (i.e., the conclusions are influenced by the identity of the interviewer); invasion of privacy; and expensive (i.e., travel and time consuming costs).
This thesis used the semi-structured interview as the main data collection tool. Open-ended questionnaires (topics) were used to record Chinese immigrants’ perceptions. Semi-structured, open-ended, in-depth interviewing is an interactive data-collection approach in which “[S]ome structured items are asked of all participants and there are completely open-ended questions with no limitations on how the participant can respond” (Page & Meyer, 2000, p. 112). This approach is common in exploratory study because it is suitable for accessing participants’ feelings and their previous experience (Patton, 1984); it is capable of identifying complex issues, having a complete understanding of the issues that are being explored, addressing complex issues relating to networks and cultures and tailoring the discussion to the backgrounds, experiences and concerns of the participants. In one to one interviews, the interviewees were not influenced by the views and behaviour of others present and so will have been more likely to share his or her views in the one-on-one situation (Page & Meyer, 2000).

In this study, the interview guide consisted of a set of questionnaires; the participants’ responses to each question were recorded in two ways. For instance, when the researcher asked the question: “Is self-employment popular in China?” normally, the interviewee would answer ‘yes’, or ‘no’ or ‘not sure’ and/or ‘other unknown answers’; the researcher marked their initial answer first; and then asked ‘why?’ to collect their further ideas and perceptions in an open-ended manner. This way, two kinds of data were collected; one was about yes/no answers to the questions; other kinds of data were words regarding work experience, the perception of interviewees. The question in the topic guide was presented like this: “Is self-employment popular in China? (Probable answers fall in: yes/no; not sure, others); why?

This is an efficient and effective method to collect and record respondents’ abstract answers to the questions and demographic data at first instance. It can be done because “[A]lmost all responses will fall into predetermined categories or they’ll be scale values recorded by the interviewer” (Alreck & Settle, 1985, p. 241); but in order to ensure it is an open-ended question, the probable answer of ‘others’ was used for any other answers. In this case, postcoding can be a useful tool to code data that fall into the category without predetermined responses (Alreck & Settle, 1985). After these first stage interviews, in
accordance with the respondents’ answers to questions in the first stage, the researcher asked ‘why?’ to collect data regarding respondents’ perceptions and attitudes in depth. The benefit of using this method in the interview is that the researcher can obtain two sources of data and analyse data through both qualitative analysis and supplementary quantitative analysis.

In social sciences studies, quantitative analysis is achieved through a computer programme. Alreck and Settle (1985, p. 156) point out that this is because:

Computers handle numbers more readily than letters or words, so the different verbal meaning of answers to a questionnaire are typically assigned a numeric code value, even if it doesn’t actually designate a quantitative value. For example, respondents might check the word “male” or “female” to indicate their sex. Male may then be assigned the numeric code of 1 and female the value of 2 … In this case, the numbers don’t designate a quantity. They’re only names for the categories “male” and “female.” Data values that don’t stand for any quantity are called nominal data.

“[Nominal data are] data have no underlying continuum, no units, or intervals which have equal or ordinal properties and consequently cannot be scaled. Essentially, the only possible score for each category is a binary one: yes/no, or present/absent” (Oppenheim, 1992, p. 156). Nominal and categorical data can be analysed by Chi-Square to test the significance of the relationships between two nominal variables (Bernard, 1995).

5.1.5 Sampling design and rationale

By sampling, we mean selection of only a part of the research population, while data-collection methods are the mechanisms by which the research information is collected … the best sample design designs ensure that the sampled data represent the research population efficiently and reliably. (Page & Meyer, 2000, p. 112)

According to the 2006 New Zealand census, the Chinese population was 147,570 in New Zealand. The Chinese population in Auckland was 66.6 percent (i.e., 98,391) of the total Chinese population in New Zealand. The overseas-born Chinese population is highly concentrated in Auckland (i.e., 79,422), compared to 18,117 New Zealand born Chinese population in Auckland. Forsyte (1998) shows 70 percent of Chinese business immigrants live in Auckland. It is likely that Chinese immigrant entrepreneurs in Auckland are
representative of Chinese immigrant entrepreneurs in New Zealand. However, Hamilton was included in order to explore the key variances in experience of Chinese immigrant entrepreneurs from cities with different sizes of Chinese population.

The research targeted Chinese immigrant entrepreneurs between the ages of 20 and 65 years, living in Auckland and Hamilton, including employers and self-employed entrepreneurs who were business owners/employers and/or self-employed who came from China after 1986 and who belonged to skilled and/or business immigration categories, as well as Chinese international students.

The samples of Chinese immigrant entrepreneurs were selected from the *Chinese Business Yellow Pages 2007*. The *Pages* included almost all Chinese businesses in Auckland and some in Hamilton. The *Pages* was edited by a Chinese Newspaper Limited in Auckland and has been published for the past five years. The sample selection was based on industries (i.e., two companies selected from each industry). This study was focused on highly skilled immigrant entrepreneurship, the industries selected were mainly professional, capital-intensive occupations. The sample did not include entrepreneurs who had failed and left their industry before the interviews and/or if their occupations were not listed on the *Chinese yellow Pages*. The most efficient way of contacting the participants was to check the *Chinese Business Yellow Pages*, to find out phone numbers and to phone them one by one. The call explained the research and if he or she agreed to participate in an interview, an appointment was made and then an interview was conducted at the scheduled time. However, if any of them refused to participate, the next contact phone number was selected from the phone list and so on.

Chinese immigrant employee samples were selected from two sources. The first group entailed 22 employee participants whose employers were the entrepreneur participants. Their employers provided the contact information. Thereafter, the interviewer directly contacted and advised the employee participants about this study. If they agreed to participate, they were selected. The sample did not include employees whose employers had failed and left their industry before the interviews; and occupations that were not listed on *Chinese Yellow Pages*. The second group had 15 immigrant employee participants from non-Chinese organisations, seven of them were old neighbours, friends and colleagues who
were contacted and interviewed. They were asked to introduce other eight participants to the project. In comparison, the majority of younger employee participants came from Chinese owned firms; the more mature group (i.e., over 35 years old) came from the non-Chinese organisations. The reason for reliance on snowball sampling was that there were no lists of Chinese immigrant employees available in New Zealand; snowball sampling is often used when there would be no other way of finding members from this population (Page & Meyer, 2000).

Patton (1984, p. 184) points out, “[T]here are no rules for sample size in qualitative inquiry.” Patton (1984, p. 153) “[A]ttention must be given to the accuracy, validity and integrity of the results.” The sample size in this study was 40 Chinese immigrant entrepreneurs and 37 Chinese immigrant employees.

5.1.6 Language used in the interviews

Since China promotes Mandarin, both in education and in the media, in the past six decades, almost all Chinese from mainland China can speak Mandarin. The Mandarin language was used for the interviews which was then translated into English.

The topics were presented in simplified Chinese; the original topics were constructed in English and translated into Chinese. It was then translated back into English to ensure that the interpreted questions were accurate and thus ensure the validity of the research instrument.

5.1.7 The interview topics

Using the theories and models from the relevant literature such as the Aldrich and Waldinger’s (1990) and Bonacich’s (1973) models, the interview topics were developed. Some previous research provided interview topics which were very helpful for constructing new interview topics that suit this research. For example, Teixeira’s (2001) interview questionnaires that sought to identify who ethnic entrepreneurs are help identify the important role of ethnic and class resources. Forsyte (1998) also provided a very helpful interview guide to measure research questions such as on ‘immigration decision and expectations’, ‘business/investing experience’ and ‘perceived benefits’. Furthermore, the research topics of Liu (2000) and Nanda (1994) were also considered.
The interview topic guide included the questions on the participants’ education background, work experience, age, marital status; and information on businesses such as industries, customer and business networks. APPENDIX II shows the topics for interviewing with employee participants.

5.1.8 Interview procedures
The interviews were conducted through face to face at a location convenient to the participant. Telephone interviews were used in some cases.

Twenty-three interviews with entrepreneur participants were undertaken on a face-to-face basis, including five of them from Hamilton; another 17 of them were undertaken by means of phone interviews. Meanwhile, 25 employees participated in face-to-face interviews, six of them from Hamilton; and 12 employees participated in telephone interviews. The procedures of interviews by means of face-to-face and/or through the telephone are below:

\( a) \quad \text{Data collection through face to face interviews} \)

The researcher phoned selected participants to explain the research project and invite him or her to attend an interview. Participants were advised who can obtain a copy of the final report. The present study was strictly voluntary and no monetary compensation was given. Once they agreed, an appointment was made with them and an interview location was specified. The information sheet was given to the participants before the interview. After participants sign the consent form, the interview was started. At the interview, participants would answer the questions asked. Each interview took on average two hours.

\( b) \quad \text{Data collection by phone} \)

When participants could not find a suitable time to meet, the interviews were completed by telephone calls. The interviewer read the information on the information sheet to the participants over the phone and then consent was obtained. Average telephone interviews took approximately one hour; most of interviews took more than one phone call because the participants had customers and/or other business during the interviews, so the interviews had to be continued by follow-up telephone interviews. Data collection of this research was achieved from 2007 to 2008.
c) The differences discerned from those who were part of the face-to-face versus telephone interviews and the impact on the findings of the research

It found that face-to-face interviews collected data that gave a good coverage on all the interview topics. However, in particular questions, they were weak in depth. It is possible that the participants felt nervous when they were talking to a stranger (i.e., the interviewer), so they did not want to speak too much, in particular about their businesses.

However, the telephone interviews achieved more in-depth answers to particular questions. Nevertheless, they were weak in terms of coverage of the interview topics. Normally, after 40 minutes talking on the phone, the interviewees started to feel tired and wanted to finish the interviews as soon as possible, so they tended to rush their answers for the rest of the questions.

Ultimately, their behaviour affected the findings of the research in the following way: the face-to-face interview data provided a trend, but telephone interview data offered valuable points about trends.

d) Interviews record approach

During the interviews, the researcher can use tape recorder and/or take notes to record the words and meanings expressed by the interviewees. Bernard and Ryan (2010, p. 48) argue that the written notes approach has its advantage: “[T]his is still a good idea, for two reasons: (1) it shows the respondent that you care a lot of about what she or he is saying; and (2) it lets you record, in writing, your observations about the interview itself.” Denscombe (1998) argues that written notes can record data from non-verbal communication which is not possible to record by equipment. The written notes approach was used in the interviews. Dr Bonacich (1993) points out that immigrant entrepreneurship also has a negative side. For instance, some immigrant entrepreneurs conduct their economic activities informally and sometimes they do wrong things such as operating their businesses without a licence or illegal employment. Previously, such behaviour has been recorded and published. Therefore, most participants did not want the interview to be recorded. For this reason, a tape recorder was not used.

e) Avoid errors
Alreck and Settle (1985) point out that the errors could occur during interviews. *Instruction error* occurs after repeating instruction several times; interviewer may become to rely on the memory, and this present the instructions in different wordings which results in the error. *Interrogation error* occurs when questions are asked in different ways which will result in different answers from the respondents and therefore cause errors. *Response option error* occurs when interviewer provides an alternative answer to the interviewee, thus error could happen. *Recording error* occurs when an interviewer writes to record the responses (notes taken), the more writing, the more potential recording errors. Focusing on recording the key meaning is essential. *Interpretation error* happens when an interviewer tries to interpret the participants’ responses, especially for structured interviews which requires the interviewer to select the answer through the judgement of the respondents’ meanings. The interviewer must review the correct interviews approach before data collection.

*f) The translation and the transcriptions*

After each interview, the candidate dealt with the interview notes immediately. An individual participant’s background information was summarised in English; the pieces of response were analysed and coded in English.

5.1.9 The analysis methodology

a) Overviews of qualitative analysis methods and procedures

Bernard and Ryan (2010, p.109) point out:

Analysis is the search for patterns in data and for ideas that help explain why those patterns are there in the first place … interpreting those patterns - deciding what they mean and linking your findings to those of other research - that’s real analysis.

Miles and Huberman (1994)’s qualitative analysis approach consists of three components which interact throughout the analysis. The first component is data reduction, to reduce data that do not have significant information. This is achieved through analysis at all stages. For instance, during the initial analysis, ‘data reduction’ happens when a researcher edits segments and summarises data. In the next stage, it happens when a researcher codes and memos, to find themes, patterns and clusters. During the final period of analysis, ‘data reduction’ happens when the researcher conceptualises and explains. The second
component is ‘data display’. Data display exists throughout all stages by means of graphs and diagrams to help and move the analysis to the end of the research project. The third component is ‘drawing and verifying conclusions’. In combining data reduction and display, the researcher draws and verifies the conclusions through analysis (Punch, 1998). Miles and Huberman (1994)’s three components provide a picture about how qualitative data analysis works.

Denscombe (1998) identifies the following qualitative data analysis stages. Before the analysis, data should be stored in a similar format (e.g., record data on A4 papers), adequate blank margins organised for writing notes and codes assigned on pieces of raw data. After the preparation, data analysis undertakes three operations which are coding, memoing and developing schemes and patterns. The aim of coding and categorizing data is to break data down into pieces and to categorise pieces for analysis. The initial coding (i.e., open coding) is to discover, name and categorise data. Coding is an analysis process which puts pieces of data into different categories through codes such as name and/or labels. The pieces of data can be individual words. Initial coding is descriptive and typically low inference. It is essential in the research work that prepares ‘building blocks’ for further analysis. However, coding is undertaken throughout the analysis, therefore, later coding is focused on high inference patterns (Punch, 1998).

Memo is the ideas and/or suggestions of a researcher who argues that a deeper pattern might exist than what the coding has expressed so far. Memo can be a single sentence and/or one page or even several pages. “[W]hen an idea occurs during coding, stop the coding and record the idea” (Punch, 1998, p. 207).

The third stage is to identify the themes and/or interrelationships between pieces and categories, to find out “[P]attern and processes, commonalities and differences” (Miles & Huberman, 1994, p. 9). Punch (1998, p. 208) points out: “[A]fter coding and memoing, there are many labels, at different levels of abstraction and piles of memos of various kinds. The aim of this stage is to integrate what has been done into a meaningful and coherent picture of data.”
Miles and Huberman (1994) give 13 tactics for generating concepts and 13 tactics for testing the quality of the findings in the qualitative analysis. For instance, the tactics for testing the quality of findings include the triangulation method to obtain data from two sources and checking for representativeness and researcher effects.

The researcher’s identity, values and beliefs play a role in the production and analysis of qualitative data and therefore researchers should be on their guard to distance themselves from their normal, everyday beliefs and to suspend judgment on social issues for the duration of their research. (Denscombe, 1998, p. 208)

Denscombe (1998) points out that the methods and conclusions should be justified through consideration of three factors:

- **Objectivity:** “The analysis of qualitative data calls for a reflexive account by the researcher,” concerning whether or not the researcher’s own experiences impact on the research results.
- **Reliability:** “If someone else did the research would he or she have the same results and arrive at the same conclusions?”
- **Validity:** one of the questions is this “[H]ave the findings been ‘triangulated’ with alternative sources as a way of bolstering confidence in their validity?” (Denscombe, 1998, p.212-214)

**b) Qualitative analyses procedures**

This research used the following qualitative analysis procedures:

- **Analysing individual participant responses:** Once each interview was finished, an individual participant’s background information was summarised in English; the pieces of response were analysed and coded.
- **Data description:** each participant’s demographic information was presented.
- **Analysing individual questions:** Answers from all participants were grouped by each interview question. Data pieces were integrated into a ‘meaningful and coherent picture’ of data.
- **Analysing research question:** Each research question was explored by analysing a group of interview questions which were supplied in the interview guide. In this way, the interview guide became an analytical framework of research questions. Using
existing theories, together with the critical analysis approach, the candidate was able to identify themes and relationships.

- **Generating theories**: all research questions were grouped to generate theories through data reduction and display and analysis
- **Supplementary analysis through Chi-square technology**: Nominal scales were used to categorise the entrepreneurs and employees’ responses to the interviews by post-coding. After correct coding and data entry, descriptive statistics of the variables were used. Pearson Chi-square was used to test if the variables had significant differences.

In principle, the Pearson Chi-square is a tool used to test null and alternate hypotheses. Null hypothesis supports that there is no difference between two variables (e.g., two population groups); but alternate hypothesis supports there are different. The Pearson Chi-square test will determine which of the above two hypotheses is best supported by data. The P-values are used to identify the chance that the null hypothesis is true. If the P-value is less than five percent, the test result is significant, so the null hypothesis is rejected (Page & Meyer, 2000).

### 5.1.10 Ethical issues

Before data collection, application for ethics approval for research project was prepared and submitted to the Auckland University of Technology Ethics Committee (AUTEC). Ethical issues and limitations were addressed. For instance, the application addressed that because this is about Chinese immigrant entrepreneurship, participants are only Chinese people, however, the principles of the Treaty of Waitangi are acknowledged when dealing with Maori in the areas of consequences, consultation and partnership issues. Some Chinese immigrant businesses such as retailers in food and garment industries in New Zealand, have Maori customers. Maori citizens are affected by the project. Therefore, the principles of the Treaty of Waitangi were implemented during the project, including the expression of respect to Maori and its culture.”

The participants were informed about the purpose of the research and how the information would be recorded and used, including that data would be used for an academic paper or papers only. Respondents were assured of their confidentiality. Data recorded did not include participants’ names and contact details and did not disclose details about their
businesses such as road address, products’ maker and any risk descriptions that may lead them to be known by others. Data were to be stored securely on AUT university’s premises for a minimum of six years in a location separate from the consent forms. Supervisors and student will together destroy data after six years. Interview participation consent was obtained from the participants. One ethical issue was that the research respondents were all Chinese, therefore, to avoid the bias that could potentially arise from misunderstanding of the language; the interviewer used Mandarin to make it easier for respondents (see Appendix III information sheet). The research analysis methods were identified through qualitative critical analysis and SPSS technology.

The research was conducted in accordance with the ethical principles of AUT and followed the AUTEC guidelines and procedures. The ethics approval for the research project has been obtained.

5.1.11 Participants and response rates

Only 30 of the 67 Chinese immigrant entrepreneurs who were contacted in Auckland participated in the project. However, while 34 Chinese immigrant entrepreneurs were contacted in Hamilton, only 10 of them participated in the project. The process of interviewing showed that Chinese entrepreneurs in Auckland have 45 percent response rates compared to 30 percent in Hamilton. Some Chinese immigrant entrepreneurs tended to be more sensitive regarding the ways of their operation and competition. They tended to claim they had no time to talk. It was found that well known Chinese immigrant employers have high response rates. These Chinese immigrant entrepreneurs were well known because they had heavily promoted their businesses by Chinese media. They tended to be more patient and willing to communicate with the interviewer than new immigrant entrepreneurs, who were not patient and stated their disinterest in interviews.

This study identified further that service providers, such as agents and brokers, were more polite when contacted, tended to answer and were willing to talk more than those in trade industries. Women had higher response rates than men. Women tended to be more patient and willing to talk, while men were impatient and tended to be very brief.
5.2 Participants’ demographic and business information

This section presents participants’ demographic information such as age, qualification, language and time in New Zealand. In addition, entrepreneur participants’ business information, such as the number of employees and their clients were also provided. Appendix v also provides demographic information of entrepreneur and employee participants.

5.2.1 Age

The age of the 40 Chinese immigrant entrepreneur interviewees is illustrated in Table 5.1. The majority of participants were between 35 and 54 years old in Auckland, and between 35 and 49 years old in Hamilton.

Table 5.1 Entrepreneur participants in Auckland and Hamilton by age and sex

<table>
<thead>
<tr>
<th>Age</th>
<th>Total</th>
<th>Male</th>
<th>Female</th>
<th>Auckland</th>
<th>Hamilton</th>
</tr>
</thead>
<tbody>
<tr>
<td>25-29</td>
<td>3</td>
<td>3</td>
<td>0</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>30-34</td>
<td>2</td>
<td>2</td>
<td>0</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>35-39</td>
<td>8</td>
<td>2</td>
<td>6</td>
<td>5</td>
<td>3</td>
</tr>
<tr>
<td>40-44</td>
<td>12</td>
<td>6</td>
<td>6</td>
<td>10</td>
<td>2</td>
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</tr>
<tr>
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<td>3</td>
<td>5</td>
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<td>0</td>
<td>0</td>
<td>1</td>
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<td>30</td>
<td>10</td>
</tr>
</tbody>
</table>

The age of employee participants is illustrated in Table 5.2. Overall, the employee participants were younger than entrepreneur participants were. Studies in New Zealand and Canada show that older immigrants are more likely to become self-employed (Crothers, 2002; Li, 2001). Australian data show two ways to explain age in relation to self-employment. One point was that the older the immigrants, the more their work experience
enables them to enter entrepreneurship (Evans, 1989). The opposite view was that the older
the immigrants, the more difficulties for them to learn new technologies which deters them
from becoming entrepreneurs. Having new technology, immigrants are able to start-up new
businesses (Kidd, 1993).

Table 5.2 Employee participants in Auckland and Hamilton by age and sex

<table>
<thead>
<tr>
<th>Age</th>
<th>Total</th>
<th>Male</th>
<th>Female</th>
<th>Auckland</th>
<th>Hamilton</th>
</tr>
</thead>
<tbody>
<tr>
<td>20-24</td>
<td>4</td>
<td>1</td>
<td>3</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>25-29</td>
<td>12</td>
<td>3</td>
<td>9</td>
<td>9</td>
<td>3</td>
</tr>
<tr>
<td>30-34</td>
<td>5</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>1</td>
</tr>
<tr>
<td>35-39</td>
<td>2</td>
<td>0</td>
<td>2</td>
<td>2</td>
<td>0</td>
</tr>
<tr>
<td>40-44</td>
<td>8</td>
<td>1</td>
<td>7</td>
<td>8</td>
<td>0</td>
</tr>
<tr>
<td>45-49</td>
<td>6</td>
<td>2</td>
<td>4</td>
<td>4</td>
<td>2</td>
</tr>
<tr>
<td>Total</td>
<td>37</td>
<td>9</td>
<td>28</td>
<td>29</td>
<td>8</td>
</tr>
</tbody>
</table>

5.2.2 Gender

Amongst 40 entrepreneur participants, eleven of them operated their businesses with their
spouses. Former generations of Chinese women who received low education and had low
social status, were unlikely to become entrepreneurs in society alone. They operated their
family businesses behind their husband instead (Ding, 2001; Ip, 1990; Ng, 2003). Contempo-
rary Chinese women are actively involved in social activities. The 2006 New Zealand
census shows that 38.4 percent of Asian employers were female. The Chinese
females, as the biggest Asian female group in New Zealand, were active in self-
employment in New Zealand. Similar findings from ‘Global Entrepreneurship Monitor
(GEM)’ survey show that Chinese females have had the highest rates of being
entrepreneurs (Frederick, 2004). This is partly because the Chinese female’s position in
China has changed during the past six decades. They now share ‘half of the sky’ with males
(e.g., equal social status and social responsibility as male) (Hunter & Sexton, 1999). In this
study, there were 16 female entrepreneur participants; 12 of them operated their businesses
individually.
Due to the female interviewees’ greater willingness to express their views than the male interviewees, the female participants contributed more to the research data in this project. Female interviewees came from sectors, including insurance and finance brokers, travel agency, immigration consultants, private school owners and overseas student recruitment agent. In comparison, nine Chinese employee participants were male. The majority of employee participants were females (see Table 5.3).

Table 5.3 Participants in Auckland and Hamilton by gender

<table>
<thead>
<tr>
<th></th>
<th>Entrepreneur Participants</th>
<th>Employee Participants</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total</td>
<td>Auckland</td>
</tr>
<tr>
<td>Male</td>
<td>24</td>
<td>16</td>
</tr>
<tr>
<td>Female</td>
<td>16</td>
<td>14</td>
</tr>
<tr>
<td>Total</td>
<td>40</td>
<td>30</td>
</tr>
</tbody>
</table>

5.2.3 Qualification

a) Entrepreneur participants:

New Zealand qualifications

Twelve interviewees had master’s degrees and postgraduate diplomas. Six interviewees had bachelor’s degrees. Nineteen interviewees had no New Zealand qualifications (Table 5.4).

China qualifications

One interviewee (from Auckland) had a Chinese PhD degree in medicine. Seven interviewees had master’s degrees. Twenty-four interviewees had bachelor’s degrees. One interviewee in Auckland had no Chinese qualification (see Table 5.4).

In summary, more than three quarters of entrepreneur participants held Chinese degrees; only one of them had no Chinese qualifications. Nearly half of them held New Zealand degrees, however, obviously, the other half had no New Zealand qualifications.
Table 5.4 Entrepreneur participants in Auckland and Hamilton by qualification

<table>
<thead>
<tr>
<th>Qualification</th>
<th>New Zealand qualifications</th>
<th>China qualifications</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total</td>
<td>Auckland</td>
</tr>
<tr>
<td>No</td>
<td>19</td>
<td>15</td>
</tr>
<tr>
<td>Certificate &amp; High School</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Diploma</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Bachelor</td>
<td>6</td>
<td>5</td>
</tr>
<tr>
<td>Master &amp; PGDip</td>
<td>12</td>
<td>7</td>
</tr>
<tr>
<td>Doctor</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>40</td>
<td>30</td>
</tr>
</tbody>
</table>

*Note.* New Zealand qualifications = Number of Entrepreneur Participants hold New Zealand Qualifications; China qualifications = Number of Entrepreneur Participants hold China Qualifications

Table 5.5 Employee participants by qualification in New Zealand and China

<table>
<thead>
<tr>
<th>Qualification</th>
<th>New Zealand qualifications</th>
<th>China qualifications</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total</td>
<td>Auckland</td>
</tr>
<tr>
<td>No</td>
<td>7</td>
<td>6</td>
</tr>
<tr>
<td>Certificate &amp; High School</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Diploma</td>
<td>11</td>
<td>9</td>
</tr>
<tr>
<td>Bachelor</td>
<td>9</td>
<td>7</td>
</tr>
<tr>
<td>Master</td>
<td>8</td>
<td>6</td>
</tr>
<tr>
<td>Total</td>
<td>37</td>
<td>29</td>
</tr>
</tbody>
</table>

*Note.* New Zealand qualifications = Number of Employee Participants hold New Zealand qualifications; China qualifications = Number of Employee Participants hold China qualifications
b) Employee participants:

New Zealand qualifications

Eleven interviewees had diploma qualifications. Nine interviewees had a bachelor’s degree. Eight interviewees had master’s degrees. Seven interviewees had no New Zealand qualifications, including six from Auckland and one from Hamilton (see Table 5.5).

Chinese qualifications

There were 30 interviewees who had either bachelor or diploma qualifications. There were no interviewees without Chinese qualification (see Table 5.5). In summary, less than half of employee participants held New Zealand degrees and/or China’s degrees. Only one fifth of them did not have New Zealand qualifications.

c) Entrepreneur participants hold both qualifications

Table 5.6 Entrepreneur participants by qualification in NZ and China, age and sex

<table>
<thead>
<tr>
<th>Qualification</th>
<th>All</th>
<th>Entrepreneurs hold both qualifications</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>N</td>
<td>Male</td>
</tr>
<tr>
<td>25-29</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>30-34</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>35-39</td>
<td>8</td>
<td>3</td>
</tr>
<tr>
<td>40-44</td>
<td>12</td>
<td>6</td>
</tr>
<tr>
<td>45-49</td>
<td>9</td>
<td>4</td>
</tr>
<tr>
<td>50-54</td>
<td>5</td>
<td>0</td>
</tr>
<tr>
<td>55-60</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Total</td>
<td>40</td>
<td>20</td>
</tr>
</tbody>
</table>

Note. All = Number of All Entrepreneur Participants.

There were 20 entrepreneur participants holding both New Zealand and China qualifications, consisting of 13 males and seven females; 14 entrepreneur participants were
in Auckland and six entrepreneurs participants were in Hamilton (see Table 5.6). Overall, more than half of participants in Hamilton hold both countries’ qualifications, compared to less than half of participants in Auckland.

5.2.4 English

Entrepreneur participants:

Twenty-one interviewees (six of them from Hamilton) always spoke English in their daily work. Nineteen interviewees, including four interviewees in Hamilton spoke English sometimes (see Table 5.7).

| Table 5.7 Participants in Auckland and Hamilton by English speaking frequency |
|-----------------|-----------------|-----------------|-----------------|-----------------|
|                 | Entrepreneurs   |                 | Employees       |                 |
| English         | Total           | Auckland        | Hamilton        | Total           |
|                 |                 |                 |                 |                 |
| Occasionally    | 19              | 15              | 4               | 15              |
|                 |                 |                 |                 | 11              |
|                 |                 |                 |                 | 4               |
| Always          | 21              | 15              | 6               | 22              |
|                 |                 |                 |                 | 18              |
|                 |                 |                 |                 | 4               |
| Total           | 40              | 30              | 10              | 37              |
|                 |                 |                 |                 | 29              |
|                 |                 |                 |                 | 8               |

Chinese employee participants:

In comparison, 22 employee participants always spoke English during work time which included four interviewees from Hamilton. However, 15 employee participants, including four from Hamilton spoke English occasionally (see Table 5.7).

By comparison, a greater number (about three fifths) of employee participants always spoke English during work time than did entrepreneur participants (around half of them).

Table 5.8 shows that Chinese entrepreneurs have had less opportunity to speak English in occupations such as being take away restaurant owners, subcontractors and Chinese medicine and mortgage service providers than other professional service providers did.
<table>
<thead>
<tr>
<th>The type of the Companies</th>
<th>English fluency</th>
<th>Always use for the business operation</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Use occasionally</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Legal firm</td>
<td>0</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Real estate agent</td>
<td>0</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Educational agent</td>
<td>0</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Insurance sales</td>
<td>0</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Chinese newspaper</td>
<td>0</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Private training establish</td>
<td>0</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Travel and tour agency</td>
<td>0</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Lunch bar</td>
<td>0</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Chinese restaurant</td>
<td>0</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Immigration service</td>
<td>0</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Kitchen furniture</td>
<td>0</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Building materials supplier</td>
<td>0</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Couriers subcontract</td>
<td>0</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Construction</td>
<td>0</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Hair salon</td>
<td>0</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Photo shop</td>
<td>0</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Beauty centre</td>
<td>0</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Metal door maker</td>
<td>0</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Gifts/Souvenirs/Crafts/Health/retail shop</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>Cleaning</td>
<td>1</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Travel agent subcontractor</td>
<td>1</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Internet coffee</td>
<td>1</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Chinese medical doctor</td>
<td>1</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Mortgage service</td>
<td>2</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td>Take away restaurant</td>
<td>1</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>8</strong></td>
<td><strong>32</strong></td>
<td><strong>40</strong></td>
</tr>
</tbody>
</table>
5.2.5 Marital status

Married people tend to enter entrepreneurship more than singles (Constant & Zimmermann, 2006; Le, 2000; Li, 2001). Using data from the 1981 and 1991 Australia censuses, Le (2000) examined the factors relating to the propensity of immigrants to become self-employed in Australia. This study showed that marital status is relevant. Using data from Canada Longitudinal Immigration Data Base in the period of between 1980 and 1995, Li (2001) shows that married people tend to enter entrepreneurship more than those who are single. Li argues that a married couple can find enough funds by putting up their both savings. Moreover, a married immigrant may be more confident to start-up a business with his or her spouse’s support.

There were 35 entrepreneur participants who were married which included 10 in Hamilton. Only five entrepreneur participants were singles. Studies show that married people tend to enter entrepreneurship more than singles because married people could obtain ethnic resources such as investment fund and unpaid family labour (i.e., wife/husband, children) (Constant & Zimmermann, 2006; Le, 2000; Li, 2000). In this project, all entrepreneur interviewees’ investment funds came from their individual and/or couple’s savings. In contrast, 20 Chinese employee participants were married and another 17 participants were not (see Table 5.9).

Table 5.9 Participants in Auckland and Hamilton by marital status

<table>
<thead>
<tr>
<th>Marital Status</th>
<th>Entrepreneurs</th>
<th>Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total Auckland Hamilton</td>
<td>Total Auckland Hamilton</td>
</tr>
<tr>
<td>Married</td>
<td>35 25 10</td>
<td>20 18 2</td>
</tr>
<tr>
<td>Not married</td>
<td>5  5 0</td>
<td>17 11 6</td>
</tr>
<tr>
<td>Total</td>
<td>40 30 10</td>
<td>37 19 8</td>
</tr>
</tbody>
</table>
5.2.6 Years Chinese participants have been in New Zealand

A longer stay in the host country contributes to obtaining a better local knowledge. Li (2001) shows that, in Canada the longer the immigrants have lived in the host country, the higher the rates of becoming entrepreneurs.

Twenty-seven Chinese entrepreneur participants, including four Hamilton respondents have been in New Zealand for more than 10 years. Seven interviewees have been in New Zealand between seven and nine years which included four in Hamilton. Six interviewees have been in New Zealand for four to six years which includes two participants in Hamilton.

*Chinese employee participants:*

Thirteen Chinese employee interviewees have been in New Zealand for more than 10 years, including two participants from Hamilton. Fourteen interviewees, consisting of five in Hamilton have been in New Zealand between seven and nine years. Ten interviewees have been in New Zealand between four and six years (see Table 5.10). By comparison, there were more (two thirds approximately) entrepreneur participants than employee participants (roughly one third) who have been in New Zealand for more than 10 years.

Table 5.10 Participants in Auckland and Hamilton by years in New Zealand

<table>
<thead>
<tr>
<th>Years in NZ</th>
<th>Entrepreneurs</th>
<th></th>
<th></th>
<th>Employees</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total</td>
<td>Auckland</td>
<td>Hamilton</td>
<td>Total</td>
<td>Auckland</td>
<td>Hamilton</td>
</tr>
<tr>
<td>≤ 3 years</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>4 to 6 years</td>
<td>6</td>
<td>4</td>
<td>2</td>
<td>10</td>
<td>9</td>
<td>1</td>
</tr>
<tr>
<td>7 to 9 years</td>
<td>7</td>
<td>3</td>
<td>4</td>
<td>14</td>
<td>9</td>
<td>5</td>
</tr>
<tr>
<td>≥ 10 years</td>
<td>27</td>
<td>23</td>
<td>4</td>
<td>13</td>
<td>11</td>
<td>2</td>
</tr>
<tr>
<td>Total</td>
<td>40</td>
<td>10</td>
<td>10</td>
<td>37</td>
<td>29</td>
<td>8</td>
</tr>
</tbody>
</table>
5.2.7 Years Chinese participants have worked in their businesses

Chinese entrepreneur participants:
Eleven Chinese entrepreneur participants have been in their New Zealand businesses for more than 10 years. Ten interviewees have been in their businesses for between seven and nine years. Another ten interviewees have been in their businesses between four and six years. Nine interviewees have been in their businesses for less than three years (see Table 5.11).

Chinese employee participants:
Only three employee participants had entrepreneurship experience. Two of them had been in their businesses for less than one year and one of them for less than four years (see Table 5.11).

Table 5.11 Participants in Auckland and Hamilton by years they have worked in businesses in NZ

<table>
<thead>
<tr>
<th>Years in Business</th>
<th>Entrepreneurs</th>
<th>Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total</td>
<td>Auckland</td>
</tr>
<tr>
<td>&lt; 3 years</td>
<td>9</td>
<td>6</td>
</tr>
<tr>
<td>4 to 6 years</td>
<td>10</td>
<td>8</td>
</tr>
<tr>
<td>7 to 9 years</td>
<td>10</td>
<td>7</td>
</tr>
<tr>
<td>&gt;10 years</td>
<td>11</td>
<td>9</td>
</tr>
<tr>
<td>Total</td>
<td>40</td>
<td>30</td>
</tr>
</tbody>
</table>

Note. Years in Business = Years participants have worked in Businesses in New Zealand
5.2.8 Occupations of entrepreneur participants in New Zealand

‘Occupation’ is considered a factor that influences entering entrepreneurship. Le (2000) argues that people, working as trades people and salespersons or managers are more likely to be self-employed than people who work as clerks and machine operators and/or labourers. People, working as trades people, salespersons and managers could become self-employed because they could do business relying on themselves. This study shows that when employees believed their success relies mainly on their own work individually, they are more likely to enter into entrepreneurship (Constant & Zimmermann, 2006).

Table 5.12 Occupations of Chinese entrepreneur participants by ANZSIC

<table>
<thead>
<tr>
<th>Code</th>
<th>Occupations</th>
<th>No</th>
<th>Code</th>
<th>Occupations</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>4310</td>
<td>Insurance agencies</td>
<td>2</td>
<td>4511</td>
<td>Chinese restaurant</td>
<td>3</td>
</tr>
<tr>
<td>4512</td>
<td>Take away restaurant</td>
<td>1</td>
<td>5411</td>
<td>Chinese newspaper</td>
<td>2</td>
</tr>
<tr>
<td>6223</td>
<td>Loan agencies</td>
<td>2</td>
<td>6720</td>
<td>Real estate agencies</td>
<td>3</td>
</tr>
<tr>
<td>7212</td>
<td>Immigration agencies</td>
<td>2</td>
<td>7220</td>
<td>Travel Agencies</td>
<td>4</td>
</tr>
<tr>
<td>8101</td>
<td>Private training establishes</td>
<td>2</td>
<td>8101</td>
<td>Education agencies</td>
<td>2</td>
</tr>
<tr>
<td>9511</td>
<td>Hair salon</td>
<td>1</td>
<td>9511</td>
<td>Beauty centre</td>
<td>1</td>
</tr>
<tr>
<td>2229</td>
<td>Metal security gate maker</td>
<td>1</td>
<td>3011</td>
<td>Construction</td>
<td>1</td>
</tr>
<tr>
<td>4123</td>
<td>Liquor store</td>
<td>1</td>
<td>4231</td>
<td>Building materials</td>
<td>1</td>
</tr>
<tr>
<td>4512</td>
<td>Lunch bar</td>
<td>1</td>
<td>8511</td>
<td>Chinese medicine</td>
<td>1</td>
</tr>
<tr>
<td>5910</td>
<td>Internet coffee bar</td>
<td>1</td>
<td>9532</td>
<td>Photo shop</td>
<td>1</td>
</tr>
<tr>
<td>6931</td>
<td>Lawyer</td>
<td>1</td>
<td>3242</td>
<td>Kitchen furniture maker</td>
<td>1</td>
</tr>
<tr>
<td>8672</td>
<td>Cleaning business</td>
<td>1</td>
<td>9502</td>
<td>Health product retail</td>
<td>3</td>
</tr>
</tbody>
</table>

Note. ANZSIC = The Australian and New Zealand Standard Industrial Classification (ANZSIC) 2006

Forty entrepreneur participants came from 24 different industries throughout Auckland and Hamilton. Rather than food restaurants, laundries and market-gardens, this research has involved a broad range of industries which include professional service businesses in New Zealand. These are depicted in Table 5.12.
5.2.9 Occupations of entrepreneur participants in China
The Chinese entrepreneur participants came from different occupations in China, including one lawyer, eleven academic teaching staff, five government officers, five professional service staff, one medical doctor and two students. In addition there were two project managers, two engineers, three import and export firms’ staff, three retail companies’ staff, three self-employed, one hairdresser and one chef. Eleven entrepreneur interviewees out of 40 had businesses that related to their previous occupations in China.

5.2.10 Ethnicities of entrepreneur participants’ customers
Seventeen entrepreneur participants stated that their customers are Chinese; this group of interviewees included 12 in Auckland and five in Hamilton. Another 12 entrepreneur interviewees stated that their customers are both Chinese and small number of non-Chinese; nine of them were in Auckland; three were in Hamilton. Eleven entrepreneur interviewees said that, their customers are local (i.e., the non-Chinese customers). These interviewees consisted of nine in Auckland and two in Hamilton.

5.2.11 The characteristics of Chinese participants from non-Chinese organisations
In general, compared to employees in Chinese companies, more Chinese employees from non-Chinese companies enjoyed their life and have had lower aspirational orientations toward starting-up businesses. The entrepreneur participants who resigned from non-Chinese companies and became entrepreneurs did so because of their poor experience in their previous employment situation and they felt less opportunity. They started-up their business when they thought that they could earn more if they worked for themselves.
Table 5.13 Characteristics of entrepreneur participants by demographic background

<table>
<thead>
<tr>
<th>Information</th>
<th>In New Zealand</th>
<th>In China</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>n</td>
<td>%</td>
</tr>
<tr>
<td>Gender</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>24</td>
<td>60</td>
</tr>
<tr>
<td>Female</td>
<td>16</td>
<td>40</td>
</tr>
<tr>
<td>Age</td>
<td></td>
<td></td>
</tr>
<tr>
<td>25-39 years</td>
<td>13</td>
<td>32</td>
</tr>
<tr>
<td>40-54 years</td>
<td>26</td>
<td>65</td>
</tr>
<tr>
<td>55+ years</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>Highest education level</td>
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</tr>
<tr>
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</tr>
<tr>
<td>Diploma</td>
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<td>2</td>
</tr>
<tr>
<td>Certificate</td>
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<td>5</td>
</tr>
<tr>
<td>No</td>
<td>19</td>
<td>48</td>
</tr>
<tr>
<td>Permanent residence category</td>
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</tr>
<tr>
<td>Business</td>
<td>7</td>
<td>17</td>
</tr>
<tr>
<td>Skilled immigrants</td>
<td>30</td>
<td>75</td>
</tr>
<tr>
<td>Others</td>
<td>3</td>
<td>8</td>
</tr>
<tr>
<td>Family living arrangements</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Whole family in NZ</td>
<td>36</td>
<td>90</td>
</tr>
<tr>
<td>Whole family in China</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Some living overseas</td>
<td>4</td>
<td>10</td>
</tr>
<tr>
<td>Years of business experience</td>
<td></td>
<td></td>
</tr>
<tr>
<td>No direct experience</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Under 10 years</td>
<td>29</td>
<td>72</td>
</tr>
<tr>
<td>Over 10 years</td>
<td>11</td>
<td>28</td>
</tr>
</tbody>
</table>

*Note.* Some living overseas = some members living overseas;
5.2.12 The number of people employed by entrepreneur participants

Among entrepreneur participants, one retail-shop owner employed 38 employees across eight retail branches. One student recruitment agency employed 16 staff across three branches. One Chinese newspaper owner (i.e., edit and print factory) employed 15 staff. Twenty-eight entrepreneur participants (eight in Hamilton) employed two to nine staff. Nine entrepreneur participants (two in Hamilton) worked for themselves (see Table 5.14).

Table 5.14 Characteristics of businesses established by entrepreneur participants

<table>
<thead>
<tr>
<th></th>
<th>n</th>
<th>%</th>
<th>Auckland</th>
<th>Hamilton</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business type</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sole proprietorship</td>
<td>20</td>
<td>50</td>
<td>18</td>
<td>2</td>
</tr>
<tr>
<td>Family business</td>
<td>14</td>
<td>35</td>
<td>6</td>
<td>8</td>
</tr>
<tr>
<td>Partnership</td>
<td>6</td>
<td>15</td>
<td>6</td>
<td>0</td>
</tr>
<tr>
<td>Industry type</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property and business services</td>
<td>18</td>
<td>45</td>
<td>12</td>
<td>6</td>
</tr>
<tr>
<td>Cultural and recreational services</td>
<td>10</td>
<td>25</td>
<td>9</td>
<td>1</td>
</tr>
<tr>
<td>Wholesale and retail trade</td>
<td>6</td>
<td>15</td>
<td>4</td>
<td>2</td>
</tr>
<tr>
<td>Accommodation and restaurants</td>
<td>4</td>
<td>10</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>2</td>
<td>5</td>
<td>2</td>
<td>0</td>
</tr>
<tr>
<td>Number of employees</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2 to 5</td>
<td>16</td>
<td>40</td>
<td>13</td>
<td>3</td>
</tr>
<tr>
<td>5 to 10</td>
<td>12</td>
<td>30</td>
<td>7</td>
<td>5</td>
</tr>
<tr>
<td>No employees</td>
<td>9</td>
<td>22</td>
<td>7</td>
<td>2</td>
</tr>
<tr>
<td>Over 10</td>
<td>3</td>
<td>8</td>
<td>3</td>
<td>0</td>
</tr>
<tr>
<td>Ethnicities of customers</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mainly Chinese</td>
<td>21</td>
<td>53</td>
<td>18</td>
<td>3</td>
</tr>
<tr>
<td>Chinese and non-Chinese</td>
<td>15</td>
<td>37</td>
<td>8</td>
<td>7</td>
</tr>
<tr>
<td>Mainly Non-Chinese</td>
<td>4</td>
<td>10</td>
<td>4</td>
<td>0</td>
</tr>
</tbody>
</table>
5.3 Summary of the chapter

In the study of social sciences, research methods are mainly qualitative, quantitative and ‘mixed method.’ The advantages and the disadvantages of these methods have been discussed. Furthermore, a qualitative methodology was selected as it is appropriate for this thesis. This study used the semi-structured interview as main data collection tool.

Open-ended questionnaires (topics) were used to collect data. The interview guide consisted of the questions which collected data of both participants’ demographic information; and their businesses operations, including their business opportunities and the strategies they used to compete. Data collection procedures, ethics application and considerations were introduced. Data analyses were conducted through coding, memoing and developing schemes and patterns, to generating theories through data reduction, display and critical analysis. In addition, Chi-square technology has been used in the research.

A total of 40 Chinese immigrant entrepreneurs and 37 Chinese immigrant employees from both Auckland and Hamilton participated in this study in 2007 and 2008 by either face-to-face or phone interviews. All participants came from mainland China. Chinese immigrant employees’ interviewees were asked the questions regarding their demographic information and personal characteristics within the interview guide only.

The following three chapters will explore recent Chinese immigrant entrepreneurs in terms of their ‘group characteristics’ in New Zealand (chapter 6 and 7), ‘opportunity structures’ in Auckland and Hamilton and ‘strategies’ used by Chinese immigrant entrepreneurs in Auckland and Hamilton (chapter 8).
PART 4

DISCUSSIONS AND CONCLUSION
CHAPTER 6: GROUP CHARACTERISTICS - TRANSFORMATIONS OF HUMAN CAPITAL AND ETHNIC RESOURCES

This chapter discusses the characteristics of contemporary Chinese immigrant entrepreneurs regarding why they wanted to start-up of their businesses in New Zealand; how they obtained human capital in their host country and what resources they used to operate their businesses. The following three questions were explored:

1. How do the different external environments between the host country and the country of origin affect the immigrants’ aspirational orientations toward entrepreneurship?
2. How do Chinese immigrants use the human capital gained in the country of origin to develop their local knowledge and experience in their host country?
3. What is the characteristic of new form of ethnic resources used by modern Chinese immigrant entrepreneurs?

Section 6.1 explores the first question. Section 6.2 explores the second question and Section 6.3 explores the third question.

6.1 How did New Zealand and China experience the influence Chinese entrepreneurs?

As identified in the literature review (see Section 3.3.2), Aldrich and Waldinger (1990) recognised the impact of economic situation of the country of origin on aspirational orientations of immigrants toward entrepreneurship. However, they did not consider how other factors such as the socio-economic and political environmental changes in the country of origin impact on the aspirational orientations of immigrants toward entrepreneurship. Section 6.1 explores how these factors differ between New Zealand and China and how they affect the aspirations of immigrants toward entrepreneurship. This was achieved through analysing the perceptions and attitudes of Chinese immigrant entrepreneurs who participated in open-ended interviews. The questions were included:

• Was self-employment popular in China before you came to New Zealand?
• Did you consider taking a blue-collar job before you came to New Zealand?
• Have you already thought to enter into entrepreneurship before your migration?
• Why did you enter entrepreneurship in New Zealand?
6.1.1 Being self-employed has different social status between New Zealand and China

The interviewees stated that different values and attitudes exist in the societies of China and New Zealand which has an impact on the immigrants’ decision to become self-employed. Their perceptions were that in New Zealand, western culture dominates mainstream society. People value individualism and self-employment. Working independently is viewed as normal and accepted by society. Being self-employed has the same social status as being a wage paid employee. However, it was not the same story in Chinese society because Chinese people value the group rather than individuals. As Mr PAk21 (Travel Agency contractor) said, “It is not possible to do business in China individually.”

In addition, the Chinese perception is embedded in its traditional culture and Confucian values which favours education over business. Traditionally, being self-employed had a low social status in China. Chow (2004, p.134) points out: “[T]he Confucian cultural tradition embedded in the imperial examination system ... students study hard as by doing so they will receive a better training and make a better living in the future.” The traditional Chinese education system was to train people to work for the emperor as officers in both central and local governments. Therefore, “[S]cholars were assigned the highest status, followed by famers” (Hunter & Sexton, 1999, p.131). Parents and teachers educated the youth to ‘sacrifice more and ask for less’ and to ‘be knowledgeable people rather than business people.’ Traditionally, well-educated Chinese people became government service officers who had a higher social status than business people. This traditional attitude deters these highly educated people from entering self-employment in China.

The majority of participants stated that the image of self-employment was not good in China in the 1980s because it was associated with images of unemployment and had low social status. The 03/04 GEM survey (Frederick, 2004) supports the above perception which shows that in New Zealand, the majority of entrepreneurs started-up because they were attracted to the entrepreneurial opportunities (i.e., opportunity entrepreneurs). In contrast, people in China became entrepreneurs when they lost their jobs, or were unhappy with their previous vocations (i.e., necessity entrepreneurs). Mr PHm31 (Real Estate Agent in Hamilton):
In the 1980s, the image of self-employed was not good. They were considered unemployed and some of whom even had just finished their prison sentences. I was a lecturer in China. I had a respected job and a stable life. My colleagues would have looked down on me if I had started-up a private business firm (‘down into the sea’) because they would have believed I desired money more than the academic values. No, I am an academic person; I could not lose my reputation. In China, I felt that doing business was associated with cheating because some business people compete by means of their social guanxi. Guanxi involved sometime illegal behaviours, so their image was not good.

This study found that most highly skilled immigrant respondents who came to New Zealand before 2000, had a negative feeling about being self-employed in China. In comparison, the majority of recent immigrants, after 2000, had a positive view because some of recent Chinese entrepreneurs have become rich in China; their social status has been improved which has attracted some Chinese attention.

The above discussion shows that the socio-economic and political changes influenced the Chinese immigrants’ motivation toward entrepreneurship. In pre-2000 China, the opportunities for self-employment were constrained in China which deterred people from becoming self-employed. In New Zealand, however, becoming self-employed is generally accepted by society and viewed as a normal practice. Chinese immigrants in New Zealand are able to start-up their own businesses in the same way as the native entrepreneurs.

6.1.2 Differences between the China’s planned and the New Zealand’s free employment markets

“[In China] between the 1950s and the 1980s people generally had steady job with secure income and access a reasonable range of welfare services” (Hunter & Sexton, 1999, p.131). The interviewees stated that they had no concerns about finding a job after graduating from university because the government had already planned where they would go. In China, during the 1980s and 1990s, university graduates were in short supply and welcomed by society. University graduates could normally work permanently in public enterprises and government agencies, with a stable income and middle class social status. Mr PAk11 (Metal Security Gate Maker) said:

Everyone could have a job after graduations. I was appointed as an assistant engineer at a national owned corporation in which thirty thousand staff and workers
were employed. Then I led a construction team of three hundred workers undertaking very big projects such as power stations and steel making. I remember some small business owners came to ask me for jobs and/or business. They were unemployed and/or came from the countryside. None of them had qualifications or social status. They admired those of us who worked for the government.

Many respondents stated that it was not necessary to start-up businesses because they had very stable and respected jobs. For example, Ms PAK17 (Travel Agent) remarked, “I was a teacher, that job is good. I had a high social status, so why start up?” Ms PAK16 (Students Recruitment Agent) stated, “I had a stable job as an accountant. It was not necessary for me to become self-employed.” Again, Ms PAK5 (Insurance Broker) said, “I worked for local government, so it was not necessary for me to be a self-employed.”

In New Zealand, graduates sought employment by themselves in the job market that creates much competition for the graduates. Mr PHm38 (Finance Broker) expressed it in the following terms:

When I graduated from university in New Zealand, I realised that I became an unemployed person because the government did not assign my job. ‘Work and Income (government support services for unemployed persons)’ was the only government place that I can go. Being self-employed is the alternative to get employment.

Traditionally, although China was an agricultural nation, the Chinese people - in China and, even more so those abroad, have a long history of private business establishments and entrepreneurship. But between 1949 and the 1980s, the new Chinese government adopted a planned economy which did not promote private enterprises and self-employment (Hunter & Sexton, 1999). The majority of young Chinese graduates had limited opportunities to obtain business experience and they had no knowledge about how to start-up their own businesses. Instead, the government mostly assigned employment to them. By comparison, in New Zealand, the market economy allows people to work for either public or private enterprises. As the government does not assign jobs to new graduates, self-employment is often a way of becoming employed. Hence, the different economic systems between New Zealand and China can influence the aspiration orientations of the Chinese immigrants toward entrepreneurship.
6.1.3 The social welfare system differences between China and New Zealand

There were differences in social welfare systems of China and New Zealand in the 1980s and 1990s. In New Zealand, a self-employed person can obtain subsidies when they start-up businesses and/or receive an unemployment benefit when they do not have income from their businesses during their entrepreneurship. They are ensured a minimum income. They have less worry about maintaining their basic living standards, including such necessities as food and shelter when their businesses were sometimes not good. Living in New Zealand with a comprehensive social welfare system can give people more confidence to become entrepreneurs.

I should say ‘thanks New Zealand’ because I could have financial support from the government such as accommodation support benefits if my business was not good. The government helped me to overcome my difficult period. The officer from Work and Income told me that I could call them anytime if I get no income. I have nothing to worry about living as a self-employed.

In the 1980s and 1990s, giving up a permanent job in China meant giving up everything, including social welfare because social welfare was linked with the work place (Hunter & Sexton, 1999). Mr Beauty Centre Owner stated, “I could not become self-employed because I could not break my ‘iron bowl’ (permanent job and welfare).” There was no protection if their entrepreneurship failed. They had to pay for their medical treatment and medicine and save money for retirement. They worried about losing elements of their basic living standards such as food and accommodation if their businesses failed. Therefore, making the decision to enter into self-employment was not an easy task in China. This also deterred the Chinese from entering into entrepreneurship.

Before the 1990s in China, under the planned economy, the majority of highly skilled Chinese employees worked for state enterprises and their social welfare was linked with their employment (Hunter & Sexton, 1999). If the Chinese people left these state enterprises for entrepreneurship opportunities, they would lose the government welfare assistance. This implies that resigning from a state enterprise employment position generally involves a higher level of risk compared to New Zealand with its welfare system, whereby the self-employed may still be eligible for government assistance. Hence, the different government welfare systems between China and New Zealand could influence the aspiration orientations of the Chinese immigrants toward entrepreneurship.
6.1.4 The different company registration systems of China and New Zealand

The interviewees stated that starting-up a business is not an easy task in China because people have to show their financial capability by providing evidence of a big deposit in the bank. This deters Chinese people from entering self-employment. Interviewees stated that New Zealand has a flexible economic environment that allows people to start-up businesses easily. For instance, the policy makes it easy for people to register a company - for only a small registration fee. The following case demonstrates this situation.

Mr PAk29 (construction contractor) earned a degree and worked for an import and export firm in charge of textile products in the trade department in China. Fifteen years ago, he immigrated to New Zealand because he obtained a bachelor’s degree in economics, so he wished to learn more in western countries. However, 10 years ago, he set up a construction company in New Zealand. He explained that the economic environment influenced him to start-up a construction business because the real estate market had become very attractive in recent years. It is easy for immigrants registering a company. He said:

When I was in China. My perception was that it was not easy to start-up a company. For instance, I had to have at least one hundred thousand Chinese Yuan if I wanted to register a company in China which was not possible for me at that time.

Ms PAk14 (immigration consultant in Auckland) stated:

It was impossible for me to start-up business in China. There are many regulations that deter people from starting-up in China. For instance, I had to have at least 100,000 RMB if I wanted to register a company.

Indeed, according to company law in China, domestic companies should have a minimum capital of RMB 100,000 for a limited liability company (Fernandez & Underwood, 2009). In China, the high cost of obtaining a company certificate deters Chinese from becoming self-employed. In New Zealand, Chinese immigrants are attracted by easy company registration and low cost.
6.1.5 Some industries are not available to private entrepreneurs in China

Chinese immigrants are attracted to some industries such as the newspaper industry which are not available to Chinese entrepreneurs in China, but it is possible for an entrepreneur to register a company in this industry in New Zealand. Ms PAk6’s case below supports this point.

Ms PAk6 (Chinese-newspaper owner in Auckland) received her master’s degree and then became a lecturer at a university in China. Her father was an editor and lecturer. She had no business experience in China. In the early 1990s, she and her family immigrated to New Zealand. She said, “In the 1980s, it was popular to go abroad. The Chinese wanted to see the outside world and looked for a western lifestyle.” She never considered starting-up a business or taking a job in New Zealand because, “I rely on my husband,” she stated.

Twelve years ago, Ms PAk6 and her husband started-up their newspaper business. She explained, “It was my dream to have a private media company that was not possible in China. It is a very attractive career to me because I can use our newspaper to introduce China to New Zealand society.” Their weekly Chinese newspaper is free to the readers and available at most Chinese supermarkets and restaurants in Auckland. However, people have to pay for publishing their business advertisements in this paper. Her business employed more than 15 employees. She and her husband were writers, editors, managers and marketers.

In China, some industries such as the Chinese print media, Chinese Television, radio stations and the financial sector are owned by the government and not available as private enterprises. However, in New Zealand, private Chinese firms can own Chinese newspaper businesses, Chinese Television stations and Chinese radios stations. This means that the freedom of the New Zealand economy provides Chinese entrepreneurs with more opportunities for business start-ups in such industries. This difference between China and New Zealand influenced the start-up opportunity of Chinese entrepreneurs.
6.1.6 The nature and feature of *guanxi* are different between China and New Zealand

In China, *guanxi* is critical for doing business and is related to power, money (corruption) and stress. In New Zealand, by comparison, many respondents pointed out that it is not necessary to develop *guanxi* with government officers because they are in small business, in particular the local non-ethnic markets. In New Zealand, *guanxi* is an important but a supportive factor for their business successes in the Chinese ethnic market. *Guanxi* is important for doing international business with China. These are discussed below.

Participants’ View - one: *Guanxi* is important, in particular for doing international business with China. Nevertheless, the nature of *guanxi* is changing under the different environments.

The following examples provided evidence. Ms PAk5 (Insurance Broker in Auckland) was the head of one Chinese association. She loved participating in the social events such as parties to make friends. She confirmed that developing *guanxi* is one of her selling strategies. Mr PAk15 (Cleaner) put an emphasis on the importance of *guanxi*. He said:

> I know someone who is a chairperson in a Chinese association. His business is successful because he has many Chinese customers. Recently, representing the association, he always entertains the official visiting teams from China. Chinese local governments sent their officers to his organised a “China Officer Training Class” in Auckland, more than 300 China government officers come to study a short course and learn the ‘Western Systems’.

By interviewing 28 Finnish and Swedish managers in Singapore, Malaysia and Thailand, Ramström (2008) shows that when Chinese people build networks with Northern Europeans, both parties lose their native behaviour in terms of social interactions, social bonds and trust. This study shows that a young Chinese manager in Europe was very interested in western management thought which values openness and practicality. Combining the methods of western modern marketing principle and *guanxi*, the young Chinese manager maintained the networking with European company.
Participants’ View - two: In New Zealand, *guanxi* is just a supportive factor for recommending clients and receiving information. However, it is less important in New Zealand than in China where building *guanxi* is critical to business success.

The next three samples represent the majority of interviewees’ views. Mr PHm31 (Real Estate Agent in Hamilton):

In New Zealand, *guanxi* will simply facilitate you getting more customers. In China, having *guanxi* means that you can have an engineering project more easily than others can; your goods could be delivered by the next coming train while others have to wait in line ...

Mr PAk24 (Chinese Medical Doctor):

In the 1980s and 1990s, China implemented its economic reforms from a planned economy to a so called ‘early socialist market economy.’ This change allowed the heads of some the government agencies and the public enterprises to have ‘super power’ which controls the chains of the trade transactions. In this situation, Chinese do business through approaching those ‘leaders’ in the big companies and/or the government agencies through ‘*guanxi*.’

Mr PAk21 (Travel Agency Contractor):

There are many man-made barriers for business people to deal with in China. For instance, the government officers have the power to control your business sometimes, so you have to look for *guanxi* with them.

Fernandez and Underwood (2006, p. 215) point out in China:

If you rely solely on the rule of the law to solve your problems, you are going to have a difficult time since laws sometimes are vague and you can interpret them in different ways ...; it is important to have *guanxi* in China with government. It can help and smooth although it is not essential. It can spend up approval processes.

Many participants pointed out that it is unfair when people do businesses and/or compete through their *guanxi*. The problem is that not everyone actually has ‘*guanxi*’. Ms. PAk23 (Internet Café Owner):
In New Zealand, all people start to run from the same line. It is fair. In China, some business people rely on their *guanxi* with such people as their relatives who hold power in the top positions of the public sectors, who ‘send’ businesses to them. That is not fair.

A limited *guanxi* (Kiong & Kee, 1998; Wong & Ng, 1998) is a critical barrier that deters Chinese people starting-up in China (Fernandez & Underwood, 2006). Although barriers exist in their host countries (Aldrich & Waldinger, 1990) such as in New Zealand (Crothers, 2002), participants stated that it is nevertheless fair to do business in New Zealand because compared to other co-ethnics, they could ‘start to run from the same line’ and without worries about *guanxi*.

**Participants’ View - three:** Chinese immigrants spend less time developing and maintaining the networks in New Zealand than they did in China. Chinese immigrant entrepreneurs build their *guanxi* in New Zealand on trust and enjoyment. It can keep a long time. It is not the same as *guanxi* in China, where *guanxi* is relating to power, money (corruption) and stress.

The methods of developing and maintaining networks in New Zealand include offering good services to achieve good word of mouth customer responses, publishing advertisements in Chinese newspaper and media, participating in parties and dinners. The following three examples demonstrate these points. Mr PAK29 (Construction Contractor):

In China, Chinese developing and maintaining *guanxi* by means of money and time means that *guanxi* means stress for them. But, I do not spend time developing and maintaining networks in New Zealand because it is not required. For example, my customers will introduce me to others if they are satisfied with my services. *Guanxi* is developed and maintained during normal business operation. When a customer is satisfied with my services, *guanxi* is formed. New customers will come because of this *guanxi*.

Ms PAK10 (Insurance Broker in Auckland): “I develop *guanxi* though advertisements, media, telephone and meeting people at Christmas parties. The results are good. Customers come through my *guanxi*, they come and buy.” Mr PHm40 (Health products and Souvenir Retailer in Hamilton):

It is important to have networks in the industry. You cannot do business if others do not know you. I have run this business for more than 15 years. My customers know me and they trust me. They recommend others to my shop. So far, 90 percent of customers are returning customers.
Overall, it was found that the immigrant’s aspiration toward entrepreneurship is a complex phenomenon that cannot be explained by the settler models that focus on experience of immigrants in the host country only. It was found that the environment of their country of origin influences their aspirational orientation toward entrepreneurship because it is ‘extremely difficult’ to separate the effects of the attitudes obtained from both their country of origin and host country (Aldrich and Waldinger, 1990). Moreover, due to the tendencies of contemporary Chinese immigrants to keep close contact with China (Ip, 2006; Spoonley & Meares, 2009), these intensive transnational activities should impact on the immigrants’ aspirations toward entrepreneurship because the economic activities are embedded in social relations (Granovetter, 1985). For instance, Chinese immigrants, having a guanxi in China, will consider doing international business with the country which influences their aspirations toward starting-up in their host country. The conclusion is that in order to understand the motives of immigrants toward starting-up, “their economic goals and their response to their surroundings” exploration needs to include the influences of the socio-economic and political environment and cultural institutional changes in their country of origin.

6.1.7 Extension of the disadvantage theory to include the workplace

The preceding sections (6.1.1-6.1.6) discussed how the different external environments of New Zealand and China influence the attitudes of contemporary Chinese immigrants toward their becoming self-employed. New Zealand socio-economic and political environments attract Chinese immigrants to enter into self-employment because it is friendly and suitable for starting-up businesses. However, it has not yet been fully explored whether or not their disadvantages in the employment market were the primary reasons that pushed them to enter into self-employment. This was raised because the New Zealand LisNZ survey reveals that work experience and qualifications are foremost factors which help immigrants to find their first occupations (see Table 6.1). Lacking New Zealand (the host country) work experience is the main barrier for immigrants’ employment (Merwood et al., 2009) (see Table 6.2).
Table 6.1 Factors that helped migrants find work by selected immigration approval category

<table>
<thead>
<tr>
<th>Factors</th>
<th>Immigration approval category (%)</th>
<th>Total (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Skilled principal</td>
<td>Business category</td>
</tr>
<tr>
<td>Work experience or qualifications</td>
<td>70.5</td>
<td>35.0</td>
</tr>
<tr>
<td>Looked at job advertisements</td>
<td>34.8</td>
<td>16.8</td>
</tr>
<tr>
<td>Has good English language skills or has improved them</td>
<td>39.2</td>
<td>14.0</td>
</tr>
<tr>
<td>Overseas qualifications are officially recognized in New Zealand</td>
<td>35.7</td>
<td>4.2</td>
</tr>
</tbody>
</table>

Notes: Only includes migrants who started a new job since residence approval or first arrival in New Zealand. Migrants could give multiple responses, so percentages may not add to 100. 1 Includes Family Parent. Source: LisNZ, Table E48, quoted in Merwood et al. 2009, P. 210

Table 6.2 Difficulties in finding work by selected groups

<table>
<thead>
<tr>
<th>Difficulties</th>
<th>Immigration approval category (%)</th>
<th>Total (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Skilled principal</td>
<td>Business category</td>
</tr>
<tr>
<td>Lack New Zealand work experience</td>
<td>17.5</td>
<td>16.0</td>
</tr>
<tr>
<td>Skills or experience not accepted by New Zealand employers</td>
<td>5.4</td>
<td>4.2</td>
</tr>
<tr>
<td>Not enough suitable work for skills/experience person has</td>
<td>6.8</td>
<td>3.5</td>
</tr>
<tr>
<td>Difficulties with English language</td>
<td>1.9</td>
<td>23.6</td>
</tr>
</tbody>
</table>

Notes: Only includes migrants who started a new job since residence approval or first arrival in New Zealand. Migrants could give multiple responses, so percentages may not add to 100. 1 Includes Family Parent. Symbol: S = suppressed for confidentiality reasons. Source: LisNZ, Table E49, quoted in Merwood et al. 2009, P. 210

It was found that about half of the participants stated that they had tried very hard to find jobs before they started-up and/or before they got jobs (see Table 6.3). There were no significant differences between the employers and employees samples. This result suggests that at least half of the entrepreneur participants did not find favourable jobs and became self-employed. It was found that contemporary Chinese immigrants came to New Zealand for easy lifestyles (Merwood et al., 2009; Spoonley & Meares, 2009). When their lifestyles remained unchanged, when they lost hope of being promoted in the firm and/or were
unhappy with their life as employees, particularly with lower income and status, they resigned and started-up their own businesses.

Table 6.3 Did you try hard to look for a job before you started-up and/or found job?

<table>
<thead>
<tr>
<th>Answers</th>
<th>Entrepreneurs</th>
<th>Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$n$</td>
<td>$%$</td>
</tr>
<tr>
<td>Yes</td>
<td>22</td>
<td>56.4</td>
</tr>
<tr>
<td>No</td>
<td>17</td>
<td>43.6</td>
</tr>
<tr>
<td>Total</td>
<td>39</td>
<td>100</td>
</tr>
</tbody>
</table>

**Case one:** In China, Mr PAk4 (Student Recruitment Agent) obtained a degree and became a sales person in a government department. He had no experience being self-employed. His father was an engineer. He came to New Zealand for family reunification 10 years ago. In New Zealand, he could not find a suitable job and that was the main reason for him to become an entrepreneur. He commented,

> In 2000, it was not easy for me to find a job. It was even harder to find a job that is relevant to my qualification and specialised skills. I found other jobs in supporting myself before my start-up. I have worked for a number of companies but they all involved long hours with low pay. My low wage was not enough in supporting my family. I resigned from job and started-up.

He stated, “In New Zealand, I think, everyone can find a job in supporting them but it may not be a suitable or an enjoyable one.”

I considered taking this challenge to show my abilities because I had a lot of Chinese work experience. In this new land, we are free to do what we would like to do. We can release our energy and show our abilities. It was time to show my differences. (Mr PAk2, Souvenir Retailer in Auckland)

**Case two:** In China, Ms PAk14 (Immigration Consultant in Auckland) received a bachelor’s degree and then became a local government officer in the same way as her father. She has had no business experience. She said:
I dislike being controlled by others. I was tired of working for bosses and I wanted to have a more challenging life rather than being a wage paid employee. I want to be a boss, to have a free and unrestrained life and be financially independent.

With the hope of having a better life, she immigrated to New Zealand 15 years ago. She eventually started-up a business as an immigration consultant in Auckland.

**Case three:** Mr PHm32 (Advertiser & Paper Publisher in Hamilton) received a master’s degree and, like his father, became a lecturer at a university. He immigrated to New Zealand eight years ago because he wanted to change his lifestyle. Nevertheless, he stated, “After several years of working for a firm in New Zealand, I found that my life was the same as that in China - not attractive to me, so I gave up the employee life and started-up my own business.”

**Case four:** Mr PAk2 (Souvenir Retailer in Auckland) received a bachelor’s degree during the 1980s. Then, he worked for a supermarket as a manager. In 1991, his wife came to New Zealand as an international student. She settled in New Zealand subsequently. He came to New Zealand to reunite with his wife in the 1990s. In New Zealand, he initially studied at university and received a master’s degree. Meanwhile, he worked for a number of local and Chinese firms. He started-up his own businesses in the late 1990s. He describes the motives for his start up:

> I found that I could not become a senior manager in a big firm here and earn a big salary. In fact, I could not manage a big firm because of the cultural differences. I believe that my son will be fine in New Zealand because he grew up here. I believe that being self-employed is the best way for me to achieve no worrying about finance.

He was a well-known health products and souvenirs retail businessperson in the Chinese community. Both local and overseas Chinese people are the major customers of his business.

The above cases demonstrate that rather than being concerned about whether or not they can find a job, the majority of them worried about whether or not they can find jobs to
match their qualifications in the same way as in China, and whether or not they can earn good income. It found that their disadvantages existed not just when they were looking for employment (Benson–Rea et al., 1998; Ip, 2001; Spoonley & Meares, 2009), but also after they became employed. Dissatisfaction with their employment situations due to low pay, being tired of working for others, conflict with bosses and seeking a higher social status can often accelerate migrants’ entry into entrepreneurship.

Overall, highly skilled Chinese immigrant entrepreneurs are middle class people who had good social status and decent jobs in China prior to immigration. Once they had arrived in the host country, some of them became unhappy when their jobs were incongruent with their previous work conditions and qualifications (Beal & Sos, 1999; Ho, et al., 1999). These people, when faced with language and cultural barriers and/or discrimination in the work place, give up their employment and started up a business. A recent New Zealand study (Meares et al., 2010) shows that about 30 percent of employer participants from China were employees in New Zealand before started-up their own business. This study suggests the extension of Light’s (1979) disadvantage theory to consider the fact that even though some immigrants were able to find employment in mainstream society, they eventually resigned and became self-employed. It is fair to argue then that the disadvantage theory needs to be extended to include the work place.
6.2 Human capital earned in China assists Chinese immigrants to gain New Zealand experience

6.2.1 The human capital of the Chinese in New Zealand

Data from the 2006 New Zealand census shows that 23.9 percent of Chinese hold degrees, compared with 27 percent of Asian and 14.1 percent of total New Zealanders. These are illustrated in Table 6.4.

Table 6.4 Qualification by selected ethnic group, 30 June 2006

<table>
<thead>
<tr>
<th>Qualification</th>
<th>Chinese*</th>
<th></th>
<th>Asian</th>
<th></th>
<th>T-NZers</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>n</td>
<td>%</td>
<td>n</td>
<td>%</td>
<td>n</td>
<td>%</td>
</tr>
<tr>
<td>No</td>
<td>14,190</td>
<td>11.7</td>
<td>31,788</td>
<td>11.5</td>
<td>708,432</td>
<td>22.4</td>
</tr>
<tr>
<td>Bachelor</td>
<td>24,378</td>
<td>17.2</td>
<td>55,125</td>
<td>19.8</td>
<td>315,849</td>
<td>10.0</td>
</tr>
<tr>
<td>Post-Graduate</td>
<td>2,451</td>
<td>2.0</td>
<td>5,577</td>
<td>2.0</td>
<td>55,461</td>
<td>1.7</td>
</tr>
<tr>
<td>Masters</td>
<td>5,031</td>
<td>4.1</td>
<td>12,969</td>
<td>4.6</td>
<td>59,703</td>
<td>1.9</td>
</tr>
<tr>
<td>Doctorate</td>
<td>699</td>
<td>0.6</td>
<td>1,869</td>
<td>0.6</td>
<td>16,767</td>
<td>0.5</td>
</tr>
<tr>
<td>Not Elsewhere</td>
<td>7,224</td>
<td>5.9</td>
<td>18,558</td>
<td>6.6</td>
<td>328,014</td>
<td>10.3</td>
</tr>
<tr>
<td>Total</td>
<td>121,779</td>
<td>100.0</td>
<td>277,599</td>
<td>100.0</td>
<td>3,160,374</td>
<td>100.0</td>
</tr>
</tbody>
</table>


*Note: the Chinese here are both overseas and New Zealand born.

Chinese immigrants have a higher percentage of relevant higher qualifications in New Zealand than the total New Zealanders. The 2006 New Zealand census shows that 77.1 percent of overseas born Chinese spoke English; 31.8 percent of them spoke Mandarin, a greater number than those who spoke Yue (30.3 percent) (see Table 6.5).
Table 6.5 Language by overseas born Chinese group, 30 June 2006

<table>
<thead>
<tr>
<th>Language</th>
<th>Chinese Immigrants</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$n$</td>
</tr>
<tr>
<td>English</td>
<td>88,035</td>
</tr>
<tr>
<td>Mandarin (Northern Chinese)</td>
<td>36,369</td>
</tr>
<tr>
<td>Yue</td>
<td>34,623</td>
</tr>
<tr>
<td>NZ Sign Language</td>
<td>432</td>
</tr>
<tr>
<td>Total Chinese</td>
<td>114,147</td>
</tr>
</tbody>
</table>


Table 6.6 Estimated Chinese and National population by selected occupations at 30 June 2006

<table>
<thead>
<tr>
<th>Occupations</th>
<th>Chinese $n$</th>
<th>T-NZers $n$</th>
<th>Chinese/T- NZers %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Professionals</td>
<td>11,736</td>
<td>374,328</td>
<td>3.1</td>
</tr>
<tr>
<td>Accommodation and Food</td>
<td>10,080</td>
<td>111,102</td>
<td>9.0</td>
</tr>
<tr>
<td>Managers</td>
<td>8,745</td>
<td>340,527</td>
<td>2.6</td>
</tr>
<tr>
<td>Sales</td>
<td>7,899</td>
<td>186,054</td>
<td>4.2</td>
</tr>
<tr>
<td>Retail Trade</td>
<td>7,731</td>
<td>196,065</td>
<td>0.4</td>
</tr>
<tr>
<td>Technical &amp; Trades</td>
<td>6,735</td>
<td>241,857</td>
<td>2.8</td>
</tr>
<tr>
<td>Labourers</td>
<td>6,303</td>
<td>218,994</td>
<td>2.9</td>
</tr>
<tr>
<td>Clerical/Admin</td>
<td>6,240</td>
<td>240,819</td>
<td>2.6</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>5,511</td>
<td>217,755</td>
<td>2.5</td>
</tr>
<tr>
<td>Wholesale Trade</td>
<td>3,204</td>
<td>98,340</td>
<td>3.3</td>
</tr>
<tr>
<td>Total</td>
<td>58,917</td>
<td>2,844,264</td>
<td>2.0</td>
</tr>
</tbody>
</table>

This demonstrates that the Chinese people from the northern part of China have become the main source of the Chinese immigrant group, instead of from Guangdong province, the traditional main source of Chinese immigrants before the 1980s. Hence, recent Chinese immigrants come from wider areas such as Taiwan, Hong Kong, Singapore, Malaysia and mainland China (Ip & Pang, 2005). The 2006 New Zealand census shows that being ‘professionals’ had the biggest number of Chinese people (11,736) than in any other occupations, followed by ‘accommodation and food services’ (10,080), ‘managers’ (8,745), ‘sales’ (7,899) and ‘retail trade’ (7,731). These are shown in Table 6.6. There is no doubt that Chinese people in the ‘professional’ occupations are recent Chinese immigrants from China. The question is this: how did they gain New Zealand experience? This question is explored in the next section.

6.2.2 The qualifications obtained in China support Chinese enrolment in New Zealand universities

This research data proposes that although almost all interviewees suggested that both human capital and ethnic resources are helpful in the success of entrepreneurship, they stated that human capital plays a critical role in starting-up businesses and operating their businesses. It was found that more than three quarters of Chinese entrepreneur participants said that human capital (i.e., personal work experience and qualifications) is more important in facilitating their entrepreneurship success than the support of ethnic resources (i.e., family, friends) (see Figure 6.1). Here ethnic resources did not include the Chinese immigrant markets and/or factors relating to origin.

---

**Figure 6.1 Between human capital and ethnic resources which is more important?**

![Figure 6.1](image_url)

1: Human capital; 2: Ethnic resources
Table 6.7 Do you believe that coming New Zealand was right choice - by New Zealand qualifications?

<table>
<thead>
<tr>
<th>New Zealand Qualifications</th>
<th>Entrepreneurs</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>yes</td>
<td>no</td>
</tr>
<tr>
<td>No</td>
<td>81.8%</td>
<td>18.2%</td>
</tr>
<tr>
<td>Certificate</td>
<td>75.0%</td>
<td>25.0%</td>
</tr>
<tr>
<td>Diploma</td>
<td>87.5%</td>
<td>12.5%</td>
</tr>
<tr>
<td>Degree</td>
<td>100.0%</td>
<td></td>
</tr>
<tr>
<td>Master</td>
<td>90.0%</td>
<td>10.0%</td>
</tr>
<tr>
<td>Total</td>
<td>87.5%</td>
<td>12.5%</td>
</tr>
</tbody>
</table>

Table 6.8 Do you believe that coming New Zealand was right choice – China v New Zealand qualifications?

<table>
<thead>
<tr>
<th>Qualifications</th>
<th>Entrepreneurs</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>yes</td>
<td>no</td>
</tr>
<tr>
<td>Neither</td>
<td>100.0%</td>
<td></td>
</tr>
<tr>
<td>China only</td>
<td>100.0%</td>
<td></td>
</tr>
<tr>
<td>NZ Only</td>
<td>80.0%</td>
<td>20.0%</td>
</tr>
<tr>
<td>Both China and NZ</td>
<td>89.3%</td>
<td>10.7%</td>
</tr>
<tr>
<td>Total</td>
<td>87.5%</td>
<td>12.5%</td>
</tr>
</tbody>
</table>

The tables (6.7 and 6.8) show how participants who hold different qualifications have different perceptions regarding ‘believed that coming to New Zealand was the right choice’. Although the Chi-Square tests show that there were no significant differences between the samples, but the majority of participants stated New Zealand related human capital (for instance, New Zealand qualifications, in particular higher qualifications from both New Zealand and China qualifications) provided a positive outcome in their New Zealand experience, particularly in professional occupations. Next, the thesis presented how they
transformed their pre-migration human capital into the human capital that was relevant to New Zealand environment.

It was found that studying in New Zealand universities facilitates Chinese immigrants’ New Zealand experience and skills for later entrepreneurship. Look at the following case: Mr PHm38 (Finance Broker in Hamilton) obtained a bachelor’s degree and then worked for a finance firm in China. His father was a teacher. He had no business experience in China. Five years ago, he came to New Zealand to study his master’s degree and immigrated to New Zealand after graduation. He explained:

I first came to New Zealand as an international student and planned to go back to China. However, after graduation, I got used to New Zealand lifestyle. It is not crowded. I settled in New Zealand.

He started-up a business as a finance broker because he had a master’s degree in finance. He believed that local qualifications are helpful for starting-up business. He was 30 years old at the interview. This case shows that his first degree earned in China supported him in studying for his master’s degree in New Zealand which is a way of accessing the local experience (Evans, 1989; Le, 2000; Li, 2001). The following cases demonstrate this point.

**Case one:** Ms PAk25 (Loan Broker in Auckland) received a master’s degree and worked for a bank in Shanghai. In the 1990s, she came to New Zealand as a skilled immigrant and then studied for her second master’s degree in finance. After graduation, she got a job at the ASB bank as a manager. Eight years ago, she resigned from her job and became a self-employed loan broker. She explained:

I resigned and became a loan broker because I suffered high stress at work and received a low income. I started-up because I had a New Zealand qualification and work experience, so I have no problems to do my job.

**Case two:** Ms PAk10 (Insurance Broker in Auckland) had a diploma in China and then came to New Zealand 15 years ago. She received her degree in New Zealand and after graduation, worked for a company for about three months as an office worker and then became self-employed when she was familiarised with the insurance industry. She said, “In order to look after my family, I decided to become an insurance broker. I can work for the
company as a broker because I am familiarised with my previous colleagues and they are all helpful.”

**Case three:** Mr PAk1 (Lawyer) received his master’s degree in China during the 1980s. He worked for a legal firm as a lawyer after graduation. He had no business experience in China. His father was a medical doctor. In the 1990s, he, his wife and son came to New Zealand as skilled immigrants. In New Zealand, he received his second master’s degree and then joined a well-known Auckland legal firm seven years ago.

The New Zealand welfare system enables permanent New Zealand residents to acquire student loans and allowances which assist immigrants to enrol in New Zealand universities. Meanwhile, the New Zealand education system recognises the majority of the Chinese degrees. Both aspects support Chinese immigrants to study in New Zealand universities.

This study shows that holding local qualifications makes it easier for new immigrants to get a local job because local employers trust local qualifications (Benson–Rea et al., 1998; Campbell, 1992; Le, 2000). Furthermore, one of the key values of studying for a local qualification is that new immigrants can obtain local experience. For instance, Mr PAk2 (Souvenir Retailer in Auckland) stated:

> I found that studying local courses is very useful, in particular, when we learn local management through case study. This assists my understanding of how the locals do business. I strongly believe that English level, management skills and tax knowledge are essential in doing business. I hold a higher degree from Massey University. I found that local qualifications provide me with confidence. My staff trust me. In turn, this produces better and smoother operations.

Mr PAk2 has a master’s degree in business management. It was found that many interviewees stated that immigrant entrepreneurs in occupations that connect with their qualification subjects could gain their clients’ trust. The following three interviewees provided such a view:

Ms PAk25 (Loan Broker in Auckland): “My business is directly related to my qualification and work experience. I hold a finance degree. I am skilled in tax and regulations in terms of business investment. Customers come to my office because they trust my qualification.”
Mr PHm40 (Health products and Souvenir Retailer in Hamilton): “Having specialised knowledge and skills in the area of our business, we win the respect and trust of our customers. For example, my specialisation is gene engineering. I have relevant knowledge of health products. Hence, I sell health products.” Mr Pak24 (Chinese Medical Doctor): “The Chinese customers come to see me because they trust me. They knew that I earned a PhD in Chinese medicine study ...”

The above examples show that the integration of qualifications and occupations facilitates entrepreneurs to operate their businesses because they are skilled in occupations (Basu, 1998; Crothers, 2002; Peter, 2002). The most important aspect is that this gives customers a feeling of trust. New Zealand longitudinal immigration survey shows that the top three reasons for studying towards formal qualification are all associated with immigrants’ career projects (see Table 6.9).

Table 6.9 Reasons for studying towards formal qualification by selected immigration category

<table>
<thead>
<tr>
<th>Reason</th>
<th>Immigration approval category (%)</th>
<th>Total (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Skilled principal</td>
<td>Business category</td>
</tr>
<tr>
<td>To get qualification upgraded to work in my profession</td>
<td>49.6</td>
<td>37.9</td>
</tr>
<tr>
<td>To get a better job</td>
<td>37.8</td>
<td>24.1</td>
</tr>
<tr>
<td>To get a job</td>
<td>6.7</td>
<td>41.4</td>
</tr>
</tbody>
</table>

Notes: Only includes people who had done formal study since residence approval and who gave reasons for studying. Respondents could give multiple responses, so percentages may not add to 100. Symbol: $S$ = suppressed for confidentiality reasons. Source: LisNZ, Table E70, quoted in Merwood et al. 2009, P. 219

Unlike the old model in which immigrants came to the co-ethnic group and worked for co-ethnic businesses as apprentices before starting-up their own businesses (Light, 1984, 1972), it was found that most contemporary Chinese immigrants first approached the host country’s institutions to receive local qualifications. They then started-up after their graduation and/or resignation from the firms.
6.2.3 Chinese experience supports Chinese seeking to practice in their host country

In addition, some participants relied on previous experience obtained from their country of origin to gain local experience through observation and direct practice entering to non-Chinese firms or starting-up directly. The following three cases demonstrate this:

Case one: Mr PHm31 (Real Estate Agent in Hamilton) started-up as a real estate agent four years ago because he knew how to do real estate business after he sold and bought his own properties. He said,

I obtained experience in this trade from selling and buying my own property. I then had the capability to do this job because I was familiarised with the market. English is no problem to me because I taught English in Chinese school before I came to New Zealand.

Case two: Ms PAk8 (Hair Dresser) was a hair dresser and held a high-school certificate in China. She married her husband who immigrated to New Zealand in the 1990s. She came to New Zealand in 1996. She found a temporary job at a Chinese business store as a labourer. In 1998, she started-up a hair dressing service in her house located in central Auckland. She said, “I am happy with this business because I can look after my children at home and earn money as well.” She worked by herself. Her customers were mainly local Chinese residents from her neighbourhood. Her husband was a real estate agent. She was a 35 year old and received no qualification in New Zealand.

Case three: Mr PAk7 (Real Estate Agent in Auckland) received a degree and then became a local government officer in China. Fourteen years ago, he and his family immigrated to New Zealand because he likes New Zealand’s fresh air and green environment. He considered starting-up a business and/or taking up a labouring job before coming to the country. He had no New Zealand qualification. He was more than 40 years old at the time of the interview. He first started-up as a fengshu guru, a person who offers advice on how to get lucky. For instance, when Chinese people want to buy property, some would seek his advice on matters such as ‘Will the property bring luck to the owner?’ Later, he started-up as a real estate agent because, “The majority of my customers asked me to find properties with good ‘fengshui’, so I gradually became familiar with real estate industry,” he explained.
It was found that the majority of contemporary Chinese immigrants entered occupations that are associated with either their prior work experience from their country of origin or host country and/or their qualification subjects. Ms Pak25 (Loan Broker in Auckland) stated, “In university, my major was finance. My business [i.e., loan broker] is related to my qualification.” Mr PAk1 (Lawyer): “I was a lawyer in China. In New Zealand, I studied law course again and then became a lawyer in a local legal firm.” Based on their prior work experience and their qualification subjects, they have a wider selection of industries. Overall, the above study found that contemporary Chinese immigrant entrepreneurs obtained host country experience through the utilisation of ethnic and public resources (non-ethnic resources). Two areas are considered:

1. Contemporary Chinese immigrants are able to obtain non-ethnic resources
Contemporary Chinese immigrants are skilled and/or business applicants (Collins, 2002; Ip, 1996) who have high qualifications. The majority of them hold degrees from China with sufficient English knowledge to fulfil the requirement of the International English Language Test Standard (IELTS) score of 6.0 and above. Hence, they are able to communicate with non-ethnic community and get public information.

2. Availability of non-ethnic resources
New Zealand has public services such as the Citizen Advice Bureau, Language Line, Work and Income, Study-Link that welcome use by Chinese immigrants and they tend to use these services positively (Meares et al. 2010). Studies (for instance, Meares et al. 2010) show that among 20 Chinese employer participants in New Zealand, 80 percent of them had received some kind of training before they entered into entrepreneurship. In this study, about half of the employer participants hold New Zealand qualifications and three quarters of employee participants hold New Zealand qualifications. The availability of the services of the Study-Link allows Chinese immigrants to access loans and allowance which support them to study in New Zealand. The conclusion is that New Zealand policy benefits immigrants through the use of public resources. Beside ethnic resources, the majority of Chinese immigrants rely on their pre-migration human capital to obtain public resources and for obtaining New Zealand experience and qualifications. This explains why Chinese immigrants could start-up businesses in a wider spectrum of occupations that surpass the traditional industries in their host countries.
6.3 The characteristics of new forms of ethnic resources

Aldrich and Waldinger (1990) put an emphasis on the ethnic network that helps immigrant entrepreneurs obtain ethnic resources. However, they did not consider the fact that ethnic customers also need non-ethnic products and services. Chinese immigrant entrepreneurs have to rely on non-ethnic resources available to serve co-ethnic customers. This study found the following characteristics of new forms of ethnic resources.

**Key characteristic (1):** Families and apprentices’ unpaid labourers are rare. Instead, modern Chinese rely on formal employment relationships with both Chinese and non-Chinese immigrant employees.

It was found that, in general, the majority of interviewees did not use their children as labourers. Only one interviewee stated that his children helped in his business. Six of them said ‘sometimes’. The majority of interviewees said ‘no’ (see Figure 6.2).

![Figure 6.2 Do their children help doing business?](image)

LisNZ shows that, compared with all other regions, the North Asian immigrant group (the majority of them in the group are Chinese immigrants) has the second highest response rates (29.4 percent) of seeking educational opportunity as the reason for them to move to New Zealand (see Table 6.10). Their child’s education is highly valued and emphasised. They are unlikely to ask their children to do labouring work instead of studying at school. Mr PAk27 (Takeaway Restaurant Owner):
All my hard work is for children. I want my son to have a better life than me, working not six days like I do now. I support my son in getting a high education. I save money for his tuition.

<table>
<thead>
<tr>
<th>Reasons</th>
<th>UK/Irish Republic</th>
<th>North America</th>
<th>North Asia</th>
<th>Pacific</th>
<th>Total (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Relaxed pace of life or lifestyle</td>
<td>69.7</td>
<td>50.9</td>
<td>34.3</td>
<td>12.8</td>
<td>44.2</td>
</tr>
<tr>
<td>Climate/clean green environment</td>
<td>56.5</td>
<td>40.3</td>
<td>45.0</td>
<td>15.1</td>
<td>39.6</td>
</tr>
<tr>
<td>A better future for my children</td>
<td>45.8</td>
<td>22.6</td>
<td>26.8</td>
<td>44.3</td>
<td>39.0</td>
</tr>
<tr>
<td>Employment opportunity</td>
<td>23.2</td>
<td>28.9</td>
<td>14.7</td>
<td>45.4</td>
<td>28.3</td>
</tr>
<tr>
<td>Educational opportunities</td>
<td>6.9</td>
<td>3.1</td>
<td>29.4</td>
<td>31.7</td>
<td>18.1</td>
</tr>
</tbody>
</table>

Note: Migrants could give multiple responses, so percentages may not add to 100. Source: LisNZ, Table E 19, quoted in Merwood et al. 2009, P. 192

Ms PAk26 (Private School Owner):

As a new immigrant, I am happy with my situation because my small business can support my family in New Zealand. I hope that my son will have a better life than me. I encourage him to achieve a higher qualification.

Mr PAk29 (Courier’s Subcontractor):

My daughter is the ‘treasure’ of our family, she is our only child. We spent a lot on her piano and ballet lessons in private schools. I hope my daughter studies at overseas universities after graduation from high school.

It found that the majority of interviewees employed Chinese staff, with one-third of respondents employing non-Chinese staff. They recruited employees through both Chinese and non-ethnic resources. The majority of respondents used Chinese media (e.g., newspaper and internet), family members, friends, frequent customers and the “knock on door” approach to recruiting Chinese staff. In contrast, they met prospective employees on the construction site; put ‘staff wanted’ notices on New World Supermarket notice boards.
and published job vacancy advertisements in *New Zealand Herald* newspaper to recruit non-Chinese staff.

**Key characteristic (2):** Beside their extended families and friends, professional people who had been in the industry influenced their decision-making.

It was found that people who had been in the industry influenced some interviewees’ entrepreneurship. For example, Ms PAk5 (Insurance Broker in Auckland) received her first master’s degree and following in her father’s footsteps, she worked for a local city council as a government officer in China. Later, she married her husband who operated a restaurant. In the 1990s, she, with her family, immigrated to New Zealand. She received her second master’s degree and then become an insurance broker in Auckland. She was an outstanding insurance broker in a very senior level management team of an insurance company. She remembered: “One of my Kiwi friends was an insurance broker. She asked me to sell the products. I believed that I could do it too, so I began selling after graduation.”

Mr PAk3 (Real Estate Agent) said:

> One of my friends, I met him at church, was a real estate agent who provided me with the information of how to become an agent. When I saw the good outcomes of real estate agents around me, I felt self-employment might suit me because the working hours, income and flexibility were more suitable and unrestrained.”

Ms PAk14 (Immigration Consultant in Auckland): “My classmate from Massey University invited me to join his company first and then I was able to start-up my own business. My friends gave me ideas and methods of doing business too.”

Here, Kiwi means non-Chinese New Zealanders. The above discussion suggests that friends who worked for professional firms helped participants to enter into a wider range of sectors. Highly skilled Chinese immigrants could meet professional people in a wider range of industries.

**Key characteristic (3):** Beside their extended families, they form their business partnerships with non-family members from either the host country or the country of origin.
The majority of contemporary Chinese immigrants do not build partnerships with their extended family members (Liu, 2000). Instead, they form their business partnerships with non-family members from either the host country or the country of origin. Building business partnerships with Chinese people in China were emphasised by the participants. Ms Pak16 (Student Recruitment Agent in Auckland) described her experience in New Zealand:

In 2001, I started-up an international students’ recruitment agency. I set up three offices. My head office is in Auckland, the other two sub-offices are in China, including one in Beijing. My partners operate offices in China. They send students to New Zealand. My business employs about 16 employees.

Ms PHm39 (Student Recruitment Agent in Hamilton) came to New Zealand as an international student in 2001 and then immigrated to New Zealand after graduation. She started-up as a student recruitment agent two years ago because, she said, “Overseas partners invited me to be a business partner.” She promoted her business through her guanxi with the Chinese agents who sent students to her. She operated her business by herself. Her office was located in downtown Hamilton.

Ms Pak23 (Internet Café) came to New Zealand through the Entrepreneurs Category, who had to set up her business in order to be qualified for immigration to New Zealand as a permanent resident. She bought an internet café shop in downtown Auckland and invited Mr Partner, a New Zealander, as manager and business partner. Mr Partner managed all business operations. Ms Pak23 said, “My business partner is very helpful. He knows the local customers’ needs and organise games, drinks, food and cleaning. He communicates with clients and makes them as friends so they would come back”

Ms Pak14 (Immigration): “My clients believed that the local professional people can help them. For instance, we invite a visa officer, one previous visa officer from Immigration New Zealand; our clients trust our service because they believe Mr Visa officer can help them.”

Contemporary Chinese immigrants enter a wider range of professional occupations in which their family members and co-ethnic friends cannot assist them due to the complex
knowledge and technicalities required in such vocations (Liu, 2000). For this reason, they often need non-ethnic partners (Beal & Sos, 1999) who can provide professional skills, to manage relationship with non-ethnic customers (Fernandez & Underwood, 2006) and to obtain customers’ trust.

**Key characteristic (4):** Rather than become members of the Chinese associations, they participate in Chinese community events to promote their products.

The *Chinese community* includes the *Chinese business associations* and *religious groups*. Nine Chinese participants stated that they were members of Chinese associations. The other 31 participants were not. This is supported by the 2004’s Longitudinal Immigration Survey New Zealand that shows about eight out of 100 people from North Asia were members of their ethnic associations, a lower percentage rate than other ethnic groups from other parts of the world. Mr Pak27 (Takeaway food):

> The majority of earlier generations of Chinese immigrants did not speak English. They came to the Chinese associations for help. Nowadays, Chinese immigrants can obtain information through online Chinese website and Chinese language telephone line service the government provided. In fact, most Chinese immigrants can speak English now. Times have changed. People come to the associations for business. You cannot find your clients there. Instead, other members in the associations target you as potential customer.

It was found that they participated in Chinese community events for selling their goods. Ms PAk9 (Travel Agent):

> Chinese community events are opportunities for our company to promote products. Each year, Chinese firms organise events such as lantern festival and spring festival. We book the place in advance by paying fee and we promote our travel packages to Chinese people though distributing flyers and brochures.

Mr PAk13 (Lunch Bar):

> We are very busy during the events because we sell our food to the people. We prepare the take away box food in advance in early morning and deliver it to the site. Lots of Chinese people and non-Chinese people come to the events. We cannot supply enough food sometimes …
It was found that contemporary Chinese immigrants rely less on ethnic resources (Liu, 2000) such as ethnic associations, but they still rely on the Chinese ethnic market (Beal & Sos, 1999; Meares et al., 2010; Nandan, 1994).

**Key characteristic (5):** In addition to their extended family networks, they obtain information through Chinese people, non-Chinese people and the host country’s public sources.

Visiting the competitors’ shops, collecting feedback from suppliers, distributors and customers and obtaining comments from the internet, associates, colleagues and friends were the main methods for getting information. Indeed, a New Zealand study (i.e., LisNZ) shows that friends or relatives are the main sources of information, followed the internet (see Table 6.11) which allows them gain access to both Chinese and non-Chinese information sources.

<table>
<thead>
<tr>
<th>Table 6.11 Sources of information by selected immigration category</th>
</tr>
</thead>
<tbody>
<tr>
<td>Information source</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Friends or relatives living in NZ</td>
</tr>
<tr>
<td>The internet</td>
</tr>
<tr>
<td>NZ Immigration Service</td>
</tr>
<tr>
<td>An immigration consultant</td>
</tr>
</tbody>
</table>

Note: Migrants could give multiple responses, so percentages may not add to 100. Symbol: S = suppressed for confidentiality reasons. Source: LisNZ, Table E20, quoted in Merwood et al. 2009, P. 192

Government networking is also used. Ms PAk6 (Chinese-Paper in Auckland) said:

We use the internet to obtain information from the government. Meanwhile, we have a relationship with governmental departments. We can contact the parliament member’s offices to have the latest news. Eighty percent of information came from the local sources, 20 percent of the comments were obtained from Chinese resources.
Ms PAk12 (Immigration Consultant) said, “I rely on New Zealand Immigration website; it has the information necessary for my work.” Ms PAk26 (Private School Owner) stated:

I get relevant information regarding my business operation from my business partners such as my accountant, lawyer. They provide the legal information about tax and employment. They come from the local non-Chinese firms. I trust them because they understand legal issues and solve problems.

**Key characteristic (6):** In the Chinese ethnic market, they do not concentrate on using co-ethnic resources. Instead, they also rely on local non-ethnic resources for the operations.

It was found that the majority of participants stated that they did not concentrate in the traditional niche markets which have the characteristics of a low profits and long work hours. Instead, they serve mainly the Chinese immigrant markets consisting of new immigrants such as tourists and students who have intensive expenditure capacity. Although the majority of Chinese businesses serve the Chinese ethnic market, most of them are able to rely on local resources for their business operations. For instance, Ms PAk10 (Insurance Broker in Auckland): “I work for local insurance companies as a broker and use company resources for the operations, but my customers are mostly Chinese people.” Ms PAk16 (Students Recruitment Agent): “My customers are Chinese international students. I work for local schools and use the local school resources.” Ms PAk 26 (Private School Owner in Auckland): “Our students are almost all Chinese international students. Our teaching staff are all non-Chinese.” Again, Mr PAk29 (Construction Contractor) said, “My business depends on Chinese employees and customers but relies on non-Chinese suppliers.”

The above introduction shows that both ethnic and non-ethnic resources are important resources for highly skilled Chinese immigrant entrepreneurship.

**Key characteristic (7):** In the non-ethnic markets, they do not concentrate on reliance on their ethnic resources. Instead, they also rely on resources in China for the operations.

It was found that Chinese immigrants rely on ethnic resources available in China to operate their businesses in the local markets. They import goods from China and sell them in New
Zealand. These are small retailers which sell daily-use goods such as two dollar shop items and garments. The market in their country of origin influences their businesses directly.

Mr Pak22 (Building Materials Retailer):

We import some kinds of building materials from China as whole sellers. We then sell these materials to other building material shops in Auckland. In return, we buy other kinds of goods from other building material suppliers. For example, we import tiles as a whole seller and distribute it to other retail shops in Auckland. We buy wallpaper from a different retail shop rather than importing it as a whole seller.

Mr PHm40 (Souvenir Retailer): “My business has a smaller market in Hamilton than in Auckland because most Chinese tourists buy souvenirs in Auckland. To enlarge the market, we export New Zealand health products to Taiwan and mainland China.” Mr Pak27 (Takeaway Restaurant Owner):

The prices of buying Chinese businesses such as a Takeaway Restaurant, Lunch Bar and café shop are going up because Chinese immigrants brought money from China and bought these businesses. They have no idea about the market prices; they listen to the agents who become popular.

In addition, as China opens its doors to the outside world, more and more people from all over the world have an increasing interest in learning more about the country and its culture. They visit China to learn Chinese and Chinese culture, make friends with Chinese people and marry Chinese partners. These people benefit Chinese immigrant businesses in the non-ethnic markets. Ms Pak17 (Travel Agent in Auckland): “We organise New Zealanders to visit China. Our business is quite good.” Ms Pak26 (Private School Owner): “We have Mandarin classes, to my surprise, the students study very hard because they want to find work in China.” Ms Pak23 (Internet Café Owner): “I import computers and all other facilities from China.” Mr PHm35 (Chinese Chef): “I found that more and more local people come to my shop, most of them have visited China, they want to try Chinese food when they are back to New Zealand”. It found that China’s economic growth influences Chinese immigrant entrepreneurship in the non-ethnic markets in which Chinese immigrants rely on China’s goods to operate their businesses. Moreover, more and more New Zealanders become familiarised with China and Chinese cultures which benefits Chinese immigrant businesses in the local markets.
In summary, the characteristics of new form of ‘ethnic resources’ include

- Labour: Families’ and apprentices’ unpaid labourers are rare. Chinese in the professional, capital-intensive occupations rely on formal employment relationships with both Chinese and non-Chinese employees.
- Sources of advice: Beside their extended families and friends, they are influenced by professional people who have been in the industries
- Business partnership: Beside their extended families, they form their business partnerships with people in the host country and the country of origin.
- Role of community: Rather than relying on the Chinese associations, they look to the Chinese community events as the great markets to promote their products.
- Source of information: In addition to their extensive family networks, they obtain information through Chinese, non-Chinese and the host country’s public sources.
- In the Chinese immigrant markets, they do not use only co-ethnic resources. Instead, they also rely on non-ethnic resources for their operations.
- In the non-ethnic markets, they do not rely on only ethnic resources. Instead, they also rely on resources of the country of origin for their operations.

The characteristic of a new form of ethnic resources is that Chinese immigrant entrepreneurs utilise mixed ethnic and non-ethnic resources. In particular, they serve mainly the Chinese immigrant markets reliant on non-ethnic resources; and serve the mainstream markets reliant on Chinese and/or China resources. This challenges the culture theory that focuses mainly on ethnic resources available to assist or promote ethnic entrepreneurship.

Why has this kind of behaviour changed over time? Two issues could support better understanding of this phenomenon. First, the socio-economic and political environment and cultural institutional changes, globally, enable ordinary Chinese immigrants and visitors to access non-ethnic products and services abroad (Hiebert, Collins, & Spoonley, 2003; Li, 2008; Spoonley & Bedford, 2003; Trlin, 1997). In the last three decades, more and more advanced countries have opened their doors to Chinese people. These countries export products and services, including education, tourism, agriculture, technology and finance, to Chinese immigrants (Zhang & Brunton, 2007). They have also redesigned their
immigration policies to attract middle class Chinese immigrants (Li, 2008; Spoonley & Bedford, 2003; Trlin, 1997). Abroad, Chinese immigrants demand both cheap and expensive products and services. They become international students at local colleges and universities. They are the clients of travel agencies and the customers of local hotels. They are business visitors of local firms and they are clients of local banks, insurance companies and health service providers. As a result, this has raised the demand for not only essential goods for a comfortable standard of living, but also luxury goods such as fashion and technology. The co-ethnic products alone cannot meet their demands. Overall, Chinese immigrants facilitate the finding of non-ethnic products.

6.4 Summary of main points

Between the 1980s and 1990s, influenced by factors relating to origin, such as social values and Chinese perspectives of self-employment, a planned economic system, social welfare, the company registration systems and guanxi, Chinese immigrants had negative attitudes about starting-up businesses in China. In New Zealand, different values and attitudes exist in society, and the New Zealand’s free employment markets; better social welfare and ease of company registration attracted Chinese immigrants to become entrepreneurs. This study found that their disadvantages exist not only when they are looking for employment, but also after they are employed. Being dissatisfied with their employment situations because of low pay, being tired of working for others, conflict with employers and seeking higher social status can accelerate immigrants’ entering into entrepreneurship. This study suggests the extension of Light’s (1979) disadvantage theory to consider the fact that even though some immigrants did find employment, they eventually resigned and became self-employment.

Secondly, by relying on their class resources obtained in China, the majority of Chinese immigrants first approach the host country’s institutes to receive local qualifications. They started-up their businesses after graduation and/or resignation from firms. Some others rely on their good English and/or work experience gained from their country of origin to start-up in New Zealand directly. The majority of contemporary Chinese immigrants enter occupations that are associated with their qualification subjects and/or their prior work
experience in their country of origin. Basu (1998) states that ‘immigrant entrepreneurs with a higher level of qualification tend to be successful’. He found that immigrant entrepreneurs in occupations that are connected with their qualification subjects will give customers a feeling of trust which enables them to gain clients. Thirdly, the majority of contemporary Chinese immigrants do not use traditional ethnic resources, such as their children, as labourers. They utilise mixed ethnic and non-ethnic resources. Particularly, they serve mainly the Chinese immigrant markets reliance on non-ethnic resources and serve the mainstream markets reliance on Chinese ethnic resources and/or the resources from the country of origin. This new form of ethnic resources creates less ethnic isolation than traditional ethnic resources.
CHAPTER 7: GROUP CHARACTERISTICS - ASPIRATION

This chapter explores the group characteristics of contemporary Chinese immigrant entrepreneurs further through exploring the following questions:
1. What are the cultural and commercial characteristics of modern Chinese immigrant entrepreneurs?
2. What are the different aspirational orientations toward entrepreneurship between Chinese immigrant employers (i.e., entrepreneurs) and employees in New Zealand?
3. Do personal economic situations of immigrant entrepreneurs influence their aspirational orientations towards an improved reward and lifestyle?

Section 7.1 explores the first question. Section 7.2 explores the second and the third questions.

7.1 The cultural and commercial characteristics of modern Chinese

A set of questions used as sub-titles below, were identified when reviewing the group characteristics of former generations of Chinese immigrant entrepreneurs.

7.1.1 Staying and investing in New Zealand

Whether or not contemporary Chinese immigrant entrepreneurs have characteristics of staying in the host country temporarily was explored by asking the following two questions:
• Do they intend to settle in New Zealand permanently?
• Do they intend to invest heavily in New Zealand if they earn money?

It found that unlike former generations of Chinese immigrant entrepreneurs who wanted to go back to their country of origin with savings when they grew old (Ng, 2001), contemporary Chinese immigrant entrepreneurs consider New Zealand their home. The majority of entrepreneur interviewees (approximately three quarters) claimed to live in New Zealand permanently. There was no significant difference between entrepreneurs and employees samples. See Table 7.1. This was supported by information from LisNZ, i.e. that the majority of contemporary immigrants (average from 83.5 percent to 88.2 percent) stated that they live in New Zealand all of the time (see Table 7.2).
Table 7.1 Are participants intending to settle in New Zealand permanently?

<table>
<thead>
<tr>
<th>Answers</th>
<th>Entrepreneurs</th>
<th></th>
<th>Employees</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>n</td>
<td>%</td>
<td>n</td>
<td>%</td>
</tr>
<tr>
<td>Yes</td>
<td>28</td>
<td>70.0</td>
<td>25</td>
<td>67.6</td>
</tr>
<tr>
<td>No</td>
<td>3</td>
<td>7.5</td>
<td>12</td>
<td>32.4</td>
</tr>
<tr>
<td>Not sure</td>
<td>9</td>
<td>22.5</td>
<td>0</td>
<td>0.0</td>
</tr>
<tr>
<td>Total</td>
<td>40</td>
<td>100.0</td>
<td>37</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Chi-Square Tests

<table>
<thead>
<tr>
<th></th>
<th>Value</th>
<th>df</th>
<th>Asymp. Sig. (2-sided)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson Chi-Square</td>
<td>14.475a</td>
<td>2</td>
<td>.001</td>
</tr>
<tr>
<td>Likelihood Ratio</td>
<td>18.312</td>
<td>2</td>
<td>.000</td>
</tr>
<tr>
<td>Linear-by-Linear Association</td>
<td>1.596</td>
<td>1</td>
<td>.206</td>
</tr>
<tr>
<td>N of Valid Cases</td>
<td>77</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. 2 cells (33.3%) have expected count less than 5. The minimum expected count is 4.32.

Table 7.2 Settlement intentions at time of approval by selected immigration approved category

<table>
<thead>
<tr>
<th>Settlement intentions</th>
<th>Immigration approval category (%)</th>
<th>Total (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Skilled principal</td>
<td>Business category</td>
</tr>
<tr>
<td>Live in NZ for 5 years or more</td>
<td>86.9</td>
<td>88.1</td>
</tr>
<tr>
<td>Live in NZ all of the time</td>
<td>82.6</td>
<td>78.1</td>
</tr>
<tr>
<td>Live in NZ for less than 5 years</td>
<td>6.7</td>
<td>1.4</td>
</tr>
</tbody>
</table>

Note: Excludes responses identified as not specified. Symbol: S = suppressed for confidentiality reasons. Source: LisNZ, Table E28, quoted in Merwood et al. 2009, P.196

Overall, they liked to invest in New Zealand. They did not send their savings back to China. This was supported by LisNZ’s data which showed up to 90.8 percent of Chinese people
(North Asian) stated that they did not send money back to their country of origin (see Table 7.3).

Table 7.3 Sending money overseas by selected region of origin

<table>
<thead>
<tr>
<th>Sent money</th>
<th>UK/Irish Republic</th>
<th>North America</th>
<th>North Asia</th>
<th>South East Asia</th>
<th>Total (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>5.9</td>
<td>12.6</td>
<td>9.2</td>
<td>40.0</td>
<td>16.6</td>
</tr>
<tr>
<td>No</td>
<td>94.1</td>
<td>86.8</td>
<td>90.8</td>
<td>59.5</td>
<td>83.4</td>
</tr>
<tr>
<td>Total weighted</td>
<td>11,660</td>
<td>1,590</td>
<td>6,530</td>
<td>1,900</td>
<td>36,170</td>
</tr>
</tbody>
</table>

Source: LisNZ, Table E 58, quoted in Merwood et al. 2009, P. 214

Interviewees explained that they live with their families and parents in New Zealand legally. Like Mr PAk30 (Liquor Store Owner) said, “No, I cannot go back to China. My parents, my wife and sons are all in New Zealand. I might go back if my wife and my parents were in China, but they are here in New Zealand.”

They stated that they have got used to living in New Zealand and the cultural and institutional differences between China and New Zealand prevent them from going back to China. For instance, Mr PHm37 (Student Recruitment Agent) said:

My wife and I have been New Zealand for 12 years. We have operated our business and gotten used to New Zealand way of doing business. I have many friends, including non-Chinese New Zealanders in Auckland. We cannot go back to China because we do not know how to do business there; it has changed a lot over the years. I have changed a lot as well. For instance, my friends and relatives in China have become strange to me. I do not understand what they are talking about sometimes. We have two children here in New Zealand. Now, they are eight and six years old, both local primary school students. They are ‘Kiwi’ and speak English both inside and outside our family. They have no ties to China. In the same way as most Europeans, they speak Chinese with an English accent and have western food ...

The following case also demonstrates this point. Ms PAk9 (Travel Agent in Auckland) received her degree and then became a teacher. Later, she married her husband who was a
businessperson. She had been an immigration agent for four years in China. Twelve years ago, she immigrated to New Zealand. She said:

In the 1990s, I got to know about New Zealand and liked New Zealand’s liberal political and economic systems. I thought that it would also be convenient for me to travel around the world if I got permanent New Zealand residence visa. I decided to come to New Zealand. When I got New Zealand citizenship after three years in New Zealand, I began to love the New Zealand lifestyle and decided to live in New Zealand permanently. Meanwhile, during these three years, I lost my business in China because I lost guanxi. I did not know how to compete with many new competitors.

Some interviewees are concerned about their poor businesses. They were not very positive when talking about their future. They worried about the New Zealand’s small market which limits business growth. For instance, Mr PHm33 (Travel Agent in Hamilton):

New Zealand has a very small market. It is hard to make money. It is unlike China that has a large population and a big market. I am concern about my business. I do not know what will happen in the future with my business.

Overall, it was found that the majority of contemporary Chinese did not intend to go back to China because New Zealand immigration policies favour contemporary Chinese immigrants’ living in New Zealand.

Meanwhile, more than three fifths of entrepreneur interviewees stated that they would invest heavily in New Zealand if a profit were made. There was no significant difference between entrepreneurs and employees samples. See Table 7.4

They stated that if the investment was necessary then they would consider putting their savings into their businesses. They trusted New Zealand’s safe social environment to protect investment. They did not have worries about investment. In addition, they believed that investment in New Zealand was a good choice. Take Mr PAk3 as an example.
Table 7.4 Do they invest heavily in New Zealand if they earn money?

<table>
<thead>
<tr>
<th>Answers</th>
<th>Entrepreneurs</th>
<th>Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>n</td>
<td>%</td>
</tr>
<tr>
<td>Yes</td>
<td>26</td>
<td>70.3</td>
</tr>
<tr>
<td>No</td>
<td>10</td>
<td>27.0</td>
</tr>
<tr>
<td>Not sure</td>
<td>1</td>
<td>2.7</td>
</tr>
<tr>
<td>Total</td>
<td>37</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Mr PAK3 (Souvenir Retailer in Auckland) opened his first health products and souvenirs retail shop in Dominion Road, Mt Roskill, Auckland in 1999. After 2001, he found that more and more Chinese people visited New Zealand. Chinese visitors like to buy New Zealand products for their relatives and friends in China. So his New Zealand made health products became popular. Then he enlarged his business to eight retail branches throughout New Zealand which employed 38 employees in total. Mr PAK30 (Liquor Store Owner): “I have nothing to worry about investing large sums of money into my business in New Zealand because I found that New Zealand has a good legal system. Everyone follows law. It is safe.”

Ms PHm35 (Student Recruitment Agent):

Yes, if I earn a profit, I would continue investing in New Zealand. I cannot send my money outside New Zealand because it is not possible for me to operate my small business in other countries. In addition, it is rational to invest in New Zealand for the long-term benefits.

It was found that economic and social environment changes influenced business opportunities of immigrant entrepreneurs (Kloosterman et al., 1999; Leung, 2002; Peters, 2002; Pio, 2007) and their decisions of whether or not to invest. For instance, some interviewees stated that their businesses are good enough, so it is not necessary to enlarge business scale as New Zealand has a small population that favours small business. Meanwhile, some expressed their desires to do ‘bigger’ business, but the small size of the New Zealand market deters them from enlarging their business scale. Ms PAK23 (Internet Café Owner):
My business is to serve local residents. I cannot enlarge my business because the market size does not change. The number of customers is stable every day. My business is matching the current demand. It is not necessary to invest. However, I could consider investing in other areas such as real estate.

Mr PHm35 (Chinese Chef in Hamilton):

In 2003, I set up a new restaurant in downtown Hamilton, I invested a large sum of money; and the facilities were all new models. I employed six chefs and ten waiters and waitresses. I intended to be a real boss who oversees the operation. However, there were no customers at all. One month later, all six chefs left. I worked in the kitchen as a chef by myself ...

Overall, contemporary Chinese immigrant entrepreneurs do not want to take their savings back to China. Instead, they bring money from China and want to invest in New Zealand for long-term benefits because their investment is protected. This is supported by Wang and Lo’s (2003) study in Canada which showed that, relying mainly on money brought from China, recent Chinese immigrants from China increased the size of the Chinese enclave consumer market. It found that economic and political environmental changes in the host country and the country of origin influenced their decisions regarding whether or not to invest heavily in New Zealand.

7.1.2 Interaction with mainstream society

Whether or not contemporary Chinese immigrants lack interactions with mainstream society was explored through the following three questions:

- Are their friends all Chinese? (i.e., do they have non-Chinese friends?)
- Do they speak English?
- Do they have opportunities to attend parties organised by non-Chinese people?

Overall, the majority of interviewees have non-Chinese friends. By relying on their English capabilities, Chinese immigrants meet local friends when they live, study and operate their businesses in New Zealand. This was supported by the longitudinal immigration survey: New Zealand, which shows that about 95 percent of North Asian migrants (the majority of them are Chinese people) made new friends in New Zealand (see Table 7.5). The top three methods used by North Asians to make friends were ‘through friends, relatives, or neighbours, at work and at school, through study or training’ (see Table 7.6). It found that
three quarters of interviewees had non-Chinese friends. There was no significant difference between entrepreneurs and employee samples (see Table 7.7).

Table 7.5 Whether migrants made new friends in New Zealand by selected region of origin

<table>
<thead>
<tr>
<th>Made new friends in NZ</th>
<th>Region of origin (%)</th>
<th>Total (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>UK/Irish Republic</td>
<td>North America</td>
</tr>
<tr>
<td>Yes</td>
<td>96.0</td>
<td>98.1</td>
</tr>
<tr>
<td>No</td>
<td>4.1</td>
<td>1.9</td>
</tr>
<tr>
<td>Total %</td>
<td>100.0</td>
<td>100.0</td>
</tr>
<tr>
<td>Total weighted</td>
<td>11,670</td>
<td>1,590</td>
</tr>
</tbody>
</table>

Note: Excludes do not know/response refusals. Source: LisNZ, Table E 93, quoted in Merwood et al. 2009, P. 229

Table 7.6 How or where migrants’ new friends were met by selected region of origin

<table>
<thead>
<tr>
<th>How or where new friends were met</th>
<th>Region of origin (%)</th>
<th>Total (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>UK/Irish Republic</td>
<td>North America</td>
</tr>
<tr>
<td>Through friends, relatives or neighbours</td>
<td>64.5</td>
<td>69.2</td>
</tr>
<tr>
<td>At work</td>
<td>75.3</td>
<td>74.4</td>
</tr>
<tr>
<td>Through a religious group</td>
<td>8.0</td>
<td>20.5</td>
</tr>
<tr>
<td>Through day-to-day activities</td>
<td>30.1</td>
<td>42.3</td>
</tr>
<tr>
<td>At school – through study or training</td>
<td>7.0</td>
<td>10.3</td>
</tr>
</tbody>
</table>

Note: Excludes do not know/response refusals. Symbol: S = suppressed for confidentiality reasons. Source: LisNZ, Table E94, quoted in Merwood et al. 2009, P. 229
Table 7.7 Are their friends all Chinese?

<table>
<thead>
<tr>
<th>Answers</th>
<th>Entrepreneurs</th>
<th>Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>n</td>
<td>%</td>
</tr>
<tr>
<td>Yes</td>
<td>10</td>
<td>25.0</td>
</tr>
<tr>
<td>No</td>
<td>30</td>
<td>75.0</td>
</tr>
<tr>
<td>Total</td>
<td>40</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Ms PAk17 (Travel Agent in Auckland):

My son has many friends. I meet their parents during weekend activities. For instance, my son plays T-ball and football. He also attends swimming and piano lessons in our community. My neighbours also talk to me when I work in my garden because I have lived in that area for 14 years, the neighbours know me. My English is okay. I do not feel lonely.

Mr PAk20 (Construction Contractor):

I am a construction contractor. I employ some employees, including non-Chinese staff. When we work as builders together we like to tell jokes, so everyone feels work is easy going and time goes faster. My staff are all my friends. We go out for fun during the weekends. In addition, my business works with local firms such as building material suppliers, so some friends come from business relations. Oh, English is not a problem.

Mr PAk2 (Souvenir Retailer): “I have been contacted by Massey University since I graduated. I am informed about activities organised for the alumni. I can meet many other graduates during the events. I enjoy it.”

A very few interviewees, including the Chinese takeaway restaurant owner, stated that their friends are all Chinese. They stated that they interact with local customers and/or business partners such as suppliers during their business operations. More than three fifths of them have the opportunity to interact with mainstream society through either their businesses or their social activities. They expressed that they like to attend parties organised by non-Chinese people, some of whom attend these parties for fun. Others look for business opportunities or potential customers.
It was found that more than 40 percent of the entrepreneur participants have attended non-Chinese parties at least three times per year, compared with approximately 20 percent of the employee participants. The Chi-Square test shows that this is a significant result (see Table 7.8).

Table 7.8 Do they have the opportunities to attend non-Chinese organised parties?

<table>
<thead>
<tr>
<th></th>
<th>Entrepreneurs</th>
<th></th>
<th>Employees</th>
<th></th>
<th>Total</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>n</td>
<td>%</td>
<td>n</td>
<td>%</td>
<td>n</td>
<td>%</td>
</tr>
<tr>
<td>Never</td>
<td>15</td>
<td>37.5</td>
<td>2</td>
<td>5.6</td>
<td>17</td>
<td>22.4</td>
</tr>
<tr>
<td>Once a year</td>
<td>3</td>
<td>7.5</td>
<td>15</td>
<td>41.7</td>
<td>18</td>
<td>23.7</td>
</tr>
<tr>
<td>Twice a year</td>
<td>2</td>
<td>5.0</td>
<td>9</td>
<td>25.0</td>
<td>11</td>
<td>14.5</td>
</tr>
<tr>
<td>Three times a year</td>
<td>3</td>
<td>7.5</td>
<td>2</td>
<td>5.6</td>
<td>5</td>
<td>6.6</td>
</tr>
<tr>
<td>&gt; three times a year</td>
<td>17</td>
<td>42.5</td>
<td>8</td>
<td>22.2</td>
<td>25</td>
<td>32.9</td>
</tr>
<tr>
<td>Total</td>
<td>40</td>
<td>100.0</td>
<td>36</td>
<td>100.0</td>
<td>76</td>
<td>100.0</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Value</th>
<th>Df</th>
<th>Asymp. Sig. (2-sided)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson Chi-Square</td>
<td>25.696a</td>
<td>4</td>
<td>.000</td>
</tr>
<tr>
<td>Likelihood Ratio</td>
<td>28.108</td>
<td>4</td>
<td>.000</td>
</tr>
<tr>
<td>Fisher's Exact Test</td>
<td>26.305</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Linear-by-Linear Association</td>
<td>.122c</td>
<td>1</td>
<td>.727</td>
</tr>
<tr>
<td>N of Valid Cases</td>
<td>76</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. 2 cells (20.0%) have expected count less than 5. The minimum expected count is 2.37.
b. Based on 10000 sampled tables with starting seed 1919163461.
c. The standardized statistic is -.349.

Mr PAk7 (Real Estate Agent in Auckland):

I am a real estate agent. My job is to find both house sellers and buyers. I like to attend parties, any parties, to look for potential clients. Some local people want to sell their properties. They are happy to assign me as their agent.
Ms PAk18 (Photo Shop Owner):

I like to meet local people to improve my English. I have attended Sunday church for five years. I know everyone there and we are all friends. My English has progressed a lot. I feel very happy in New Zealand because I feel that I have a normal life in the same way as the local people do.

Other interviewees (about one third) were either ‘not interested’ or had ‘no experience of attending a non-Chinese party’. Mr PAk28 (Courier’s Subcontractor): “It is not interesting to me because sometimes I cannot follow what they are talking about. Maybe I need to improve my English before attending non-Chinese parties.” According to a New Zealand study (LisNew Zealand), Chinese people (North Asian) were involved less in clubs and groups than any other ethnic groups in New Zealand (see Table 7.9). They tended to attend fewer events relating to their jobs and hobby or cultural clubs than the majority of other ethnic groups. It is suggested that because English is their second language, this inhibits their participation in the parties.

Table 7.9 Migrant involvement in clubs and groups by selected region of origin

<table>
<thead>
<tr>
<th>Involvement in clubs or groups</th>
<th>Region of origin (%)</th>
<th>Total (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>UK/Irish Republic</td>
<td>North America</td>
</tr>
<tr>
<td>Yes</td>
<td>53.6</td>
<td>65.4</td>
</tr>
<tr>
<td>No</td>
<td>46.4</td>
<td>34.6</td>
</tr>
<tr>
<td>Types of clubs</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Religious group</td>
<td>8.0</td>
<td>21.4</td>
</tr>
<tr>
<td>Sports club or group</td>
<td>30.8</td>
<td>25.2</td>
</tr>
<tr>
<td>Job related association</td>
<td>16.9</td>
<td>12.6</td>
</tr>
<tr>
<td>Ethnic association</td>
<td>0.9</td>
<td>1.3</td>
</tr>
</tbody>
</table>

Notes: Respondents could give multiple responses, so percentages may not add to 100. Source: LisNZ, Table E 95, quoted in Merwood et al. 2009, P. 230
In summary, the majority of interviewees have non-Chinese friends, like to and are able to attend parties organised by non-Chinese people. They like to meet new friends, improve their English and look for business opportunities. The benefit is noticeable. Having good English (Li, 2001) and spare time are necessary for engaging in such activities. Overall, the majority of Chinese immigrants do not lack interactions with mainstream society.

7.1.3 Entering diverse occupations

To explore the question of whether or not contemporary Chinese immigrant entrepreneurs prefer to start-up in occupations which require a small amount of financial capital investment, the following two questions were posed:

- What industries do they enter?
- How do they select their occupations?

It was found that contemporary Chinese immigrant entrepreneurs in New Zealand entered a wider range of service industries. According to the 2008 Chinese Business Yellow Pages, their occupations include education, finance, construction, import and export, supermarkets, Chinese TV and radio stations (see Appendix I). The 2006 New Zealand census shows that Chinese people have the highest percentage of being involved in ‘accommodation and food services’ compared to non-Chinese New Zealanders. Being involved in a ‘professional occupation’ has the highest number within the Chinese group.

The interviewees claimed that their business selections were based on their specialised skills and knowledge. It was found that about one quarter of interviewees’ businesses were related to their previous occupations in China (see appendix v). For example, former lecturers in China entered the education industry in New Zealand. Former engineers in China set up construction firms in New Zealand. In addition, about one quarter of interviewees including lawyers, loan brokers, health product retailers and travel agents claimed to select their occupation because they have the relevant qualifications. For instance, graduates from the school of finance became loan brokers. Law school graduates started-up legal firms. In summary, the majority of Chinese immigrants selected their occupations by relying on their work experience and qualifications. They entered into wider occupations than did former generations.
7.1.4 Being industrious

To explore the question of whether or not they are industrious, the following two questions were posed:

- Do they work more than 40 hours?
- Why do they work long hours?

It was found that the majority of interviewees worked more than 40 hours per week. Importance was placed on being industrious. Less than one fifth of entrepreneur interviewees worked fewer than 40 hours a week (see Table 7.10).

Table 7.10 How many average total hours do they work per week?

<table>
<thead>
<tr>
<th>Answers</th>
<th>Entrepreneurs</th>
<th>Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>n</td>
<td>%</td>
</tr>
<tr>
<td>Less than 40 hours</td>
<td>7</td>
<td>17.9</td>
</tr>
<tr>
<td>40 to 50 hours</td>
<td>17</td>
<td>43.6</td>
</tr>
<tr>
<td>50 to 60 hours</td>
<td>8</td>
<td>20.5</td>
</tr>
<tr>
<td>More than 60 hours</td>
<td>7</td>
<td>17.9</td>
</tr>
<tr>
<td>Total</td>
<td>39</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Ms PAk12 (Immigration Consultant) said:

My husband and I operate an immigration service centre with three other staff in downtown Auckland. We have run this centre for about 10 years since 1998. On a normal working day, we meet our clients during the daytime; record and prepare their immigration applications in the evening until 11 pm at night; this way, we can collect more clients. We keep the door open both day and evening. My mother looks after our little daughter and prepares dinner for us. We normally have our dinner in the office and go back to home around 12 pm to sleep only. We open our office door at 9:30 am the next day. During weekends, we travel to Wellington to collect and serve the clients there. We want to have more clients, so we started to do so seven years ago.

However, a few interviewees had different experiences. Ms PAk14 (Immigration Consultant):

My husband and I come to the office at 8:30 am and close the door at 5:00 pm. We have normal business hours. I do not think we will lose clients because they know
we close at 5 pm, so they come before 5 pm. I have had experience before, where clients say that they will come at 5 pm, but they come at 6 pm and we do not want to waste our time. We close on time and the client comes the next day.

It was found that the number of working hours and/or work during weekends depends on the occupations. For instance, restaurant and internet café shop open longer hours than lunch bars. Real estate agents, loan brokers and insurance brokers work flexible hours throughout the week including weekends. In addition, a study (Zhang, 2006) shows that in New Zealand, more local owners than Asian owners tend to employ a manager to help manage business. The interviewees stated that in New Zealand, business owners have to work in their businesses as managers themselves because labour is expensive. Furthermore, they believe that it is not necessary to hire a manager because they can do it themselves and they have no other businesses which would require their time. Mr PHm37 (Student Recruitment Agent in Hamilton):

No way, I have to do everything by myself. I have to work after 5 pm because my clients are waiting for me. They are my old customers, my friends, so I have to help them. I meet my clients (students) in the evening because they study at their school during the daytime. I can meet other students through the evening events, so I can build my business networking. My wife understands me. As a husband, I need to earn money outside our family. I thought that my wife might look down me if I got home very early every day because that would mean I have no social activities, no friends and no business at all.

Recent studies (Chan, 2008; Spoonley & Meares, 2009) show the same results. Through interviews with 15 Chinese immigrant entrepreneurs who came from mainland China, Hong Kong Taiwan, Chan (2008) shows that most of the participants focus on financial rewards. They want to earn money, to be able to buy a big house and send their children to good schools, so half of them work more than 60 hours per week. In summary, being industrious is a high priority.

7.1.5 Ethnic ties are not strong

This study used the two questions below to explore whether or not contemporary Chinese immigrant entrepreneurs have strong ethnic ties.

- Do they participate in the Chinese Associations?
- Do they intend to send their children to learn Chinese during the holidays?
It was found that less than a quarter of the Chinese immigrant entrepreneurs are members of Chinese associations (see Table 7.11). The Chi-Square shows that P-value is 0.03 which is less than five percent (i.e., 0.05). It is a significant test result. Chinese entrepreneur participants have a significantly higher percentage (22.5 percent) of being members of the Chinese Associations than employees (5.4 percent) do. Some respondents stated that by being a member of the Chinese Associations, they could meet potential customers which is good for their businesses. Ms PAk5 (Insurance Broker in Auckland) was the head of one of the Chinese associations in Auckland. She stated that participating in the social events will improve her sales.

Table 7.11 Are they a member of Chinese associations?

<table>
<thead>
<tr>
<th>Answers</th>
<th>Entrepreneurs</th>
<th></th>
<th>Employees</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>n</td>
<td>%</td>
<td>n</td>
<td>%</td>
</tr>
<tr>
<td>Yes</td>
<td>9</td>
<td>22.5</td>
<td>2</td>
<td>5.4</td>
</tr>
<tr>
<td>No</td>
<td>31</td>
<td>77.5</td>
<td>35</td>
<td>94.6</td>
</tr>
<tr>
<td>Total</td>
<td>40</td>
<td>100.0</td>
<td>37</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Chi-Square Tests

<table>
<thead>
<tr>
<th></th>
<th>Value</th>
<th>df</th>
<th>Asymp. Sig. (2-sided)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson Chi-Square</td>
<td>4.587a</td>
<td>1</td>
<td>.032</td>
</tr>
<tr>
<td>Likelihood Ratio</td>
<td>4.944</td>
<td>1</td>
<td>.026</td>
</tr>
<tr>
<td>Linear-by-Linear Association</td>
<td>4.527</td>
<td>1</td>
<td>.033</td>
</tr>
<tr>
<td>N of Valid Cases</td>
<td>77</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 5.29.
b. Computed only for a 2x2 table

Mr PHm32 (Advertiser and Paper Publisher in Hamilton) said, “I am a leader in a Chinese association in Hamilton. It is helpful to my business because I have many friends this way. My friends in the association come to my business and they also introduce others.” Rather than to retain ethnic ties, most of them attend the Chinese associations looking for clients. Mr PHm30 (Liquor Store Owner): “I have gone to the association’s events twice. I found that other members like to ask me for information, but they do not want to give me their information.” Nevertheless, it was found that the majority of contemporary Chinese
immigrant entrepreneurs were not members of the Chinese associations. This was supported by the 2009 LisNZ study that only 0.8 percent of immigrants from North Asia were members of ethnic associations. Half of them did not intend to send their children to learn Chinese during the school holidays because it was not necessary. Ms PAk26 (Private School Owner in Auckland):

My daughter wants to study in the USA after she has her first degree in Auckland. English is vital for her. She has no desire or time to study Chinese. My second daughter learns ice-skating, piano and ballet from her Kiwi teachers during weekends. My family phone is always busy because my little son and daughters talk with their friends and sometimes arrange for weekend activities. Normally, I need to talk to their friends’ parents for a little while and make confirmations. You see, we are quite busy. We have no time to visit other Chinese friends although we live in the same city. For instance, I have not seen one of my best friends for four years. He is my only Chinese friend in Auckland. We knew each other when we were in China. I remember he helped our family look for a house and contact Telecom ... when our families first came to New Zealand 12 years ago. But now, I can handle these things by myself.

Contemporary Chinese immigrant entrepreneurs have opportunities to participate in activities in their local communities. Their good English allows them to communicate with neighbours. Their financial capability facilitates their attendance at the neighbours’ and communities’ parties and activities. Their children’s social activities also help them to be involved in the local communities. Compared to the older generations of Chinese immigrants, they rely less on the support of the Chinese community, meaning that they tend to have weaker ethnic ties.

7.1.6 Accepting interracial marriage, living in non-ethnic neighbourhoods

Whether or not contemporary Chinese immigrant entrepreneurs have the above characteristics was explored by asking the following two questions.

- Do contemporary Chinese entrepreneurs accept interracial marriage?
- Are contemporary Chinese entrepreneurs’ neighbours almost all Chinese?

It was found that the majority of interviewees did not discourage interracial marriage, practice residential self-segregation, or maintain distinctive cultural characteristics. Two fifths of Chinese immigrant entrepreneur participants accepted that their sons or daughters may marry non-Chinese partners. Half of them said they ‘do not interfere’ (see Table 7.12). Almost no entrepreneur participants discourage their sons or daughters from marrying non-
Chinese people. There was no significant difference between entrepreneur and employee samples (see Table 7.12).

Table 7.12 Will they accept if their son or daughter marry non-Chinese?

<table>
<thead>
<tr>
<th>Answers</th>
<th>Entrepreneurs</th>
<th></th>
<th>Employees</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>n</td>
<td>%</td>
<td>n</td>
<td>%</td>
</tr>
<tr>
<td>Yes</td>
<td>16</td>
<td>41.0</td>
<td>22</td>
<td>61.1</td>
</tr>
<tr>
<td>No</td>
<td>3</td>
<td>7.7</td>
<td>1</td>
<td>2.8</td>
</tr>
<tr>
<td>Not interfere</td>
<td>20</td>
<td>51.3</td>
<td>13</td>
<td>36.1</td>
</tr>
<tr>
<td>Total</td>
<td>39</td>
<td>100.0</td>
<td>36</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Mr PArk11 (Metal Security Gate Maker) said:

I was told that it was not possible for former generations of Guangdong immigrants to accept that their sons and daughters marrying non-Chinese because their hopes were eventually to go back to China. In some cases, they did not give money to their sons and daughters who married non-Chinese people because they did not consider their son and daughter’s small families as part of their big families. Contemporary Chinese immigrants come from all parts of China and intend to stay in New Zealand permanently. We do not have the same customs as the old Guangdong immigrants.

Mr PArk30 (Liquor Store Owner): “I have been in New Zealand for more than ten years. I found no differences between us and people with different ethnic backgrounds. I do not worry about my children marrying them ...” Mr PArk24 (Chinese Medical Doctor):

I found many Chinese girls in marriages with Europeans. Their children are beautiful. I also found that Europeans have many good characteristics. They tend to be polite in public, and speak in lower voices ... I would not object if my daughter had a European boyfriend. My daughter has no problems with English. She grew up here, she should also understand about European culture.

Only three interviewees said ‘no’. Ms PArk20 (House Furniture Maker):

I wish for my daughter to have a harmonious and stable family. Nevertheless, the cultural difference causes problems. For instance, Chinese husbands give all they earn to their wife for family use, not all other non-Chinese husbands do so. In
addition, Chinese like to save money for hard times that may be ahead, but non-Chinese do not care. They want to spend all they earn ...

Their cultures and customs influence Chinese attitudes regarding the above characteristics. It was found that only three interviewees stated that most of their neighbours are Chinese. The others stated ‘not many’ and/or they have no Chinese neighbours (see Table 7.13).

Table 7.13 Do they live in a residential area with a large Chinese population?

<table>
<thead>
<tr>
<th>Answers</th>
<th>Entrepreneurs</th>
<th>Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>n</td>
<td>%</td>
</tr>
<tr>
<td>Most of them</td>
<td>3</td>
<td>7.5</td>
</tr>
<tr>
<td>Not many</td>
<td>15</td>
<td>37.5</td>
</tr>
<tr>
<td>No</td>
<td>22</td>
<td>55.0</td>
</tr>
<tr>
<td>Total</td>
<td>40</td>
<td>100.0</td>
</tr>
</tbody>
</table>

This indicates that the majority of them did not live in a residential area defined by a large Chinese population. Living together with other Chinese people was not a priority. Chinese immigrant entrepreneurs select their residential area based on the consideration of convenience for living and a good education zone. Mr PAk19 (Beauty Centre Owner):

I live in Parnell. It belongs to the Auckland Grammar School zone. My son studies there. Property is expensive in this area, but I would have to spend big money to send my son to a private school if my property was outside that school zone. I can see some Chinese people living in this area, but not many, very few. I don’t want to live with too many Chinese people because I came to New Zealand to enjoy a western life-style; why live with other Chinese people in New Zealand? I can live with Chinese people in China.

Mr PAk27 (Takeaway Restaurant Owner):

I live in Orewa, a hundred kilometres away from Auckland where I operate my takeaway restaurant. The reason I live here is that I want to keep away from Chinese competitors. I have no Chinese neighbours. My customers are all local people and travellers.
Globalisation allows people from different cultural backgrounds to integrate and become more familiar with one another. When more and more Chinese people go abroad for study, tourism and business, whilst increasingly non-Chinese nationals travel to China for the same purposes, they become more understanding of one another’s culture than in the past. In addition, contemporary Chinese people have better and more class resources to facilitate their networking capacity with non-Chinese nationals, and this factor further contributes to the mutual understandings between the Chinese and the non-Chinese people. Consequently, this study shows that the majority of interviewees did not discourage interracial marriage, practice residential self-segregation, or maintain distinctive cultural characteristics.

7.1.7 Involvement in local politics
This study used the questions below to identify whether or not contemporary Chinese immigrant entrepreneurs have a tendency to avoid involvement in local politics.
- Do they care about local news such as local TV, or the local newspaper?
- Are they interested in voting?

It was found that almost all interviewees cared about local news and more than half of them were interested in voting. Chinese candidates appeared in both local and national elections in New Zealand. The majority of interviewees did not avoid involvement in local politics. It found that Chinese immigrant entrepreneur participants cared about local news (see Table 7.14).

<table>
<thead>
<tr>
<th>Answers</th>
<th>Entrepreneurs</th>
<th>Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$n$</td>
<td>%</td>
</tr>
<tr>
<td>Yes</td>
<td>37</td>
<td>92.5</td>
</tr>
<tr>
<td>No</td>
<td>3</td>
<td>7.5</td>
</tr>
<tr>
<td>Total</td>
<td>40</td>
<td>100.0</td>
</tr>
</tbody>
</table>

The majority of interviewees claimed to care about local news (i.e., watch local TV and/or read the local newspaper). There were no significant differences between entrepreneurs and employees. Mr PAK1 (Lawyer):
I like news programmes, including TV One’s news programme and TV Three’s news. If I come back later than 6 pm and miss the 6 pm news programme, I watch TV One’s news at 10:30 pm. It is my habit to know what is happening every day; I am used to watching news programmes, just as if I did in China.

Ms PAK17 (Travel Agent in Auckland):

Yes, I read the local newspaper because I have it every day for free. It has news, events and advertisements. I like to read real estate column, the properties have different styles and some properties are nice. I also find information about jobs, goods and the prices of them.

This study further found that the majority of Chinese entrepreneur participants were interested in voting. There were no significant differences between entrepreneurs and employees (see Table 7.15). During the last decade, two Chinese immigrants became members of parliament in New Zealand, one was in the National Party and another was in the Act Party. In the 2008 national election, five Chinese candidates in five different parties were involved in the campaign. They expressed their political views and debated publicly through Chinese TV channel to all Chinese New Zealanders. Meanwhile, in 2008, the Chinese free TV channel also invited MP candidates from two big parties to answer questions raised by the Chinese community.

Table 7.15 Are they interested in voting?

<table>
<thead>
<tr>
<th>Answers</th>
<th>Entrepreneurs</th>
<th></th>
<th>Employees</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>n</td>
<td>%</td>
<td>n</td>
<td>%</td>
</tr>
<tr>
<td>Yes</td>
<td>25</td>
<td>64.1</td>
<td>23</td>
<td>63.9</td>
</tr>
<tr>
<td>No</td>
<td>14</td>
<td>35.9</td>
<td>13</td>
<td>36.1</td>
</tr>
<tr>
<td>Total</td>
<td>39</td>
<td>100.0</td>
<td>36</td>
<td>100.0</td>
</tr>
</tbody>
</table>

The majority of interviewees participate in local politics because they are New Zealand citizens and/or permanent residents (Ng, 2001). It shows that New Zealand mainstream society is paying attention to building a multicultural society that gives equal opportunities to all ethnic groups (Li, 2008). This social and political environmental change made it possible to include immigrant candidates in political campaigns.
7.1.8 Do not help employees in setting up of their own businesses

The former generations’ businesses relied on cheap co-ethnic labourers through the apprentice system (Ding, 2001; Ng, 2001; Ip, 1990, 1996). Their bosses would help apprentices to start-up businesses after several years (i.e., 3-4 years) (Ding, 2001; Ng, 2001; Ip, 1990, 1996). Earlier generations of employees undertook apprenticeships working long hours for low or no wages. They were loyal because they wanted to become business partners or receive training and aid in setting up their own businesses in the same industries. It was found that the majority of Chinese immigrant entrepreneurs do not have an apprentice system. They would not consider helping their employees set up a similar business. Mr PHm32 (Advertiser and Paper Publisher in Hamilton): “Yes, I would help them to start-up of another business, not the same as my one though, so they can have hope and work well.” The majority of interviewees concerned about the competition this would cause, so they do not want to help their staff set up the same type of business. It was found that, in contrast to the earlier generations, contemporary Chinese immigrant entrepreneurs do not help employees to set up their own businesses.

The overall discussion shows that contemporary Chinese immigrant entrepreneurs have different cultural and commercial characteristics than their former generations. Their high level of class resources (Barrett et al., 2002) and environmental changes in the host country and the country of origin (Li, 2008) are two key influential factors. Contemporary Chinese immigrant entrepreneurs today live in nice, safe environments in their host countries, while China has a better economic and political situation than previously. Therefore, modern Chinese immigrants can accumulate greater class resources (Barrett et al., 2002) than their former generations could (Ding, 2001; Ng, 2001; Ip, 1990, 1996), and this facilitates their integration into mainstream New Zealand society (Li, 2008). The conclusion can be made that an ethnic group’s characteristics are associated with their class resources that are tied to socio-economic and political environmental changes in both their country of origin and host country.

Through the discussion above, it is demonstrated that modern Chinese have cultural and commercial characteristics including:

- A preference to invest in host countries for safe and long term benefits.
- Rather than taking money to China, they bring money from China to host countries.
• Beside investment in their main businesses, they also invest in real estate.
• By relying on their class resources, modern Chinese interact with local friends while living, studying and operating their businesses.
• Watching both English and Chinese TV channels and being involved in local politics.
• Serving the local markets mainly in accommodation and food industries and serve the Chinese ethnic markets in mainly professional service sectors.
• The majority of them work more than 40 hours per week.
• Rather than being interested in forming ethnic ties, they like to be friends and/or business partners with local people and accept their sons or daughters’ marriages to non-Chinese partners.
• Select residential areas which are convenient to live in and in good educational zones.
• Do not live in their business stores.
• Do not want to help their staff set up similar businesses.

7.2 **Aspirations and lifestyles are associated with economic situations**

This section explored the respondents’ willingness (Frederick, 2004) to become entrepreneurs. As discussed in the literature review of Section 3.3.2, although Aldrich and Waldinger (1990) explained the different aspirations toward entrepreneurship between the natives and immigrants, they failed to recognise the different aspirations toward entrepreneurship between individual immigrants (i.e., between Chinese immigrant entrepreneurs and employees).

7.2.1 **Entrepreneurs were happier with financial rewards than employees**

a) **Entrepreneurs have more properties than employees do**

The majority of entrepreneur interviewees (nearly nine out of ten) claimed to own at least one real estate property with more than half of them owning two or more. By contrast, nearly half of the Chinese immigrant employee participants owned real estate properties, but only one-tenth of them owned two or more (see Table 7.16 and 4.17).
Table 7.16 Do they own their house?

<table>
<thead>
<tr>
<th>Answers</th>
<th>Entrepreneurs</th>
<th></th>
<th>Employees</th>
<th></th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>n</td>
<td>%</td>
<td>n</td>
<td>%</td>
<td>n</td>
</tr>
<tr>
<td>Yes</td>
<td>35</td>
<td>87.5</td>
<td>18</td>
<td>48.6</td>
<td>53</td>
</tr>
<tr>
<td>No</td>
<td>5</td>
<td>12.5</td>
<td>19</td>
<td>51.4</td>
<td>24</td>
</tr>
<tr>
<td>Total</td>
<td>40</td>
<td>100.0</td>
<td>37</td>
<td>100.0</td>
<td>77</td>
</tr>
</tbody>
</table>

Chi-Square Tests

<table>
<thead>
<tr>
<th>Test</th>
<th>Value</th>
<th>Df</th>
<th>Asymp. Sig. (2-sided)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson Chi-Square</td>
<td>13.523</td>
<td>1</td>
<td>.000</td>
</tr>
<tr>
<td>Likelihood Ratio</td>
<td>14.141</td>
<td>1</td>
<td>.000</td>
</tr>
<tr>
<td>Linear-by-Linear Assoc</td>
<td>13.348c</td>
<td>1</td>
<td>.000</td>
</tr>
<tr>
<td>N of Valid Cases</td>
<td>77</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 11.53.
b. Computed only for a 2x2 table
c. The standardized statistic is 3.653.
d. For 2x2 cross tabulation, exact results are provided instead of Monte Carlo results.

Table 7.17 Do they have more than one house?

<table>
<thead>
<tr>
<th>Answers</th>
<th>Entrepreneurs</th>
<th></th>
<th>Employees</th>
<th></th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>n</td>
<td>%</td>
<td>n</td>
<td>%</td>
<td>n</td>
</tr>
<tr>
<td>Yes</td>
<td>22</td>
<td>55.0</td>
<td>4</td>
<td>10.8</td>
<td>26</td>
</tr>
<tr>
<td>No</td>
<td>18</td>
<td>45.0</td>
<td>33</td>
<td>89.2</td>
<td>51</td>
</tr>
<tr>
<td>Total</td>
<td>40</td>
<td>100.0</td>
<td>37</td>
<td>100.0</td>
<td>77</td>
</tr>
</tbody>
</table>

Chi-Square Tests

<table>
<thead>
<tr>
<th>Test</th>
<th>Value</th>
<th>Df</th>
<th>Asymp. Sig. (2-sided)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson Chi-Square</td>
<td>16.782a</td>
<td>1</td>
<td>.000</td>
</tr>
<tr>
<td>Likelihood Ratio</td>
<td>18.080</td>
<td>1</td>
<td>.000</td>
</tr>
<tr>
<td>Linear-by-Linear Assoc</td>
<td>16.564c</td>
<td>1</td>
<td>.000</td>
</tr>
<tr>
<td>N of Valid Cases</td>
<td>77</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 12.49.
b. Computed only for a 2x2 table
c. The standardized statistic is 4.070.
d. For 2x2 cross tabulation, exact results are provided instead of Monte Carlo results.
A significantly higher percentage of Chinese immigrant entrepreneurs owned properties than of Chinese immigrant employees. It found that beside their main businesses, contemporary Chinese immigrants prefer to own and/or invest in real estate. See Figure 7.1.

![Figure 7.1 Do they have other investments?](image)

Chinese preferring to own properties are supported by LisNZ study which shows that in the category of owned, partly owned and owned by family member, Chinese people (North Asian) property owners are in the top three (i.e., UK/Irish, North America and North Asia: 56.4, 50.3 and 38.5 respectively) (see Table 7.18).

Table 7.18 Migrant ownership of dwelling by region of selected region of origin

<table>
<thead>
<tr>
<th>Ownership type</th>
<th>Region of origin (%)</th>
<th>Total (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rental accommodation</td>
<td>UK/Irish Republic</td>
<td>North America</td>
</tr>
<tr>
<td></td>
<td>41.3</td>
<td>45.9</td>
</tr>
<tr>
<td>Owned/partly owned</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>49.8</td>
<td>44.0</td>
</tr>
<tr>
<td>Owned by family members</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>6.6</td>
<td>6.3</td>
</tr>
</tbody>
</table>

Note: Rental accommodation is defined as owned by non-family member not living in dwelling. Symbol: S = suppressed for confidentiality reasons. Source: LisNZ, Table E63, quoted in Merwood et al. 2009, P. 216
b) More entrepreneurs expressed happiness with their income than employees

It was found that nearly nine-tenths of entrepreneur participants expressed happiness with their income, compared with approximately half of employee participants (see Table 7.19). Chi-Square Test indicates that there were significantly higher percentages of Chinese entrepreneurs expressing happiness with their income than Chinese employees.

Table 7.19 Comparing employee/entrepreneurs, are you happy with your Income?

<table>
<thead>
<tr>
<th>Answers</th>
<th>Entrepreneurs</th>
<th></th>
<th>Employees</th>
<th></th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>n</td>
<td>%</td>
<td>n</td>
<td>%</td>
<td>n</td>
</tr>
<tr>
<td>Yes</td>
<td>34</td>
<td>89.5</td>
<td>17</td>
<td>48.6</td>
<td>51</td>
</tr>
<tr>
<td>No</td>
<td>4</td>
<td>10.5</td>
<td>18</td>
<td>51.4</td>
<td>22</td>
</tr>
<tr>
<td>Total</td>
<td>38</td>
<td>100.0</td>
<td>35</td>
<td>100.0</td>
<td>73</td>
</tr>
</tbody>
</table>

Chi-Square Tests

<table>
<thead>
<tr>
<th></th>
<th>Value</th>
<th>Df</th>
<th>Asymp. Sig. (2-sided)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson Chi-Square</td>
<td>14.477a</td>
<td>1</td>
<td>.000</td>
</tr>
<tr>
<td>Likelihood Ratio</td>
<td>15.290</td>
<td>1</td>
<td>.000</td>
</tr>
<tr>
<td>Linear-by-Linear Association</td>
<td>14.279c</td>
<td>1</td>
<td>.000</td>
</tr>
<tr>
<td>N of Valid Cases</td>
<td>73</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 10.55. b. Computed only for a 2x2 table. c. The standardized statistic is 3.779. d. For 2x2 cross tabulation, exact results are provided instead of Monte Carlo results.

This explains why Chinese entrepreneurs prefer to stay self-employed than be employed.

c) The majority of them would not give up their businesses for a $50,000 a year job

This study found, furthermore, that more than four-fifths of entrepreneur participants said they would not give up their businesses to become employees earning $50,000 or above annually. In comparison, more than two-thirds of employee participants said that they would not give up their current jobs to become business owners earning $50,000 or above annually (see Figure 7.2). Nevertheless, the Chi-Square Test shows that there were no significant differences between entrepreneurs and employees (see Table 7.20). In the same way as entrepreneurs, the majority of employee interviewees would not give up their
employment to become self-employed, earning NZ $50,000 annually (Note: the reason for using NZ $50,000 annually is because immigration policy requires that NZ$50,000 annually is the minimum wage for skilled immigrant applications).

Ms PAk25 (Loan Broker): “No, I earn more than that. I am used to my current situation. I can control my time.” However, a few of them claimed to be interested in such changes. Mr PHm34 (Health Product & Souvenir Retailer): “I would accept the job because I am young and need to get more work experience. In addition, I would accept the job for a stable lifestyle because I have too many worries.”

Ms PAk18 (Photo Shop Owner):

Sometimes, I would prefer to be an employee because I would get a weekly payment without worries. I would not need to use my brain to think about where my

Table 7.20 Will they give up for $50,000 income?

<table>
<thead>
<tr>
<th></th>
<th>Value</th>
<th>Df</th>
<th>Asymp. Sig. (2-sided)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson Chi-Square</td>
<td>1.690a</td>
<td>2</td>
<td>.429</td>
</tr>
<tr>
<td>Likelihood Ratio</td>
<td>2.077</td>
<td>2</td>
<td>.354</td>
</tr>
<tr>
<td>Linear-by-Linear Association</td>
<td>.146</td>
<td>1</td>
<td>.702</td>
</tr>
<tr>
<td>N of Valid Cases</td>
<td>74</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. 2 cells (33.3%) have expected count less than 5. The minimum expected count is .49.
staff’s wages will come from. I am too tired of thinking about my business day and night.

It was found that the majority of entrepreneur participants expressed happiness with their income, with only four of them claiming to be ‘unhappy’. For instance, Mr PAk7 (Real Estate Agent in Auckland): “I am happy with my income. My brother obtained his master’s degree from the University of Auckland and found a job. His salary is about $60,000 per year. I earn more than that.” Ms PAk14 (Private School Owner): “It is fine. After all, it is enough for my living expenses and I am free and no one can control my time because I am the boss.” However, Ms PAk23 (Internet Café Owner) stated, “No, the staff in the company receive wages regularly, but I have not earned any income since I started-up.”

There were significantly higher percentages of Chinese entrepreneurs who expressed happiness with their income than there were of Chinese employees. From the economic rewards perspective, their ‘happiness with their income’ could explain the willingness (Campbell, 1992; Frederick, 2004) of Chinese entrepreneurs to start-up businesses and remain in self-employment. The biases existing with this finding should be considered. One of the biases is that the sample of entrepreneurs did not include those who failed in their entrepreneurship. In addition, the age group differences between Chinese entrepreneurs and employees should be considered because, in general, employee participants tend to be younger than entrepreneur participants are. The third concern is that this result represents only a certain period because the majority of participants were involved in the Chinese immigrant markets which were influenced by the host country’s immigration policies at that time (Li, 2008; Li, 2005; Spoonley & Bedford, 2003) and the economic, social and political environmental changes in the host and the country of origin. This issue will be discussed further in Chapter 8. The fourth consideration is that the entrepreneur participants tended to be very successful entrepreneurs because they earn more income than the average income earned by Chinese entrepreneurs reported by the 2006 New Zealand census. This will be further discussed in Chapter 8. Such a trend also indicates that during a particular period, immigrant business could grow fast in the ethnic market.
7.3 Entrepreneurs pursue personal and lifestyle rewards

The Aldrich and Waldinger (1990) model recognises the different aspirations toward entrepreneurship between people who are wealthy (i.e., native) and poor (i.e., immigrant), but they failed to explore what the different aspirational orientations toward entrepreneurship between immigrant entrepreneurs who are wealthy and poor. This section explores the third question about whether personal economic situations of immigrant entrepreneurs influence their aspirational orientations toward an improved reward and lifestyle?

7.3.1 Residential location selection is related to their personal reward

Contemporary Chinese immigrants felt proud of living in an expensive area that represented their social status. Sending their children to a good school was the motivation for them to own a house within that school zone. Mr PAk4 (Student Recruitment Agent):

I bought my office, a whole level of a modern building in CBD Auckland. I also live in an expensive area, so that my son can go to the school that was ranked within the top ten. Two years ago, I bought a farm near Manurewa, Auckland. My family and I spend our time there during weekends. I bought a lawn tractor for that farm. I invested further to build a driveway with palm trees on both sides of the driveway. I like to work on the farm with my children. I feel release. I invite my friends and business partners to visit my farm in the weekend as well.

Ms PAk25 (Loan Broker):

Chinese people prefer to buy properties because they can see their achievements. When Chinese people meet each other, they like to talk about their friend who just bought another property and/or their friends who live in expensive areas. Chinese people believe a successful person should have numerous properties.

Ms PAk6 (Chinese-newspaper owner):

My family lives in west Auckland in a five-bedroom house. My three sons and my husband live there. In addition, our company bought another property in Auckland as our office. The value of the property has been going up very quickly in recent years. I am a millionaire now. I cannot believe it.
According to LisNZ data (see Table 7.21), location is a factor that influences recent immigrants’ choice of their residential properties. To Chinese people a good location means social status and financial capacity. Furthermore, being located within a good school zone is ranked in the top four and is arguably a high priority for the Chinese.

Table 7.21 Reasons for living at current address by immigration selected approval category

<table>
<thead>
<tr>
<th>Reasons</th>
<th>Immigration approval category (%)</th>
<th>Total (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Skilled principal</td>
<td>Business category</td>
</tr>
<tr>
<td>Liked the house, area or location</td>
<td>63.9</td>
<td>41.1</td>
</tr>
<tr>
<td>To be close to job or employment opportunities</td>
<td>39.2</td>
<td>19.6</td>
</tr>
<tr>
<td>It was affordable</td>
<td>34.9</td>
<td>13.2</td>
</tr>
<tr>
<td>To be close to schools</td>
<td>20.4</td>
<td>37.0</td>
</tr>
</tbody>
</table>

Notes: Migrants could give multiple responses, so percentages may not add to 100. Excludes missing responses. Source: LisNZ, Table E27, quoted in Merwood et al. 2009, P. 196

7.3.2 Entrepreneurs have same recreation frequency as employees

It was found that the majority of interviewees work during weekends because the nature of their occupations requires them to work during weekends. The 2006 New Zealand census data shows that Chinese people prefer to work in the food and professional service industries, meaning that some of them have to work during weekends. By comparison, nearly two out of five Chinese employee participants work during weekends (see Table 7.22). The Chi-Square shows that P-value is 0.01 which is less than five percent (i.e., 0.05). It is a significant test result. Chinese entrepreneur participants have a significantly higher percentage of working during weekends than employees do.

Are they happy to work during weekends? Yes, the majority of interviewees stated that they enjoy working weekends because they can earn more money. They do not feel bad because they can meet their clients. Some of their clients are so friendly. Mr PAK7 (Real Estate Agent in Auckland):
During weekends, I travelled between my clients’ houses and met new buyers. It was fun and I met lots of people. Some of whom are ‘crazy’ about properties. They enjoy searching for properties just as much as if they were searching for treasure. Gradually, my old customers became my best friends and came to my ‘open home’ during weekends. I enjoy working in this way.

Table 7.22 Do they work on weekends?

<table>
<thead>
<tr>
<th>Answers</th>
<th>Entrepreneurs</th>
<th>Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>n</td>
<td>%</td>
</tr>
<tr>
<td>Saturday</td>
<td>12</td>
<td>30.0</td>
</tr>
<tr>
<td>Saturday and Sunday</td>
<td>15</td>
<td>37.5</td>
</tr>
<tr>
<td>No</td>
<td>11</td>
<td>27.5</td>
</tr>
<tr>
<td>Sometimes</td>
<td>2</td>
<td>5.0</td>
</tr>
<tr>
<td>Total</td>
<td>40</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Chi-Square Tests

<table>
<thead>
<tr>
<th></th>
<th>Value</th>
<th>df</th>
<th>Asymp. Sig. (2-sided)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson Chi-Square</td>
<td>10.886a</td>
<td>3</td>
<td>.012</td>
</tr>
<tr>
<td>Likelihood Ratio</td>
<td>11.647</td>
<td>3</td>
<td>.009</td>
</tr>
<tr>
<td>Linear-by-Linear Association</td>
<td>.142</td>
<td>1</td>
<td>.707</td>
</tr>
<tr>
<td>N of Valid Cases</td>
<td>77</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. 2 cells (25.0%) have expected count less than 5. The minimum expected count is 1.44.

Ms PAk5 (Insurance Broker):

As a local city council officer in China I worked five days a week. I gave up that stable job and came to New Zealand for a challenging life. It is okay for me to work harder here than in China because I can earn more.

Ms PAk8 (Hair Dresser):

I work seven days a week at home. My clients can come any time when they want their haircut. They are all my old customers. It is okay for me to work seven days because at home I can take care of my children and family after doing my hair-cutting work. It is not very busy
In addition, it was found that half of both entrepreneur and employee participants spent their weekends with their family, going shopping, having dinners and going to the movies at least once or twice a week. Nearly a quarter of them stated once fortnightly and about one-fifth stated once each month (see Table 7.23). There was no substantial difference between entrepreneur and employee participants regarding their weekend family activities.

Ms PAk26 (Private School Owner in Auckland):

I like to go shopping with my husband and children during the weekends, or on Friday evening. It is our family time. Sometimes, we have weekend lunch and/or dinner at a restaurant. Sometimes we go to a food court where our family members can select their individual favourites. My daughter likes Japanese food, my son likes McDonald’s, my husband likes Chinese food and I like Italian and Japanese food.

Mr PAk24 (Chinese Medical Doctor):

My wife and daughter like to go shopping. They want me to go with them. I used to carry some of the goods during shopping. I got used to this because I have no other leisure time since I immigrated to New Zealand. I work alone at the shop and do not have colleagues. Shopping with my family is the only good time outside my shop.

Table 7.23 How do they spend weekends with their family?

<table>
<thead>
<tr>
<th>Answers</th>
<th>Entrepreneurs</th>
<th></th>
<th></th>
<th>Employees</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>n</td>
<td>%</td>
<td></td>
<td>n</td>
<td>%</td>
<td></td>
</tr>
<tr>
<td>One or two time weekly</td>
<td>20</td>
<td>50.0</td>
<td></td>
<td>17</td>
<td>47.2</td>
<td></td>
</tr>
<tr>
<td>One time fortnightly</td>
<td>7</td>
<td>17.5</td>
<td></td>
<td>4</td>
<td>11.1</td>
<td></td>
</tr>
<tr>
<td>One time monthly</td>
<td>5</td>
<td>12.5</td>
<td></td>
<td>9</td>
<td>25.0</td>
<td></td>
</tr>
<tr>
<td>Never</td>
<td>8</td>
<td>20.0</td>
<td></td>
<td>6</td>
<td>16.7</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>40</td>
<td>100.0</td>
<td></td>
<td>36</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

7.3.3 Spending holidays outside Auckland and travel overseas, depends on the industry types

It was found that four-fifths of the entrepreneur interviewees spent their holidays with their families outside of Auckland at least once per year. The employee participants had similar situations. There was no significant differences between the entrepreneurs and employee participants (see Table 7.24).
Table 7.24 The times their family spent holidaying outside Auckland yearly

<table>
<thead>
<tr>
<th>Answers</th>
<th>Entrepreneurs</th>
<th>Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>n</td>
<td>%</td>
</tr>
<tr>
<td>Over two times per year</td>
<td>13</td>
<td>33.3</td>
</tr>
<tr>
<td>One to two times per year</td>
<td>19</td>
<td>48.7</td>
</tr>
<tr>
<td>Never</td>
<td>7</td>
<td>17.9</td>
</tr>
<tr>
<td>Missing</td>
<td>0</td>
<td>0.0</td>
</tr>
<tr>
<td>Total</td>
<td>39</td>
<td>100.0</td>
</tr>
</tbody>
</table>

It was found that travel overseas was a popular activity amongst interviewees. The majority of them explained that travel overseas for holidays was the biggest event that their families organised throughout the year. Mr PAk22 (Building Materials Retailer):

I usually book tickets and accommodation half a year in advance because I can get very cheap tickets and accommodation. We enjoy travelling worldwide very much. I have a dream of travelling all over the world.

Ms PHm36 (Private School Owner):

My husband and I like to travel overseas because we feel very tired at the end of the year. We want to have some ‘fresh air’, forget all our working issues and empty our brains ... we like to visit Hong Kong, China, the USA and Japan.

Ms PAk9 (Travel Agent):

I found that Chinese immigrants from mainland China prefer to travel to China, Hong Kong, the USA and Europe. The Pacific Islands are also targeted tourist areas. Within New Zealand, Wellington, Christchurch are popular destinations.

Some interviewees stated that they also have opportunities to travel abroad for business purposes. Ms PAk10 (Insurance Broker): “... I have many opportunities to meet people all over the world. For instance, I can travel overseas to attend conferences two or three times per year because I am the team leader.” Mr PAk4 (Student Recruitment Agent):
I go to Asia, including China, Korea and Japan several times per year to meet my business partners. Our students came mainly from these countries. I have the advantage of going overseas. Sometimes I travel with my wife because she currently works with me.

Many participants stated that recently more and more Chinese tourists come to New Zealand. This phenomenon creates more opportunities for some Chinese immigrants to work as travel agents in New Zealand. The agents promote New Zealand tourism very heavily which in turn also influences Chinese immigrants’ interests in overseas travel. In contrast, working in the food industry, Chinese owners were unlikely to travel overseas because they had to stay in their shops every day. Mr PAk27 (Takeaway Restaurant Owner):

My wife and I have been in Auckland for seven years. We have never left Auckland at all. We go to our shop at 9 am and go back to our home at 10 pm, seven days a week. We have no Saturday and Sunday holidays.

It was found that eight interviewees had never left Auckland. Their improved financial capabilities laid the foundations for the Chinese people’s aspirations towards personal rewards (Aldrich & Waldinger, 1990; Forsyte, 1998) such as travel abroad for holidays. Secondly, their aspirations towards personal rewards were shaped by intense transnational activities (Landolt, 2001).

### 7.3.4 Chinese immigrants pursue a balance between work and reward

Table 7.2 Are they happy with their life compared with wage paid Chinese?

<table>
<thead>
<tr>
<th>Answers</th>
<th>Entrepreneurs</th>
<th>Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>n</td>
<td>%</td>
</tr>
<tr>
<td>Yes</td>
<td>36</td>
<td>94.7</td>
</tr>
<tr>
<td>No</td>
<td>1</td>
<td>2.6</td>
</tr>
<tr>
<td>Not sure</td>
<td>1</td>
<td>2.6</td>
</tr>
<tr>
<td>Total</td>
<td>38</td>
<td>100.0</td>
</tr>
</tbody>
</table>
It was found that more than nine-tenths of entrepreneur participants stated that they have a happy life in New Zealand, compared with four-fifths of employee participants who stated the contrary. There were no significant differences between two parties (see Table 7.25). The study (i.e., LisNZ) shows (see Table 7.26) that more than 90 percent of immigrants were either very satisfied or satisfied. The majority of Chinese people (North Asian) were satisfied.

Table 7.26 Migrant satisfaction with life in New Zealand by region of origin

<table>
<thead>
<tr>
<th>Satisfaction rating</th>
<th>Region of origin (%)</th>
<th>Total (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>UK/Irish Republic</td>
<td>North America</td>
</tr>
<tr>
<td>Very satisfied</td>
<td>56.1</td>
<td>52.8</td>
</tr>
<tr>
<td>Satisfied</td>
<td>38.2</td>
<td>41.5</td>
</tr>
<tr>
<td>Neither satisfied nor dissatisfied</td>
<td>3.9</td>
<td>4.4</td>
</tr>
<tr>
<td>Dissatisfied</td>
<td>1.5</td>
<td>1.3</td>
</tr>
</tbody>
</table>

Note: Excludes do not know/response refusals. Symbol: S = suppressed for confidentiality reasons. Source: LisNZ, Table E84, quoted in Merwood et al. 2009, P. 224

Mr P Ak1 (Lawyer): “Overall, I am happy with my life because I can find a balance between work and family.” Mr P Ak7 (Real Estate Agent in Auckland): “My brother has a stable job but suffers higher stress. Comparatively, I earn more with less stress” Mr P Ak17 (Travel Agent): “I work more than 40 hours per week, but I receive a higher income and have the opportunity to travel overseas to attend seminars and conferences. So I am happy with my life in New Zealand.” Although the majority of Chinese entrepreneurs expressed happiness with their life, however, a significant living standard gap existed between the first generation of immigrants and mainstream New Zealanders. Ms P Ak6 (Chinese-Newspaper owner in Auckland):

I do not know about other New Zealanders’ lives, maybe I work harder than local people do, but receive less than the local people do. But at least I am happy with my life in New Zealand. I have a nice family and have my loved business that I work for every day. I believe that our first generation of immigrant cannot be compared with local people because we met with difficulty. However, our next generation
have a similar life to the locals I hope because growing up in New Zealand they will have no language and cultural difficulties.

Indeed, according to LisNZ, North Asia immigrants received a lower income compared with other ethnic groups (see Table 7.27), only 14.8 percent of the Chinese receive more than $40,000 per year compared to North America (55.8 percent) and/or South East Asia (41.7 percent).

Table 7.27 Migrants’ annual income from all sources by selected region of origin

<table>
<thead>
<tr>
<th>Income level</th>
<th>UK/Irish Republic</th>
<th>North America</th>
<th>North Asia</th>
<th>South East Asia</th>
<th>Total (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>$10,000 or less</td>
<td>8.2</td>
<td>9.9</td>
<td>16.1</td>
<td>9.4</td>
<td>9.9</td>
</tr>
<tr>
<td>$10,001 to $20,000</td>
<td>7.8</td>
<td>10.8</td>
<td>19.7</td>
<td>14.2</td>
<td>11.0</td>
</tr>
<tr>
<td>$20,001 to $30,000</td>
<td>8.6</td>
<td>9.0</td>
<td>27.2</td>
<td>25.2</td>
<td>18.0</td>
</tr>
<tr>
<td>$30,001 to $40,000</td>
<td>16.1</td>
<td>16.2</td>
<td>22.6</td>
<td>19.7</td>
<td>19.3</td>
</tr>
<tr>
<td>$40,001 to $50,000</td>
<td>17.4</td>
<td>14.4</td>
<td>9.8</td>
<td>16.5</td>
<td>15.4</td>
</tr>
<tr>
<td>$50,001 to $70,000</td>
<td>23.6</td>
<td>17.1</td>
<td>3.0</td>
<td>10.2</td>
<td>15.2</td>
</tr>
<tr>
<td>&gt;$70,000</td>
<td>18.2</td>
<td>24.3</td>
<td>2.0</td>
<td>4.7</td>
<td>11.1</td>
</tr>
</tbody>
</table>

Notes: Gross annual income is derived from weekly income. Respondents who did not specify their weekly income are excluded from this table. Symbol: S = suppressed for confidentiality reasons. Source: LisNZ, Table E55, quoted in Merwood et al. 2009, P. 213

Some interviewees expressed happiness with their life because they realise that they are in the best situation that they could achieve. Although they meet difficulty, they are still happy with their life. The next two cases demonstrate this.

**Case one:** Mr PAK15 (Cleaner) was a Chinese international student who purchased a cleaning contractor business from a Chinese owner two years ago. He employed two student employees who work after school. His customers were all local non-Chinese. He
remarked, “The majority of my customers are wealthy. They offer reasonable pay.” He believes that by being a self-employed he can earn more than being a wage paid employee. He said:

I have tried some jobs. However, they were all long working hours with little pay. I started-up. The cleaning business is easy to enter and operate. I feel very happy now because I can pay my tuition fees and living costs by myself.

After graduation, he gave up the cleaning business and is now a full time automotive apprentice at a garage.

**Case two:** In China, Ms PAk16 (Students Recruitment Agent) received a master’s degree and worked for an accountancy firm. Her father was a medical doctor. In 2001, she came to New Zealand as a business immigrant. She invested in a 30 percent shares of a travel company in Auckland. In that firm, she developed a new department that offers services to international students. Now, she leads five staff in the company. Although her business was not successful yet, she said,

I am happy with my situation because at least I am an independent person in New Zealand. Although I have just achieved a stable income, I dream of enlarging the scale of my business and enhancing employees’ benefits.

Ms PAk16 was happy with her situation as a new immigrant in New Zealand. Her goal was to earn money for independent living (Dana, 1997). After her business grew, her goals changed to exceed the boundaries of economic rewards (Forsyte, 1998). The preceding two examples illustrate that aspirational orientations of Chinese immigrant entrepreneurs are associated with their circumstances. This is further discussed in the next section.

**7.3.5 The Chinese have diverse aspirations depending on their economic situations**

It was found that, apart from economic rewards, personal rewards, social respect, reputation and enterprise growth were emphasised by the employee interviewees. In comparison, among the entrepreneur interviewees the majority of mature business owners (respondents) tended to place importance on enterprise growth and progress. The respondents focused on the achievement of reasonable progress. These respondents were mainly business owners
who had a stable market and income. They strove for a balanced lifestyle. Mr PAk2 (Souvenir Retailer in Auckland):

When I am happy with the progress of achievements that I have planned each year, I believe that my businesses are successful. A successful business means a positive development, a good reputation, service and products, not just cutting prices to occupy the market.

Professional service owners (respondents) paid attention to their personal rewards, social respect and reputations. For example, Mr PHm31 (Real Estate Agent in Hamilton) considered two areas. One area is about the number of houses sold and the commission received; another area is about his personal reputation. He explained that he could not work well if he did not have a good reputation within the small Chinese community in Hamilton. Eighty percent of his customers are Chinese. He stated that there were about 7,000 Chinese in Hamilton. It was enough for him to find opportunities in the real estate industry if he had a good relationship with his clients. Some participants claimed to pay less attention to economic rewards. Their social status and preferred life-styles were more important. Ms PAk6 (Chinese-Newspaper Owner in Auckland) said:

A successful business is not just about money. It is about opportunity. For instance, I have opportunities to meet many people from all over the world. My business gives me this. Meanwhile, it also means that we are able to help others. We enjoy a respected social status in the industry. In addition, it means having a good reputation because you cannot work well if you have a bad reputation within the minority Chinese community. Finally, it means a stable income.

These interviewees stated that a successful business is able to enhance employee benefits and take social responsibilities. Mr PHm38 (Finance Broker): “My family does not have to worry about living costs. I am able to help customers solve their problems.”

The majority of newly started business owners (interviewees) tended to look for the economic reward such as return on investment. Ms PAk23 (Internet Café Owner) said, “Successful business means big revenues and returns. The yearly profit is 30 percent to 40 percent of investment.” Mr PAk26 (Cleaner): “To judge if your business is successful, check how many properties you have, how many good cars you have owned.” In addition, they also have an intensive sense of competition and want to develop their businesses
quickly. Mr PHm33 (Travel Agent in Hamilton) said, “Successful business, to me, means that the market occupation rate should be 20 percent or above. My aim is to achieve this in the next two to three years.” Some stated that a successful business needs a stable market and sufficient income to support living costs. These respondents were those whose businesses were not well developed yet. Mr PAk24 (Chinese Medical Doctor) said, “Success in business to me means keeping my business alive and keeping it busy.” Ms PAk20 (House Furniture Maker) stated, “A successful business is able to maintain its business operations, have a stable income and return on investment and have stable customer sources.” Overall, contemporary Chinese have diverse aspirational orientations toward rewards (Basu & Gowsami, 1999; Constant & Zimmermann, 2006; Forsyte, 1998; Orhan & Scott, 2001; Teixeira, 2001). Apart from economic rewards (Campbell, 1992), personal rewards, social respect, reputation and enterprise growth (Basu & Gowsami, 1999; Constant & Zimmermann, 2006; Forsyte, 1998; Orhan & Scott, 2001) were emphasised. In comparison, among the interviewees, the majority of mature business owners focused on the achievement of reasonable progress and a balanced lifestyle. Newly started business owners tended to look for the economic rewards. Professional service owners paid attention to their personal rewards and social respect and reputations. Their social status and preferred lifestyles were more important.

7.4 Summary of main points

Overall, significantly more entrepreneurs expressed happiness with their income than employees. This might be a key motivation for entrepreneurs to be self-employed. There were no substantial differences between entrepreneurs and employees about their satisfaction with their lives in New Zealand. About half of the total entrepreneur interviewees spent their weekends with their family, going shopping, out for dinner and/or to the movies once or twice weekly. The majority of entrepreneur interviewees spent holidays with their families outside Auckland (or Hamilton) at least one or more times per year. Travel overseas was the most popular activity amongst entrepreneur interviewees. These were influenced by New Zealand and China’s strong travel and tourism industry. In addition, a majority of them paid attention to their residential surroundings and put an emphasis on education. Whether or not they worked longer hours depends upon their businesses’ natures.
The majority of contemporary Chinese immigrants went abroad for an improved education, lifestyle and investment. They have diverse aspirations regarding their entrepreneurial reward. Apart from economic reward, personal reward was emphasised. In addition, business survival, social respect, reputation and enterprise growth were included. The conclusion is that beside cultural background, aspirational orientations of Chinese entrepreneurs are also influenced by their personal financial situations.
CHAPTER 8: OPPORTUNITY STRUCTURE AND STRATEGIES IN AUCKLAND AND HAMILTON

Discussion, thus far, has covered how the environmental changes of socio-economic and political environments in their host country and country of origin shaped their different cultural and commercial characteristics and their aspirational orientations toward entrepreneurship and how their improved class resources helped their entrepreneurship. This chapter explores two questions:

- How do environmental changes in New Zealand and China influence the opportunity structures of Chinese immigrant entrepreneurship? As a result, what are the different opportunity structures of Chinese immigrant entrepreneurship in Auckland and in Hamilton?

- Do Chinese immigrant entrepreneurs in Hamilton and Auckland use different strategies to overcome barriers and attract customers?

Section 8.1 explores the differences between Chinese immigrants in Auckland and Hamilton. Section 8.2 explores how the external changes in the host country influence the opportunity structure of Chinese immigrant entrepreneurship in New Zealand. Sections 8.3 and 8.4 explore the impact of the environmental changes in the country of origin and the international market on the opportunity structure of Chinese immigrant entrepreneurship in the ethnic and the non-ethnic markets. Sections 8.5 to 8.7 explore the strategies used by Chinese immigrant entrepreneurs for entering into and operating in their professional occupations, having ideal employees and gaining financial support to enlarge their business scale. Section 8.8 explores the strategies used by Chinese immigrant entrepreneurs to compete in Auckland (the world city) and Hamilton (the non-world cities).
8.1 Chinese immigrants in Auckland and Hamilton

According to Price and Benton-Short (2007) Auckland in New Zealand is a world city. Chinese immigrant entrepreneurs face different circumstances in world cities compared to non-world cities because of population sizes and economic environments differ. Chinese immigrants in world cities have more advantages than in the non-world cities when doing cross-border business affairs. This study explored, in great depth, the different characteristics of the opportunity structures of highly skilled immigrant entrepreneurs in Auckland (a world city) and Hamilton (a non-world city).

**Key Characteristic (1):** In the world city of Auckland, the Chinese immigrant entrepreneurs have more opportunities to serve the Chinese ethnic market than in Hamilton. In contrast, the non-world city of Hamilton had Chinese immigrant entrepreneurs having to enter both ethnic and non-ethnic markets.

According to the 2006 New Zealand census, the overseas-born Chinese population is highly concentrated in Auckland (69.6 percent of all overseas born Chinese). This is larger than the New Zealand born Chinese population (56.4 percent of all New Zealand born Chinese). The Chinese population in Auckland reached 98,391 (66.7 percent of the total Chinese in New Zealand). In contrast, there were 7,119 Chinese people in Hamilton which makes up 4.8 percent of the New Zealand Chinese population. This information is depicted in Table 8.1. The Chinese group has a bigger population in Auckland than in Hamilton.

Table 8.1 The Chinese population by Auckland and Hamilton at 30 June 2006

<table>
<thead>
<tr>
<th>Location</th>
<th>N Z Born Chinese</th>
<th>Overseas Born Chinese</th>
<th>Total Chinese</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>n</td>
<td>%</td>
<td>n</td>
</tr>
<tr>
<td>Auckland</td>
<td>18,117</td>
<td>56.4</td>
<td>79,422</td>
</tr>
<tr>
<td>Hamilton</td>
<td>1,536</td>
<td>4.8</td>
<td>5,523</td>
</tr>
<tr>
<td>Total</td>
<td>32,109</td>
<td>100.0</td>
<td>114,147</td>
</tr>
</tbody>
</table>

It is proposed that the Chinese immigrant entrepreneurs are likely to serve Chinese customers of ethnic enclaves and/or ethnic clustered neighbourhood in Auckland, but in minority and non-ethnic/minority neighbourhoods of Hamilton they are likely to serve non-ethnic markets. (Fong et al., 2008; Li, 1993). In non-world cities (Hamilton), entrance into the local market is critical for immigrant businesses to survive (Aldrich & Waldinger, 1990; Waldinger, 1986). As Mr PHm34 (Health Product & Souvenir Retailer in Hamilton) said:

> The number of Chinese visitors and students are limited in Hamilton. I cannot implement my original business plan of making the Chinese visitors my only targeted customers. I now realise that in Hamilton, I have to focus on the locals. The problem is that I do not know about the local market and how to change my business from focusing on the Chinese clients to all local people. But I am sure I have to do so.

Comparatively, Chinese residents in Auckland should have more employment opportunities in the Chinese ethnic market than in Hamilton. The cross-tabulation analysis (see Table 8.2 below) found there are greater percentages of Chinese immigrant entrepreneurs in Auckland who serve the Chinese customers than in Hamilton although the difference is not significant.

**Table 8.2 Primary customers? By locations**

<table>
<thead>
<tr>
<th>City</th>
<th>Chinese</th>
<th>non-Chinese</th>
<th>All ethnics</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Auckland</td>
<td>60.0%</td>
<td>13.3%</td>
<td>26.7%</td>
<td>100.0%</td>
</tr>
<tr>
<td>Hamilton</td>
<td>30.0%</td>
<td>.0%</td>
<td>70.0%</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

**Key Characteristic (2):** In Auckland, Chinese immigrant entrepreneurs employ both Chinese and non-Chinese employees to meet the demands of Chinese clients for both ethnic and non-ethnic products and professional services. By comparison, in Hamilton, Chinese immigrant entrepreneurs tend to employ only Chinese labours to serve the non-ethnic market.

Data from the 2006 New Zealand census show, most of the Chinese in Auckland and Hamilton were ‘professionals’; followed by ‘managers’, ‘sales workers’ in Auckland; but ‘labourers’, ‘technicians and trades workers’ in Hamilton (see Table 8.3).
Table 8.3 Estimated Chinese population by occupations (ANZSCO) at 30 June 2006

<table>
<thead>
<tr>
<th>Occupations</th>
<th>Auckland n</th>
<th>Auckland %</th>
<th>Hamilton n</th>
<th>Hamilton %</th>
<th>Total in NZ n</th>
<th>Total in NZ %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Professionals</td>
<td>8,088</td>
<td>64.8</td>
<td>513</td>
<td>4.1</td>
<td>12,471</td>
<td>100</td>
</tr>
<tr>
<td>Managers</td>
<td>5,877</td>
<td>63.8</td>
<td>372</td>
<td>4.0</td>
<td>9,198</td>
<td>100</td>
</tr>
<tr>
<td>Sales Workers</td>
<td>5,637</td>
<td>67.7</td>
<td>342</td>
<td>4.1</td>
<td>8,325</td>
<td>100</td>
</tr>
<tr>
<td>Clerical Workers</td>
<td>4,674</td>
<td>70.8</td>
<td>222</td>
<td>3.3</td>
<td>6,594</td>
<td>100</td>
</tr>
<tr>
<td>Technicians Workers</td>
<td>4,497</td>
<td>64.1</td>
<td>396</td>
<td>5.6</td>
<td>7,008</td>
<td>100</td>
</tr>
<tr>
<td>Labourers</td>
<td>3,612</td>
<td>55.4</td>
<td>450</td>
<td>6.9</td>
<td>6,510</td>
<td>100</td>
</tr>
</tbody>
</table>

*Note:* Total in NZ = Total Chinese population in the occupation, in New Zealand.


This indicates that highly skilled Chinese immigrants have a high number of ‘professional’ occupations to serve mainly the Chinese ethnic market in both Auckland and Hamilton. By comparison, the larger Chinese population in Auckland allows Chinese immigrants to be involved in Chinese companies as ‘managers’ and ‘sales workers’. However, in Hamilton, the smaller Chinese population does not favour the existence of a large number of Chinese companies. In this situation, the Chinese immigrants serve the local market as ‘labourers’, ‘technicians’ and ‘trades workers’. This identifies another characteristic difference between Auckland and Hamilton, supported by the Cross-Tabulation analysis (see Table 8.4), that Chinese entrepreneurs in Hamilton tend to employ only Chinese labourers to serve the local markets. Whereas in Auckland, they employ both Chinese and non-Chinese employees to meet the demands of the Chinese customers for non-ethnic products and professional services. The Chi-Square test was significant.

This finding advanced the findings in the OECD’s (2010) business report. Through analysing data from the Canadian census, Professor Li found that Chinese immigrant entrepreneurs have a trend of employing more non-Chinese staff than Chinese staff. The findings of this study, however, suggest that Professor Li’s (2010) argument applies only to the Chinese immigrant entrepreneurs in large metropolitan (the world cities).
Table 8.4 Are all of your employees Chinese? By locations

<table>
<thead>
<tr>
<th>City</th>
<th>Yes</th>
<th>No</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Auckland</td>
<td>62.5%</td>
<td>37.5%</td>
<td>100.0%</td>
</tr>
<tr>
<td>Hamilton</td>
<td>100.0%</td>
<td>.0%</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

Chi-Square Tests

<table>
<thead>
<tr>
<th></th>
<th>Value</th>
<th>Df</th>
<th>Asymp. Sig. (2-sided)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson Chi-Square</td>
<td>4.641a</td>
<td>1</td>
<td>.031</td>
</tr>
<tr>
<td>Likelihood Ratio</td>
<td>2.943</td>
<td>1</td>
<td>.086</td>
</tr>
<tr>
<td>Linear-by-Linear Assoc</td>
<td>6.918</td>
<td>1</td>
<td>.009</td>
</tr>
</tbody>
</table>

N of Valid Cases

- 1 cells (25.0%) have expected count less than 5. The minimum expected count is 2.45.
- Computed only for a 2x2 table

Key Characteristic (3): In Auckland, a greater percentage of Chinese immigrants earned higher incomes and had a lower unemployment rate than in Hamilton.

According to Table 8.5, 60.3 percent of the Chinese people in Auckland earned a personal income under $20,000 per year compared with the Chinese in Hamilton who had 65.7 percent. A greater percentage of Chinese received lower income in Hamilton than in Auckland. Looking at personal income between $20,001 and $50,000, the Chinese in Auckland had a higher percentage (24.3 percent) than the Chinese in Hamilton (16.9 percent). The proportion of the Chinese in Auckland who earn $50,001 and above (7.9 percent) represents a higher percentage than the Chinese in Hamilton who earn more than $50,001 (5.8 percent). In addition, the Chinese people in Hamilton have a higher unemployment rate of 7.0 percent compared with 5.9 percent in Auckland. These are described in Table 8.6.

Overall, the Chinese population in Auckland have a higher percentage who earn a higher income than the Chinese in Hamilton. This shows that the Chinese in Auckland where there
are larger co-ethnic population areas have the advantage of gaining more employment opportunities with more people earning higher incomes than in a small city such as Hamilton.

Table 8.5 Chinese populations by total personal income at 30 June 2006

<table>
<thead>
<tr>
<th>Personal Income</th>
<th>Auckland</th>
<th></th>
<th>Hamilton</th>
<th></th>
<th>Total in NZ</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>n</td>
<td>%</td>
<td>n</td>
<td>%</td>
<td>n</td>
<td>%</td>
</tr>
<tr>
<td>$5,000 or Less</td>
<td>26,541</td>
<td>32.6</td>
<td>2,304</td>
<td>39.1</td>
<td>39,561</td>
<td>32.5</td>
</tr>
<tr>
<td>$5,001 - $10,000</td>
<td>10,194</td>
<td>12.5</td>
<td>750</td>
<td>12.7</td>
<td>15,360</td>
<td>12.6</td>
</tr>
<tr>
<td>$10,001 - $20,000</td>
<td>12,363</td>
<td>15.2</td>
<td>819</td>
<td>13.9</td>
<td>18,600</td>
<td>15.3</td>
</tr>
<tr>
<td>$20,001 - $30,000</td>
<td>8,607</td>
<td>10.6</td>
<td>540</td>
<td>9.2</td>
<td>12,819</td>
<td>10.5</td>
</tr>
<tr>
<td>$30,001 - $50,000</td>
<td>11,157</td>
<td>13.7</td>
<td>573</td>
<td>7.7</td>
<td>16,017</td>
<td>13.1</td>
</tr>
<tr>
<td>$50,001 or More</td>
<td>6,423</td>
<td>7.9</td>
<td>342</td>
<td>5.8</td>
<td>9,900</td>
<td>8.1</td>
</tr>
<tr>
<td>Not Stated</td>
<td>6,021</td>
<td>7.4</td>
<td>567</td>
<td>9.6</td>
<td>9,525</td>
<td>7.8</td>
</tr>
<tr>
<td>Total Income</td>
<td>81,303</td>
<td>100.0</td>
<td>5,886</td>
<td>100.0</td>
<td>121,779</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Note. Total in NZ = Total Chinese population in the occupation, in New Zealand.

Table 8.6 The Chinese population by work and labour force status at 30 June 2006

<table>
<thead>
<tr>
<th>Location</th>
<th>Employed</th>
<th></th>
<th>Unemployed</th>
<th></th>
<th>T-Chinese</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>n</td>
<td>%</td>
<td>n</td>
<td>%</td>
<td>n</td>
<td>%</td>
</tr>
<tr>
<td>Auckland</td>
<td>39,723</td>
<td>48.9</td>
<td>4,833</td>
<td>5.9</td>
<td>81,303</td>
<td>100.0</td>
</tr>
<tr>
<td>Hamilton</td>
<td>2,886</td>
<td>49.0</td>
<td>417</td>
<td>7.0</td>
<td>5,889</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>61,893</td>
<td>50.8</td>
<td>7,224</td>
<td>5.9</td>
<td>121,779</td>
<td>100.0</td>
</tr>
</tbody>
</table>

8.2 The external changes in the host country shapes the opportunity structure

Not only their social networks but also the environmental changes of the host country shape the opportunity structure of Chinese immigrant entrepreneurship.

Kloosterman et al.'s (1999) mixed embeddedness approach explains the opportunity structure of immigrant entrepreneurship through considering not only immigrants’ social networks but also the host country environment. This thesis used the following examples to demonstrate the usefulness of this model in the explanation of Chinese immigrant entrepreneurship. Before 2009, there were no regulations to be an immigration agent. Some Chinese immigrants (e.g., Ms Pak14 and Ms Pak10) became agents informally and assisted other Chinese in dealing with immigration matters. Chinese immigration agents served Chinese clients through their social networks. Immigration New Zealand officers also accepted them because they served a particular niche, located at the lower end of the market. Moreover, Immigration New Zealand officers communicated with them through their agent associations.

Gradually, Chinese immigration agents established their own companies to respond to the growing demands for their services by Chinese immigrants. Once highly skilled immigrants had their applications approved, they also wanted to apply for their family members and/or parents to come. As a result, Chinese immigration agents became very busy, causing them to extend their businesses by employing employees and moving to larger and modern offices in locations such as Queen St, Auckland.

In 2009, Immigration New Zealand formalised the process by setting up regulations that required all immigration agents to have a licence to operate. Ms Pak10, after obtaining her licence, promotes her business through not only Chinese media but also Indian and English media and the press. This illustrates that the opportunity structure of immigrant entrepreneurs is embedded in both the ethnic social network and the external environmental changes of the host country. Table 8.7 shows that the number of approved immigration applicants in the entrepreneur category in 2005 was 679, which then went up 1,068 in 2006.
before it decreased rapidly to 38 applicants in 2009. This is because immigration policy raised the English requirement from IELTS 4.0 to IELTS 6.0 in 2006. Many agents suddenly lost their clients. Thus, the external environment of the host country has played a very important role that impacts on the opportunity structure of immigrant entrepreneurship.

Table 8.7 Approved immigration applications from China by selected category

<table>
<thead>
<tr>
<th>Principal applicants</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Skilled Migrant</td>
<td>2,351</td>
<td>3,223</td>
<td>3,452</td>
<td>4,654</td>
<td>3,457</td>
</tr>
<tr>
<td>Investors</td>
<td>577</td>
<td>160</td>
<td>87</td>
<td>11</td>
<td>5</td>
</tr>
<tr>
<td>Entrepreneurs</td>
<td>679</td>
<td>1,068</td>
<td>287</td>
<td>86</td>
<td>38</td>
</tr>
<tr>
<td>Students</td>
<td>43,053</td>
<td>34,461</td>
<td>25,177</td>
<td>22,897</td>
<td>20,709</td>
</tr>
<tr>
<td>...</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Residences</td>
<td>7,591</td>
<td>6,580</td>
<td>6,731</td>
<td>7,407</td>
<td>6,321</td>
</tr>
</tbody>
</table>

General/general information/statistics/

8.3 The environmental changes in the country of origin influence the opportunity structure in the non-ethnic markets

**Key characteristic (4):** In both Auckland and Hamilton, even though more Chinese immigrants entered a broader range of professions than did the earlier generations, they still primarily serve the Chinese ethnic market and/or the non-ethnic markets that are linked to the Chinese ethnic market and/or the Chinese market in China.

It was found that some interviewees entered non-ethnic markets in those traditional occupations that the older generations of Chinese immigrants entered, such as Chinese restaurant, Chinese take-away restaurant and lunch bar businesses. Meanwhile, some interviewees entered into other non-traditional Chinese immigrant businesses, including internet cafés, courier subcontractors and cleaning contractors claiming to serve non-ethnic markets. A third group of participants worked in professional service occupations mainly in the Chinese ethnic markets. These professional occupations include legal firms, real estate,
educational agencies, travel and immigration service agencies, insurance and mortgage brokers, Chinese medical doctors, Chinese newspaper, private training establishments, building material suppliers and construction.

The traditional occupations the Chinese immigrants entered into in the local markets have been in western countries for more than a century. Local customers in western countries are familiarised with, and accept, these traditional occupations. For instance, a hundred years ago, Chinese food and dishes were available in Chinese restaurants in western countries. These Chinese foods and dishes attracted western people who enjoyed the differences in taste (Chen, 2004). These occupations are mature and accepted by the locals. Therefore, Chinese immigrant entrepreneurs in these industries serve niches.

According to one research participant, an internet café in downtown Auckland did poorly because of its unstable or uncertain demand markets. Customers were mainly overseas visitors who wanted to check emails and/or staff who worked in neighbouring companies who came in during their lunchtime only. Cleaning contractors and courier subcontractors served as labour contractors of local firms. For instance, post company assigned jobs to the courier subcontractor. The majority of interviewees in professional service sectors were attracted by the local markets. But it is not easy for them to enter the local market because of strict entry standards set by the industries (Crothers, 2007), language difficulty, cultural differences between Chinese people and non-Chinese people (Light, 1979) and a lack of local social networks (Beal & Sos, 1999). For instance, Ms Pak25 (Loan Broker in Auckland) remarked,

Local people prefer to approach a person of familiarity and of trust to manage their finance. They are unlikely to find a Chinese to look after their finance. On the other hand, it is hard to select the right products for the local people because I do not know what they like. This is because we are new to New Zealand and have different customs and culture.

The majority of interviewees in professional service sectors claimed that their customers were mainly Chinese although a few of them said that their customers include some local customers. However, being influenced by the Chinese elements, these local customers came to Chinese professional businesses. For example, Mr PHm31 (Real Estate Agent in Hamilton) said, “Local people ask me to sell their real estate because they want me to
promote their properties in the Chinese ethnic market.” Mr PHm32 (Advertiser & Paper Publisher in Hamilton) said, “Local people publish their advertisements in our papers because they want to find Chinese employees and/or to promote their products to the Chinese community.” Mr PHm35 (Chinese Chef): “I found that more and more local people come to my shop, most of whom have visited China and want to try Chinese food when they are back to New Zealand.” Mr PHm40 (Souvenir Retailer): “My business has a smaller market in Hamilton than in Auckland because Chinese visitors buy souvenirs in Auckland. To enlarge the market, we export New Zealand health products to Taiwan and mainland China.”

It was found that some modern Chinese immigrants rely on Chinese resources in China to operate their businesses in the local markets. They import goods from China and sell them in New Zealand. The market in their country of origin directly influences their businesses. As Mr Pak22 (Building Materials Retailer) said, “We import some kinds of building materials from China as whole sellers do. We then sell these materials to other building material suppliers in Auckland. In return, we buy other kinds of goods from them.” Mr Pak27 (Takeaway Restaurant Owner):

The prices of buying the Chinese businesses such as takeaway restaurant, lunch bar and café shop were going up because new Chinese immigrants brought money from China and bought these businesses. They have had no idea about the market prices. They listen to the agents who become popular.

In addition, as China opens its doors to the outside world, more and more people from all over the world have increased their interest in learning more about China and its culture. They visit China to learn Chinese and Chinese culture, make friends with Chinese people and marry Chinese partners (Fernandez & Underwood, 2009). Table 8.8 shows that intensive transnational activities occurred between New Zealand and China. For instance, 142,858 people travelled from the two countries in 2009. Ms Pak17 (Travel Agent in Auckland): “We organise New Zealanders to visit China. Our business is quite good. Ms Pak26 (Private School Owner): “We have Mandarin class and to my surprise, the students study very hard because they want to find work in China.” Ms Pak23 (Internet Café Owner): “I import computers and all facilities from China.” From the above examples, it is clear that
although Chinese immigrants undertake occupations that serve mainstream society their businesses are influenced by Chinese economic growth.

Table 8.8 People departing New Zealand, including temporary and permanent by selected destinations

<table>
<thead>
<tr>
<th>Destinations</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>China</td>
<td>135,909</td>
<td>146,530</td>
<td>158,803</td>
<td>150,927</td>
<td>142,858</td>
</tr>
<tr>
<td>Hong Kong</td>
<td>16,291</td>
<td>15,161</td>
<td>15,289</td>
<td>14,300</td>
<td>15,885</td>
</tr>
<tr>
<td>Taiwan</td>
<td>33,374</td>
<td>31,507</td>
<td>29,506</td>
<td>23,123</td>
<td>19,836</td>
</tr>
<tr>
<td>All destinations</td>
<td>2,452,513</td>
<td>2,463,494</td>
<td>2,513,365</td>
<td>2,489,227</td>
<td>2,462,919</td>
</tr>
</tbody>
</table>


Chinese immigrants enter into business either by setting up a new business or buying existing businesses from either Chinese owners or local firms. Buying existing businesses, especially in the food industry such as Chinese takeaways, café shops and lunch bars via Chinese agents is particularly common for many Chinese immigrants wanting to enter traditional niches. Mr PAk13 (Lunch Bar) said, “I bought this lunch bar seven years ago. Previous owner was Chinese. The agent organised everything including purchasing documents for me. I knew nothing about doing business in New Zealand at that time” Ms Pak23 (Internet Café) said, “I was introduced to this internet café business by an agent. I did not conduct any research work about this business, as I was new to internet business. It was too dangerous I thought later.”

Recently, some local firms have been selling their businesses to their sub-contractors, (such as cleaning contractors) through franchises. Mr Pak15 (Cleaner) bought a cleaning business from a local, non-Chinese firm. The firm provided everything, including customers, tools and expenditure materials. In addition, some participants took over companies experiencing change. Ms PAk9 (Travel Agent) said, “Previous owner retired. I bought this business and wanted to try.” This shows that rather than holding high qualifications, some contemporary
Chinese immigrants also hold investment capital which enables them to access the opportunities and enter entrepreneurship. Overall, modern Chinese entered into diverse industries (Liu, 2000), mainly the Chinese ethnic markets and/or the local markets (niches) which are linked either to the wider Chinese ethnic market and/or the Chinese market in China.

**Key characteristic (5):** Unlike what the Aldrich and Waldinger (1990) model suggests, this study found that in non-ethnic Auckland markets, the interethnic competition is very high. This implies that the Chinese immigrant businesses do not gain significant opportunities. In Hamilton, the Chinese immigrant businesses gain from having a more stable market due to less competition with other Chinese entrepreneurs, and this means that they can set reasonable market prices.

According to the findings of this study, the competition between contemporary Chinese immigrant entrepreneurs and local non-Chinese firms was not high. Mr PAk2 (souvenir retailer in Auckland) said, “Beside the Chinese competitors, our competitors also include Japanese and Koreans. Nevertheless, the competition is not high because of cultural differences. The Chinese clients come to my shop, while the Japanese go to the Japanese shops.” What is more, Table 8.9 shows that, the Chinese businesses in Auckland generally tend to compete primarily with other Chinese businesses in either the Chinese ethnic market or non-ethnic markets. In Hamilton, there was a lower level of competition between the Chinese immigrant entrepreneurs although cross tabulation tests were not significant.

### Table 8.9 Does your business have many other Chinese competitors? By locations

<table>
<thead>
<tr>
<th>City</th>
<th>Does your business have many other Chinese competitors?</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Yes</td>
<td>Not many</td>
</tr>
<tr>
<td>Auckland</td>
<td>93.1%</td>
<td>3.4%</td>
</tr>
<tr>
<td>Hamilton</td>
<td>40.0%</td>
<td>50.0%</td>
</tr>
</tbody>
</table>

What is more, it found that Chinese immigrant entrepreneurs also compete with each other in non-ethnic markets in Auckland. As Ms PAk25 (loan broker) explains, “Non-Chinese firms do the same business. Nevertheless, local people like to approach big local firms with
long histories. We cannot compete with them. We are competing with mainly other Chinese businesses in the same non-Chinese local markets.” Mr PAk27 (takeaway restaurant owner) remembered that he operated a Chinese fish and chips take away restaurant in Hamilton five years ago. His partner helped him in the kitchen and they also hired a local lady who took the orders. They had very good business; their clients did not bargain and there was no competition because they were the only Chinese fish and chips take away restaurant in the neighbourhood. Later, they moved to Auckland because most of their friends lived in Auckland and they felt lonely in Hamilton. They bought another Chinese fish and chips take away restaurant in East Tamaki, Auckland. However, they regretted it because of the high competition. He stated:

We had to cut the prices to compete with our neighbouring Chinese fish and chips take away restaurant. Otherwise, their clients came to complain that our price was higher than our neighbours. When the prices went so low to the extent that there were no more room to cut it. Furthermore, we competed by increasing the quantity of the food and/or drinks to establish returning customers. But in the end there were no profits anyway.

He sold that shop and bought another in Orewa where they were the only Chinese food shop near the beach. This illustrates that in Auckland, serving the non-ethnic markets, against the competition from other Chinese competitors may lead to low profits. In Hamilton, with fewer Chinese competitors in the non-ethnic markets, Chinese immigrant entrepreneurs can avoid such competition. In such situations, they serve niches in which majority ethnic businesses are not interested (Aldrich & Waldinger, 1990). Therefore, they tend to work alone and gain reasonable profits. Take Mr PHm35 as an example. Mr PHm35 (Chinese chef in Hamilton) was a chef who held a high school certificate in China. In 2000, he and his family came to New Zealand as business immigrants and started-up a Chinese restaurant in Hamilton. He felt the climate and environment in New Zealand were nice. He decided to immigrate to the country. His restaurant was located in downtown Hamilton. He explained that the area is good for the restaurant business because the traffic is convenient. There is a big flow of shopping people. He employed three Chinese staff. His wife helped as a waitress and looked after the front area. He was the chef in the kitchen, at the back. His business was successful. His customers were both Chinese and non-Chinese. He remarked, “Local people like our food because it tastes good. A local reporter came and wrote an article about our food in the local newspaper and this attracted more and more local
customers.” He felt good in New Zealand and he said, “I have a stable life here in New Zealand and that is enough. I have no idea about how others’ lives are, but I am happy with my life.” Table 8.10 below shows that all the Chinese participants in Hamilton expressed happiness with the local market (non-ethnic market). In Auckland, Chinese immigrant entrepreneurs have a lower level of satisfaction with the local markets than that in Hamilton although this is not significant.

Table 8.10 Are you happy with entering the local market? By locations

<table>
<thead>
<tr>
<th>City</th>
<th>Yes</th>
<th>No</th>
<th>Have to</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Auckland</td>
<td>82.8%</td>
<td>10.3%</td>
<td>6.9%</td>
<td>100.0%</td>
</tr>
<tr>
<td>Hamilton</td>
<td>100.0%</td>
<td>.0%</td>
<td>.0%</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

8.4 The environmental changes in the country of origin influence the opportunity structure in the Chinese ethnic market

**Key characteristic (6):** The environmental changes in the country of origin offers opportunities for Chinese immigrants, mostly in Auckland, to serve Chinese clients because more Chinese immigrants and visitors come to Auckland than Hamilton.

Over the last three decades, economic growth in China has enriched a proportion of the Chinese population. Meanwhile, a number of western countries have opened their doors to Chinese people through immigration, study, tourism and business investment. The number of Chinese people whose birthplaces are in countries outside of New Zealand was 38,949 in 2001 and 78,117 in 2006. According to the above review, due to the greater Chinese population in New Zealand today, contemporary Chinese immigrant entrepreneurs should have more opportunities in New Zealand than did the former generations (see Table 8.11). In the last decade, an increased number of Chinese came to New Zealand (see Table 8.12). This created new entrepreneurial opportunities for Chinese immigrants to start-up in the Chinese ethnic market.
Table 8.11 Estimated population of the Chinese ethnic group in New Zealand by year

<table>
<thead>
<tr>
<th>Year</th>
<th>Chinese</th>
<th>O-Chinese</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$n$</td>
<td>$n$</td>
</tr>
<tr>
<td>1867</td>
<td>1,219</td>
<td></td>
</tr>
<tr>
<td>1881</td>
<td>5,033</td>
<td></td>
</tr>
<tr>
<td>1916</td>
<td>2,147</td>
<td></td>
</tr>
<tr>
<td>1951</td>
<td>5,723</td>
<td></td>
</tr>
<tr>
<td>1966</td>
<td>11,040</td>
<td></td>
</tr>
<tr>
<td>2001</td>
<td>105,057*</td>
<td>38,949**</td>
</tr>
<tr>
<td>2006</td>
<td>147,570*</td>
<td>78,117**</td>
</tr>
</tbody>
</table>


Table 8.12 People arriving in New Zealand from China - including temporary and permanent

<table>
<thead>
<tr>
<th>China arrivals</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Visitors</td>
<td>103,772</td>
<td>120,948</td>
<td>125,617</td>
<td>106,947</td>
<td>103,262</td>
</tr>
<tr>
<td>Total</td>
<td>148,307</td>
<td>146,530</td>
<td>159,735</td>
<td>152,164</td>
<td>146,347</td>
</tr>
</tbody>
</table>


Statistics New Zealand reported, for instance, that there were 120,804 visitors arriving from China in 2007 (see Table 8.13). Among others, Chinese students have become an important source of international students in New Zealand. This market requires a large input of local services.
Table 8.13 Short-term overseas visitors from China by selected purpose of visit (1992–2007)

<table>
<thead>
<tr>
<th>Year ended</th>
<th>Business</th>
<th>Holiday</th>
<th>Visiting friends and relatives</th>
<th>Education/medical(1)</th>
<th>Conferences/conventions</th>
<th>Other (3)</th>
<th>All purposes</th>
</tr>
</thead>
<tbody>
<tr>
<td>1992</td>
<td>1,685</td>
<td>461</td>
<td>625</td>
<td>...</td>
<td>11</td>
<td>830</td>
<td>3,612</td>
</tr>
<tr>
<td>1993</td>
<td>2,348</td>
<td>524</td>
<td>673</td>
<td>...</td>
<td>179</td>
<td>577</td>
<td>4,301</td>
</tr>
<tr>
<td>1994</td>
<td>3,000</td>
<td>1,646</td>
<td>833</td>
<td>...</td>
<td>191</td>
<td>817</td>
<td>6,487</td>
</tr>
<tr>
<td>1995</td>
<td>4,267</td>
<td>2,003</td>
<td>1,438</td>
<td>...</td>
<td>371</td>
<td>839</td>
<td>8,918</td>
</tr>
<tr>
<td>1996</td>
<td>5,119</td>
<td>3,792</td>
<td>2,541</td>
<td>...</td>
<td>423</td>
<td>1,771</td>
<td>13,646</td>
</tr>
<tr>
<td>1997</td>
<td>6,446</td>
<td>6,446</td>
<td>2,590</td>
<td>...</td>
<td>380</td>
<td>1,691</td>
<td>17,551</td>
</tr>
<tr>
<td>1998</td>
<td>6,168</td>
<td>5,710</td>
<td>2,472</td>
<td>...</td>
<td>371</td>
<td>1,689</td>
<td>16,410</td>
</tr>
<tr>
<td>1999</td>
<td>7,198</td>
<td>8,014</td>
<td>3,686</td>
<td>282</td>
<td>864</td>
<td>3,197</td>
<td>23,241</td>
</tr>
<tr>
<td>2000</td>
<td>8,833</td>
<td>13,087</td>
<td>5,650</td>
<td>2,475</td>
<td>605</td>
<td>2,852</td>
<td>33,502</td>
</tr>
<tr>
<td>2001</td>
<td>12,488</td>
<td>22,487</td>
<td>7,336</td>
<td>5,300</td>
<td>1,244</td>
<td>4,319</td>
<td>53,174</td>
</tr>
<tr>
<td>2002</td>
<td>17,917</td>
<td>29,488</td>
<td>10,810</td>
<td>10,810</td>
<td>1,165</td>
<td>7,076</td>
<td>76,534</td>
</tr>
<tr>
<td>2003</td>
<td>15,460</td>
<td>26,907</td>
<td>10,267</td>
<td>6,593</td>
<td>1,077</td>
<td>5,685</td>
<td>65,989</td>
</tr>
<tr>
<td>2004</td>
<td>20,253</td>
<td>40,760</td>
<td>11,889</td>
<td>3,913</td>
<td>1,263</td>
<td>6,290</td>
<td>84,368</td>
</tr>
<tr>
<td>2005</td>
<td>19,508</td>
<td>44,915</td>
<td>11,691</td>
<td>3,002</td>
<td>2,246</td>
<td>6,488</td>
<td>87,850</td>
</tr>
<tr>
<td>2006</td>
<td>22,882</td>
<td>57,615</td>
<td>12,565</td>
<td>3,084</td>
<td>1,828</td>
<td>7,742</td>
<td>105,716</td>
</tr>
<tr>
<td>2007</td>
<td>18,929</td>
<td>75,396</td>
<td>14,710</td>
<td>3,022</td>
<td>1,352</td>
<td>7,395</td>
<td>120,804</td>
</tr>
</tbody>
</table>

(1) ‘Education/medical’s purpose was added to arrival cards in August 1999.
(2) ‘Education/medical’ was changed to ‘Education’ in January 2005.
(3) Includes not stated. Sources: Quoted by Statistics New Zealand, 2008, Table 1.

Ms PAk20 (House Furniture Maker) said:

In 2001, many new immigrants and visitors came to New Zealand because of the open immigration policies and strong economy growth in China. The housing market was good. Many Chinese builders demanded cabinets. I met my friend who was doing House Furniture Making business. I started-up of this business.
The next two cases also demonstrate how factors relating to origin influence Chinese immigrant entrepreneurship, particularly in Auckland.

**Case one:** In China, Ms PAK26 (private school owner in Auckland) earned a bachelor’s degree and became a teacher after graduation. In the 1990s, she and her family immigrated to New Zealand. She went on study for a master’s degree at university and then started-up an English language school in 2001. She explained that firstly, she had experience as a teacher and was familiarised with the education sector in China. Secondly, in the 2000s, many Chinese international students came to New Zealand. They enabled her to start-up an English school to serve the Chinese international students. She explained that in New Zealand, many Chinese started-up their businesses including restaurants, internet café, and homestay to serve Chinese international students.

Table 8.14 Does your business link with overseas companies? By locations

<table>
<thead>
<tr>
<th>City</th>
<th>Yes</th>
<th>No</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Auckland</td>
<td>50.0%</td>
<td>50.0%</td>
<td>100.0%</td>
</tr>
<tr>
<td>Hamilton</td>
<td>30.0%</td>
<td>70.0%</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

**Case two:** Ms PAK17 (travel agent in Auckland) obtained a degree and became a teacher in China. Her father was a local government officer. She had no business experience or background. In the 1990s, she immigrated to New Zealand because her friends told her that New Zealand was a nice country. Her start-up business was simple. She worked for a travel agency. Then, her boss retired, so she bought her business. She believed that good government policy and changes in the global environment could facilitate the growth of her business. She said:

I took over this business in 1998. The company was enduring a hard economic time at that period. Business was struggling. But, in 2001, New Zealand immigration policy favoured immigration and international education export; meanwhile, New Zealand dollar was weak compared to the USA dollar; and some Chinese began to
get rich. So many Chinese people came to New Zealand for immigration, education and tourism. My company grew rapidly.

The above examples show that changes in global economic structures offer opportunities for Chinese immigrants, mostly in Auckland to serve Chinese clients because more Chinese visitors and immigrants come in to Auckland than to Hamilton. In addition, more Chinese companies in Auckland have connections with international companies that could promote their businesses in Auckland than in Hamilton (see Table 8.14). It was found that the participants from Hamilton reported that they have fewer business opportunities to serve Chinese immigrants.

**Key characteristic (7):** In Auckland, Chinese businesses consist of family businesses, professional partnerships and large companies. By contrast, in Hamilton, Chinese businesses are mainly family businesses which prefer to employ the Chinese staff and/or family/relatives.

It has found that more Chinese immigrant entrepreneur participants in Hamilton stated that their businesses are family businesses than in Auckland (see Table 8.15). Small family businesses in Hamilton preferred to employ Chinese or relatives (see Table 8.16).

**Table 8.15 Is your business a family business? By locations**

<table>
<thead>
<tr>
<th>City</th>
<th>Yes</th>
<th>No</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Auckland</td>
<td>36.7%</td>
<td>63.3%</td>
<td>100.0%</td>
</tr>
<tr>
<td>Hamilton</td>
<td>60.0%</td>
<td>40.0%</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

**Table 8.16 Do you prefer to employ Chinese or relatives? by locations**

<table>
<thead>
<tr>
<th>City</th>
<th>Yes</th>
<th>No</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Auckland</td>
<td>65.5%</td>
<td>34.5%</td>
<td>100.0%</td>
</tr>
<tr>
<td>Hamilton</td>
<td>90.0%</td>
<td>10.0%</td>
<td>100.0%</td>
</tr>
</tbody>
</table>
Key characteristic (8): Highly skilled Chinese immigrant entrepreneurs are sensitive to the economic changes and able to take action in response, particularly in Auckland. Some Chinese businesses were established to respond to the global environmental changes, these businesses are sensitive to any further changes of the global environment, and such changes are caused by other competing countries.

The significant viewpoint is that contemporary Chinese immigrants are aware of, and pay attention to, economic environmental changes, and are able to take action. It is the combination of global economic environment changes and their better class resources that facilitate the Chinese in finding niches that are different from their traditional occupations. The next case demonstrates this point. Ms PAk16 (Student Recruitment Agent):

I was an assistant lecturer after I graduated from university in China. I am familiarised with the education sector. When my friend asked me, in 2000, to help a Chinese international student in Auckland, I realised I could do something more. I started-up my business as a student service agent half a year later.

Mr PHm40 (Health products and Souvenir Retailer) found a job as a tour guide after graduation and settled in New Zealand. Fifteen years ago, he started-up a retail shop selling New Zealand health products and souvenirs to both tourists and local residents. He said, “When I worked as a tour guide in the 1990s, I found that New Zealand had a promising future in the tourism industry. I believed that more and more Chinese visitors would come and there would be a market for souvenirs.”

It was found that fast external changes globally and in the country of origin influence the opportunity structures of contemporary Chinese immigrant entrepreneurship. Take the travel and tourism industry as an example. New Zealand and Australia belong to pioneering western countries that have opened their doors to Chinese tourists who travelled through Australia and New Zealand on package tours. Chinese tourists brought monetary capital to buy souvenirs and took these back to their friends and colleagues. This global change offered business opportunities for Chinese immigrants, some of whom set up retail shops to sell souvenirs and New Zealand health products to Chinese visitors. Business was good, so some of retailers achieved rapid growth. For example, Mr PAk2’s (souvenir retailer) business in Auckland, sells souvenirs and New Zealand health products, and he has developed eight branches throughout the country within the space of three years. However,
in more recent years, due to the open door policy to Chinese visitors by other countries such as the USA and Europe, Chinese visitors are provided with greater options and more have chosen to go to the USA and other Europe countries. As a result, Chinese business in the travel and tourism industry in New Zealand was affected. Mr Pak2 (health product & souvenir retailer in Auckland) said:

We had a very good time two years ago because many Chinese came to New Zealand. Our company grew very quickly. Nowadays, we are worried about our business because Chinese visitors go to other countries such as the USA. The situation has changed so quickly that I do not know what to do. Many friends went to Australia where the Chinese ethnic market is still strong.

Ms Pak14 (Immigration Consultant in Auckland):

The global and China economic environmental changes and New Zealand immigration policies are important to my business. For instance, if the USA and/or Australia wanted more Chinese immigrants and/or students, this will make New Zealand less attractive to Chinese applicants because the Chinese people would go to bigger countries for more opportunities. Now, New Zealand has fewer Chinese students compared to Australia because Australia heavily promotes its education programmes on television in China. Australia also offers convenience to Chinese students when they apply for student visas. In fact, we are competing with other countries worldwide. Now, our first task is to promote New Zealand, to attract Chinese students to come, no matter which schools they want to enrol in.

Human capital enables immigrant entrepreneurs to respond to the economic environmental changes and take action (Basu & Gowsami, 1999; Evans, 1989; Le, 2000). Some Chinese businesses were established to respond to environmental changes (Kloosterman & Rath, 2000), particularly in Auckland (world city) that has intensive connection to the international markets. These businesses are sensitive to any changes within the global economy, although such changes may be inevitable due to the other competing countries.

**Key characteristic (9):** In Auckland, the big Chinese population helps Chinese immigrant entrepreneurs to develop larger businesses and to employ more employees. This conflicts with the Aldrich and Waldinger (1990) model. In contrast, the Chinese immigrant entrepreneurs in Hamilton have to maintain smaller scale businesses and employ only a small number of employees.
It was found that more than half of the interviewees expressed happiness with entering the Chinese ethnic market (see Figure 8.1). Auckland has the biggest Chinese population in New Zealand. Interviewees from Hamilton envied doing Chinese business in Auckland. Mr PHm34 (health product & souvenir retailer) said, “I believe that although the Chinese ethnic market in Auckland has very high competition, it is better than Hamilton. We have a very small number of the Chinese customers.”

![Figure 8.1 Are they happy with entering the Chinese ethnic market?](image)

It was found that the Chinese business in Hamilton does not grow fast. In Auckland, the same types of Chinese businesses can grow larger and more rapidly than in Hamilton. This is demonstrated by comparing businesses in Auckland and Hamilton. For instance, 15 years ago, Mr PHm40 (health products and souvenir retailer in Hamilton) started-up a retail shop selling New Zealand health products and souvenirs to both overseas visitors and local customers, and was popular with both Chinese and non-Chinese customers in Hamilton. He also exported local New Zealand health products to Taiwan and mainland China. His export business occupies about one third of his overall business. He employed five staff to maintain the shop. Mr PHm40 stated that due to the small Hamilton population, he had to find a large market in Taiwan and mainland China. He found two distributors in mainland China who sold the products in the Chinese market. In contrast, Mr PAk2 (souvenir retailer in Auckland) started-up his business 10 years ago. His business has expanded rapidly in the past few years, into eight shops located mainly in Auckland but with three outside Auckland. He said:
My first shop was on Dominion Road, central Auckland. I promoted my products heavily through the Chinese media and my business became well known in the Chinese community which stretches to all areas of Auckland. Many Chinese from other parts of Auckland rung me and asked if we had branches near them. Four years ago, I opened other seven branches in the city districts of North Shore, Waitakere and Manukau. All the branches were doing very well because of the blooming Chinese population in each area. Now, we have 38 employees.

Due to the small population in Hamilton, Chinese immigrant businesses serving only Chinese customers are in a disadvantaged situation, as an example Mr PHm34 (health product & souvenir retailer in Hamilton) was an international student in Auckland and immigrated to New Zealand after he graduated from the university in New Zealand. He stated:

I was encouraged by the successful story of Mr PAk2 (souvenir retailer in Auckland) whose business has grown very well and extended into eight retail branches throughout Auckland and New Zealand. His shops are all located in modern buildings and decorated well which attract many Chinese clients who trust his products and services and his products’ prices are very competitive. I learnt a lot from studying his business in Auckland.

One year ago, he started-up his first souvenir retail shop in downtown Hamilton. He believed that his business could be successful and eventually better than Mr PAk2’s business. He rented a very modern building as a retail shop, with good quality and nice looking facilities. He employed six staff and offered a wide range of products at the low prices. He described business environment:

We are the biggest Chinese health products and souvenir retail shop in Hamilton. The other Chinese shops are all small, family owned and operated in their homes. These owners are the descendants of former generations of Chinese immigrants. We do not feel any competition from them.

He targeted Chinese tourists and residents. However, his business was not ideal because of a limited number of Chinese immigrants in Hamilton. Chinese tourists were also limited. He regretted that he did not consider entering the local market. Although he wanted to change the focus of his business from Chinese to the local market, he did not know how to and it was too difficult. He dreamed of doing business in Auckland. He believed that although the market in Auckland is very competitive, it is better than having no customers
at all in Hamilton. He has expressed that he was considering downsizing his shop because it was ‘too big’.

Similarly, Ms PHm36 (private school owner) obtained a degree in engineering in the same way as her father and then became a teacher. She did not have business experience in China. In 1997, she and her husband immigrated to New Zealand. She explained that she came to New Zealand because she wanted her daughter to have better opportunities to study at university. She stated:

In China, there is intense competition among students. They have to study very hard from their primary school years to high school. All parents hope that their children will go to university. However, few can go to top universities. We wanted our daughter to have an easy and happy life. Meaning that we came to New Zealand to give her educational opportunities with less competition than in China.

In 2001, Ms PHm36 found that many Chinese international students came to New Zealand. She set up a language school in Hamilton to offer mainly English training to these Chinese international students. She promoted the school through the media and agents. She said:

Business was good in 2003 because Chinese students came, but due to changes of the economic environment, Chinese students now go to other countries. In addition to this, the majority of Chinese students are concentrated in Auckland where they have more opportunities to find courses and work.

Her husband went to Beijing to open a recruitment office, but failed to bring Chinese students to New Zealand because they preferred to go to Australia. A small number of students come mainly to Auckland because there are more Chinese agents and students there than in Hamilton. In May 2008, Ms PHm36 asked her colleague to look after her school in Hamilton while she went to Australia with her husband for better business opportunities.

From the preceding examples, Chinese immigrant entrepreneurship in the Chinese ethnic markets in Hamilton fits the Aldrich and Waldinger (1990) model that the co-ethnic markets restrict business growth. Immigrant businesses in the limited industries usually produce poor profits. But in Auckland, where ‘the larger the ethnic market, the greater the immigrants’ business opportunities’ (Evans, 1989) potential business growth opportunities
were evident. This finding conflicts with the Aldrich and Waldinger (1990) model. The reason behind this is that the New Zealand’s patterns of immigration have changed over time (Kloosterman & Rath, 2000), with recent trend showing more incoming business and skilled immigrants, alongside ethnic consumers including tourists and international students. These modern Chinese immigrant consumers brought money from their country of origin (Li, 1993). They have intensive buying power and can form a large ethnic market at times. Chinese immigrants’ improved purchasing power enables modern Chinese immigrant entrepreneurs, particularly in world cities (e.g., Auckland) (Li & Teixeira, 2007; Price & Benton-Short, 2007) to access a huge market that is connected with the Chinese market in China. This factor promoted Chinese business growth in Auckland. However, being influenced by global environment changes, this growth is temporary. In what is to follow, this study discusses how different opportunity structures of Chinese immigrant entrepreneurship in Auckland and Hamilton influenced the behaviour of Chinese entrepreneurs.

**Key characteristic (10):** In Auckland, the Chinese immigrant entrepreneurs are faced with intense competition and are under more stress innovating their services and products to meet the changing demands of the market, than those in Hamilton.

It was found that although the majority of interviewees in Auckland expressed happiness with the Chinese ethnic market size, they suffered from the lower market prices, high competition, bargain hunting and an unstable market that are influenced by global environment changes. Ms PAk9 (travel agent) said:

I am happy with the Chinese tourism market. However, we have to work very hard because the competition is very high. A poor profit is the result of the price competition. Another problem is that the Chinese immigrant market is unstable; it is influenced by immigration policies and the competition in the tourist industry globally. You know, many other western countries have opened their doors to Chinese visitors and students.

It was found that in Auckland, they battled for innovating new ways of doing business. Ms PAk20 (house furniture maker) said, “We rely on increasing the number of the Chinese customers because low profit is earned for each unit sold. Standard operation is not always fine because the clients want to bargain.”
Ms PAk16 (students recruitment agent) explained that five years ago, some educational agents competed with each other by the method of so called sharing schools commissions with students. They gave part of the school’s commission to their clients to attract students. Others learnt to do the same, otherwise, they would have no clients. Then, some agents promoted the International English Language Testing System (IELTS) courses because some students could not achieve high enough scores to enter universities. Finding that some students could not achieve ‘rapid progresses’ in language training centres, some agents found schools where IELTS was taught by Chinese teachers. They promoted these schools because these teachers knew the students’ needs and enabled them to progress quicker. In addition, agents found that some students wanted to immigrate to New Zealand, so they promoted courses which allowed graduates to find employment and immigrate to New Zealand. The problem is that when these new entrepreneurial inventions were accepted and popularised, many other agents followed suit. These new ‘product leaders’ then have to continue developing new programmes to attract students.

In addition, immigration policies change frequently and the agents have to find new courses to meet the students’ needs. Mr PAk4 (student recruitment agent) said, “We have to monitor the market changes closely to update our products by contacting the different schools in Auckland because there are many schools. These schools have different courses.” Besides putting an emphasis on the influences caused by changes, the study in China shows that the Chinese are very demanding customers. For instance, “[I]t is impossible to sell second-rate technology in China, as the Chinese want the best. China is often the first place we introduce a new technology” (Dominique de Boisseson, Chairman and CEO, Alcatel China; quoted by Fernandez & Underwood, 2006, p.132); and “[T]he expectation of the picture quality of the colour TV is very high in China. It may not even be so high in Japan” (Seiichi Kawasaki, Director and President, Sony China, quoted by Fernandez & Underwood, 2006, p. 179). Innovation is critical when competing with Chinese entrepreneurs in the Chinese ethnic market. By comparison, the situation in Hamilton is different. Mr MPHm37 (student recruitment agent) explained that in Hamilton, there is only one university, fewer schools and a limited number of Chinese student recruitment agents who focus on recruiting students from China. The small number of Chinese students in Hamilton provides agents with limited business opportunities. They targeted mainly the overseas markets. Mr MPHm37 said:
We work for the university, recruiting students from overseas. The students get their learning plan before they come to Hamilton, so they follow the plan and study in New Zealand. Chinese agents and/or Chinese media do not influence them as strongly as in Auckland. Our clients remain in a stable relationship with us. In addition, we can contact the university and very easily change the programmes if students want to do so because we do not need to transfer them to another institute.

The above examples indicate that a small Chinese population results in limited business opportunities in the Chinese immigrant markets for Chinese immigrant entrepreneurs in Hamilton (Evens, 1989; Spoonley & Meares, 2009) which lowers the level of competition. Chinese immigrant entrepreneurs have stable businesses that do not need to change frequently to compete with other competitors. But in Auckland, Chinese immigrant businesses face intense competition in an unstable Chinese ethnic market, and consequently, the Chinese suffer higher stress caused by the need to continuously innovate their services and products (Fang & Brown, 1999) to meet the changing demands of the market and/or to compete with their competitors. They also have more flexible and far-reaching entrepreneurial behaviour than in Hamilton.

8.5 Strategy one: engaging local experts

Key characteristic (1): In the Chinese ethnic market, to access ownership, Chinese immigrant entrepreneurs in the professional, capital intensive occupations also encounter barriers (e.g., licensing requirements). They work with local ‘experts’ to obtain licence; employ non-Chinese employees to create a multi-cultural team and produce a good image to maintain local networks and attract Chinese clients and particularly by meeting delegates of China government officers.

It was found that most interviewees met barriers when they started-up and operated their professional services. These included high requirements for entering the industry (Crothers, 2007). The different language and cultures (Beal & Sos, 1999; Ho et al., 1998; Light, 1979) and unfamiliarity with industry’s regulations were emphasised. For example, Ms PAk12 (immigration consultant in Auckland) received a bachelor’s degree and then became a teacher in China in the 1980s. She had two years of business experience prior to immigrating to New Zealand 15 years ago. She started-up as an immigration consultant 10 years ago. She employed six employees and rented an office in downtown Auckland.
immigration law requires the immigration advisers to obtain licences before May 2009, she thought she could not get a licence because she could not pass the English examination to achieve the International English Language Test System (IELTS) 7.0 that is required by law. Fortunately, one year later, she has passed the IELTS 7.0 and obtained the licence.

Being unfamiliar with the industry regulations and laws, many respondents were upset when dealing with local authorities. Pak 20 (house furniture maker) said:

> We have to familiarise ourselves with law, to avoid complications. For example, I asked one former staff member to leave, that staff member went to the Department of Labour and charged me. I did not know how to manage these things that time.

Pak 24 (Chinese medical doctor) explained:

> Language difference is also a problem that causes misunderstandings between Chinese immigrants and mainstream society. In addition, it is not easy to enter the local market because of the different values and beliefs among people of different cultural backgrounds. For instance, it is very hard for non-Chinese people to trust my skills here, but in China, I was in a public hospital as a specialist, people respected me.

This study found that working with local ‘experts’ was a strategy used by immigrant entrepreneurs to overcome barriers against entering into local and professional services.

**Case one:** Ms Pak14 (immigration consultant) maintained a successful business in Auckland as an immigration consultant over the past eight years. Her company has had a very good reputation and registered thousands of clients. The company is well known for dealing with complicated immigration cases such as highly skilled resident permit applications and business investment immigration applications. Meanwhile, she helped students to apply for student visas and work permits. The majority of her clients were Chinese. In 2009, there was a change of regulation, whereby all consultants required a licence to operate and one of the requirements for obtaining a licence was to acquire the IELTS 7.0 band. This requirement was too difficult for her. She stated:

> Law ask applicants for having a high IELTS score, but I cannot pass that because that requirement is so high, I believe even some Kiwis cannot achieve it. However,
local people are not required such test. Law does not require them evidence of any qualifications, anyone can apply, but we have to pass an English test.

Ms Pak14 was not happy with this policy and worried about her company’s future; “I have to close down my company without a licence. But it is part of my life.” Later, Ms Pak14 supported one local person to apply for a licence because that person is not required to take IELTS. Ms Pak14 trained him in immigration law to handle applications and that person obtained a licence under her company’s name. Her company can continue to operate.

Case two: Ms PHm36 (private school owner) studied her master’s degree in Waikato university ten years ago. In 1999 Chinese students began to come to New Zealand. She found that it was possible for her to register a private school in New Zealand. She approached New Zealand Qualifications Authority (NZQA) for an application. She said:

NZQA told me that I have to complete the application forms which include the quality management system. Meanwhile, I also need to design programmes which should be approved by NZQA in advance. At that time, I did not have New Zealand experience; it was not easy for me to write such documents in a short period. In addition, designing courses need to consider many issues such as staff selection standards, training resources and courses structures as well as programmes regulations.

She prepared the documents by herself, but it took time and the progress was very slow. She explained:

I was not familiarised with New Zealand’s way of management at that time and had many questions from NZQA. In addition, I felt that NZQA did not trust me. Finally, I invited a university staff who helped me to design the courses.

She also asked a local person to act as the school’s principal. She said, “I employed a principal because the students and agents trust local people more, especially if they come to study English, they do not believe me because I am a Chinese whose native language is Mandarin rather than English ...” Moreover, the strategy discussed below of engaging with local people was emphasised.
**Case three:** Ms PAk9 (travel agent):

A multi-cultural team can produce a good image and give our customers a better feeling. Meanwhile, local employees are good at maintaining a stable supplier and distributor in the local channel. For instance, they can express themselves clearly when contacting airline companies and outside organizations because they have good English. Moreover, it is important to arrange our local staff to meet the delegates of Chinese government, to discuss business cooperation because Chinese people believe that local people can bring the local markets to them.

Working with local people was one of the strategies used by Chinese immigrant entrepreneurs to find local resources and customers. Case one and two are about immigration consulting and language training businesses which serve mainly the Chinese from China. Their clients are influenced by China’s economic and institutional changes. Case three shows that building a multi-cultural team can produce a good image to facilitate them operating their businesses.

It was found that contemporary Chinese immigrant entrepreneurs invited local experts for the purpose of accessing ownerships of professional occupations in the ethnic markets. These occupations in the ethnic markets also required higher entry costs that did not fit the Aldrich and Waldinger (1990) model. Meanwhile, employing non-Chinese employees was a strategy to overcome language and cultural differences and the lack of local social networks (Beal & Sos, 1999). The benefits include, firstly, non-Chinese employees communicating with local non-Chinese customers, suppliers and distributors easily (Fernandez & Underwood, 2006). Secondly, their skills in making local products are good. Thirdly, they build a nice organisational and multi-cultural image which attracts Chinese customers, particularly the delegates of Chinese government officers. The reason behind this is that modern Chinese immigrant entrepreneurs entered into professional, capital intensive occupations to serve the Chinese ethnic market which demand high standard services and luxury products. The contemporary Chinese immigrant entrepreneurs have to employ ‘experts’ and non-Chinese staff to operate their services.
8.6 **Strategy two: employing young Chinese graduates**

**Key characteristic (2):** Employ young international Chinese graduates to meet the Chinese customers’ cultural needs and lower the operational costs. Chinese students need jobs for residential permits in the host country and/or for job hunting in the country of origin where overseas work experience is required.

This section explores the strategies contemporary Chinese immigrant entrepreneurs use to recruit cheap and professional staff. Many respondents stated that finding the right staff is difficult. Mr Pak 27 said:

>This is partly because some people rely on the welfare assistance from Work and Income. There is no big difference in income between being employed and unemployed. Employees do not work hard. It is not easy to find the right staff. You see, the right one sometimes might not have legal status.

In addition, interviewees stated that their business costs are higher in New Zealand. Mr Pak 24 (Chinese medical doctor) explained, “In New Zealand, the Chinese ethnic market is small. It is hard to earn big money because staff wages and office rent are expensive. You cannot lower the costs.” Having a similar feeling, Mr Pak 21 (travel agent in Hamilton) said,

>In 2000, I was eligible to immigrate as a business entrepreneur immigrant. It is fine to earn small money, it is hard to earn big revenues because the costs are high. Staff wages and office rentals are expensive and high tax rates, impede business owners to lower the costs.

The strategy is to employ young Chinese graduates in New Zealand. The benefits include meeting Chinese customers’ cultural needs and lowering operational costs. Mr PHm35 (Chinese chef): “We run a Chinese restaurant. Chinese staff meet Chinese restaurant’s characteristics. So, local people accept our services.” It was found that the majority of Chinese professional businesses focused on the Chinese ethnic market. Therefore, having Chinese staff to serve Chinese clients was a key strategy to meet customers’ cultural needs. Mr Pak4 (student recruitment agent) stated:

>Our clients are mainly overseas Chinese students whose English is not good when they first come to New Zealand. Our Chinese young staff can communicate with
them easily. In addition, these student clients like to tell their ideas to our Chinese staff because they feel that the non-Chinese staff could not understand them. Our young Chinese graduates have had experience of being international students, so new students trust them.

In addition, Chinese owners can communicate with their staff more effectively through using Chinese norms and values (Li, 1993; Wu, 1983). Mr PHm32 (advertiser & newspaper owner): “Our Chinese staff know the cultures of both East and West. They hold New Zealand higher qualifications and specialise in design. They can speak both Chinese and English.” Cleaner, Mr Pak15’s employees were all Chinese. He said, ‘Chinese employees are diligent, conscientious. My English is poor, but they understand me quite well because we communicate in Chinese’. There were at least two reasons for Chinese graduates to look for jobs in New Zealand. One reason was for residential permit application purposes because New Zealand immigration policies favour resident permit applicants who have gained employment and/or job offers from New Zealand employers. Another reason was that Chinese graduates need overseas work experience before returning to China. An increasing number of overseas Chinese graduates are returning to China. Chinese employers are now requiring overseas work experience as well. Hence, this gives them the incentive to seek vocational experience. The above reasons pushed young graduates to compete for work experience in the employment market which benefits Chinese immigrant businesses. Mr PAk13 (lunch bar owner) said:

I am always asked by ‘knock on door’ job seekers, including Chinese students who accept a lower pay if I could offer them a job position. They work hard and can communicate easier with me and save me money as well.

As the preceding shows, offering job positions to young graduates is a strategy to solve the short term supply of the right staff and lower the operational costs. Mr PHm32 pointed out the problem: “Chinese students are not stable, especially young graduates who leave immediately when they have acquired resident permits.” Nevertheless, employing young international Chinese graduates is a strategy to meet the Chinese customers’ cultural needs and to lower the operational costs that are influenced by the immigration policies of New Zealand and the requirements of the employment market in the country of origin.
8.7 **Strategy three: selling company shares to business immigrants**

*Key characteristic (3):* New Zealand companies sell their companies’ shares to Long Term Business Visas (LTBV) applicants - a strategy for collecting money for their business operations which was influenced by New Zealand immigration law and the growing economy of China.

This section explores the strategies contemporary Chinese immigrant entrepreneurs employ to obtain capital. In this study, the majority of interviewees stated that it is too hard to use funds from the bank. Here is an example. Mr PAk13 (lunch bar owner) received a master’s degree in China and then worked for the local government as an officer. He had had no business experience before coming to New Zealand. In the 1990s, he and his family immigrated to New Zealand. He went to a New Zealand university to study for his second master’s degree. Meanwhile, he worked for a Chinese firm as a manager before he bought a lunch bar from a European owner. At that time, he was more than 50 years old. His daughter earned a degree in law and worked for a legal firm in Auckland.

He owned a lunch-bar with his wife. They employed two employees. His customers were local workers from nearby. He expressed that the lunch bar business allows him to turn over his money very quickly. He explained,

> I started the lunch bar business in the morning and then I got money back immediately from customers who paid for their food. It kept my cash flow. This way, I solved money shortage problems. This was the reason why I decided to take up a lunch bar business.

He hoped to enlarge his business scale but he was faced with barriers. He stated, “Finance is barrier that keeps me from enlarging my business scale because I cannot borrow money from the bank.” Since he lost hope of enlarging his business scale and could not afford to operate this physically demanding small business as he became older, he sold his bar and became a real estate agent.

It was found that, rather than borrow bank loans, contemporary Chinese immigrant entrepreneurs sold their companies’ shares to sustain their financial health.
In 1999, New Zealand immigration policies offered ‘Long Term Business Visas (LTBV)’ to overseas applicants who wanted to immigrate to New Zealand through the Entrepreneur Category. LTBV offered applicants two years permits to enable them to start businesses before considering their resident permit applications. Subsequently, if their businesses were successful, they could immigrate to New Zealand under the Entrepreneur Category. But one condition was that “established or purchased, or made a substantial investment (more than 25 percent of the shareholding of a business) in a business operating in New Zealand” (New Zealand Immigration Act 1987). Some New Zealand companies sold their companies’ shares to LTBV applicants which was a strategy to collect money for their business operations. Ms Pak16 (students recruitment agent) was a LTBV applicant seven years ago. She consulted with an immigration consultant who then introduced her to a travel and tourism company that sold her 25 percent of their shares. She said:

That small travel and tourism company had only two people and met financial difficulties. I was told that their loan application was refused by the bank, therefore, they had to sell 25 per cent of the company shares to me. My immigration agent told me that many companies solved their finance problem through this method.

Ms PAk 6 (Chinese newspaper owner) said:

Before 2005, the immigration agents always asked me for selling shares to business immigrants, we accepted two investments and bought a house for our business uses as office. This way, we developed our business a lot. Nowadays, there are not many LTBV applicants because New Zealand raised the English requirements, so many of them could not meet that and went back to China. Later, Chinese international students become a bridge role between their parents in China and Chinese businesses in New Zealand. Some Chinese parents want to invest overseas through their sons and daughters’ aid. I noticed that some students asked me for opportunities to invest in New Zealand. They preferred to work with local Chinese immigrants entrepreneurs to access some industries and businesses.

Chinese immigrant entrepreneurs collected investment funds by selling their company shares. These companies did well because New Zealand immigration policies favoured Chinese business applicants investing in New Zealand. Meanwhile, Chinese economic advances enabled Chinese people to accumulate investment capital.
8.8 Strategies used in Auckland and Hamilton

The literature review shows that in Auckland where the Chinese population is involved in temporary visa holders, Chinese immigrant entrepreneurs have long and short-term customers whose purchase level is influenced by the Chinese socio-economic and political environmental changes. They also brought their purchasing habits and experience from China. This was not the case for Chinese immigrant entrepreneurs in Hamilton where the Chinese population is smaller and stable, consisting of mainly Chinese immigrants who are permanent New Zealand residents and/or citizens. It is suggested that Chinese immigrant entrepreneurs should have different ways to compete in Auckland (a world city) and Hamilton (a non-world city). This section explores these strategies.

Key characteristic (4): In Hamilton, Chinese immigrant entrepreneurs tend to keep in close contact with the Chinese customers. In Auckland, the Chinese tend to use lower prices, develop unique products and focus on promotion.

Good ‘customer service’ was suggested as strongly contributing to businesses success. Mr PHm38 (finance broker) stated:

I found that new immigrants are very sensitive about how we treat them. If we are careless, then they do not return. If we look after them kindly, they will return and bring others in.

Ms PHm39 (student recruitment agent) stated:

We should have a balanced mood. We do not just want to earn money. In fact, we will be rewarded when we really want to help others because our customers feel that and become our friends and introduce us to their friends.

Ms PAK20 (house furniture maker) stated, “Customers would come back if they felt happy. For instance, 80 percent of our clients were our old customers and the customers who were introduced to us by our old customers.” Mr PAK19 (beauty centre owner) said that in order to achieve their customers’ satisfaction they never over-rate their services, so customers can not be disappointed when they leave. Mr PHm34 (health product & souvenir retailer) said:
We are always sincere towards our customers. We follow the rules and never cheat customers. This is important. For instance, if we over estimated what we could do, but we could not actually do it, our customers would feel disappointed with us and then they might tell others and never return.

Ms PHm36 (private school owner) explained that offering good customer service is easy. She said, “When I do business, I always tell myself that I am a volunteer, just helping others.” To maintain relationships with their clients, Chinese immigrant entrepreneurs kept contacts, organised parties and offered attractive packages. Mr PHm37 (student recruitment agent) said:

I maintain my clients’ information in files and keep it on my computer. I monitor my clients’ data every day to find out who will have their birthday soon, and who needs to extend their permit in New Zealand, so I can contact them on time. In addition, I invite my clients to visit my house during weekends, to have a Barbeque, or go on a trip together to maintain the relationship. I need to do so because other competitors also search for clients through their old customers. I might lose my clients if other agents took them away. Sometimes, I have to offer more attractive packages than other agents do to keep my clients with me.

The above shows that Chinese immigrant entrepreneurs operate their businesses through reliance on their relationships with clients (Collins, 2002; Ip, 1990; Lever-Tracy et al., 1991). This value is embedded in Chinese traditional culture that places emphasis on ‘client guanxi’ (客户关系). The Chinese immigrant entrepreneurs in Hamilton focused on the local market. They have placed importance on networks in the local markets more than those in Auckland (see Table 8.17).

Table 8.17 Are networks important for doing business in the local market? By locations

<table>
<thead>
<tr>
<th>City</th>
<th>Are network important for doing business in the local market?</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Yes</td>
</tr>
<tr>
<td>Auckland</td>
<td>44.8%</td>
</tr>
<tr>
<td>Hamilton</td>
<td>90.0%</td>
</tr>
</tbody>
</table>
Chinese interviewees from Hamilton explained that they pay attention to customer relations and offer quality products and services to keep their customers happy. Their aim is to form a long-term relationship with their clients.

Mr PHm31 (real estate agent in Hamilton) stated:

I have a small number of Chinese clients. I have to build trust between us, keep them coming back. To achieve this goal, good word of mouth is key. I have to do two things: first, offer good service, I try my best to select the best products for my clients and provide them with detailed information. I go to visit properties with my clients any time they want. Secondly, my job is to promote myself and my services to my customers. I pay attention to improving my personal qualities both professional knowledge and good manners. Having professional knowledge and good manners are important in gaining customers’ trust. I can confidently give my clients advice because I am knowledgeable and have rich professional knowledge. When I answer my customers’ questions with specialised knowledge and with good manners, my customers start to trust me as a professional person, who they can give job to. I find that personal qualities, including social experience and previous work experience are all helpful. You see, most 40 year old and older real estate agents do very well because they have intensive work experience and wide knowledge which means they are good at understanding the needs of others and being able to read their thoughts, find common interest areas and make friends with their customers.

This finding fits the model of Aldrich and Waldinger (1990) that immigrant entrepreneurs offer extra services and deliver their services to customers’ doors to maintain a close relationship with clients (Ding, 2002). Mr PHm31 (real estate agent in Hamilton) paid attention to improving his ‘personal quality’ (Evans, 1989; Le, 2000). These efforts were aimed at keeping loyal customers. Chinese immigrant entrepreneurs in Hamilton have kept their traditional behaviour in the ethnic market.

**Key characteristic (5):** the Chinese immigrant entrepreneurs in Auckland could lower their product prices to attract a large number of customers. Although gaining a low profit from each sale, they could earn a high profit through selling more products. In Hamilton, the Chinese have to keep their prices constant and higher because they only have a small number of the Chinese customers.

The ‘Low price’ was used in Auckland. For example, Mr PAk2 (souvenir retailer) said, “We sell New Zealand local products; in fact the products are the same as in other shops, but we offer a lower prices to attract more customers, in turn, we profit through selling
more.” It found the majority of Chinese immigrant entrepreneurs served the Chinese ethnic market in which competition was high. Some often lowered prices in order to compete in the market. Some interviewees complained about offering low prices because they were pushed into the situation. They were told if they did not cut the prices then the clients would go to other service providers. Mr Pak27 (Chinese chef):

Three years ago, we started to serve Chinese visitor teams from China. The travel agent organised the visitors to come to my restaurant for lunch and dinner. Gradually, our restaurant changed to focus on the visitors market. We definitely lost our local clients who felt crowded and did not like the noise. At the beginning, we offered a reasonable price package to the travel agent. But, gradually, we found we got competitors who also wanted to serve visitors and offered lower price packages to the travel agents. The travel agents came to tell me that if I did not offer a similar price then he would take the visitors to other restaurants. I could not refuse because if I did the restaurant would have to close its doors due to having lost both the local and the visitors’ markets. No way, I had to lower the price. I am worried if the agents ask me to cut the prices again that there will be no profit at all.

The above example shows that although some Chinese immigrant entrepreneurs did not like lowering their prices, they were forced to follow the price competition that resulted in receiving a little profit for their businesses. If they did not lower their prices then they would have no clients at all. Therefore, for this reason, offering a low price was still a strategy to keep their businesses going. Nevertheless, who are the price cutting leaders? Some interviewees stated that they would offer lowest prices to attract customers in order to dominate the market. They cut their prices because they wanted to have customers. Other interviewees were mainly followers who were new to the industries. Their products and services were made by learning from others. Ms PAk20 (house furniture maker) stated:

I would like to become a follower because it is not necessary for me to spend money and time to promote new products. I do not know if the new products would be welcomed in the market or not. It is too dangerous to be a pioneer. I like to follow others. When a new product is popular, I develop it and sell it at a lower price; so I get more clients because most customers like cheap prices.

Another reason is that cutting the price to attract customers helps them sell their products and services faster, so they get their money back quickly because they need money for their business operations. Ms Pak17 (travel agent) stated, “Although cutting prices is not good, it
is better than keeping higher prices and having no customers. I need money every day for my business operation.”

Ms PAk9 (travel agent) argued that using lower price strategy achieves market occupying rates only. She said, “When the competitors were beaten, I gained a big market and then I charged high prices again and/or offered new products at higher price to gain a profit.” Nevertheless, some other respondents did not agree with this. Ms Pak16 (students’ recruitment agent) said:

   Many new Chinese business people have no previous business experience. When they become business people, they think the only way to compete in the market is by offering cheap prices. It is not a good strategy because they eventually shutdown if they continually lower the prices, despite the odd few that win.

Traditionally, Chinese culture puts an emphasis on ‘JiaLian WuMei’ (i.e., good products for a low price). Being influenced by the competition strategy used in China (He, 2005; Zhang, 2006), some recent Chinese immigrant entrepreneurs cut prices in order to compete in host countries.

In comparison, in Hamilton, a small Chinese population does not favour Chinese entrepreneurs in the Chinese ethnic market, so Chinese entrepreneurs do not use low prices to compete because they have to pay attention to their overall profit. Most respondents from Hamilton stated that they have to focus on quality as opposed to quantity. A respondent from Hamilton described the different competition strategies used by him. Mr PHm32 (advertiser & paper publisher) in Hamilton:

   The Chinese in Auckland have a bigger piece of the Chinese ethnic market than in Hamilton. The Chinese immigrant entrepreneurs in Auckland can lower their product prices to attract a large number of customers. They profit by using low prices to sell more. Nevertheless, in Hamilton, we have to keep our prices constant and higher because we only have a small number of the Chinese customers.

In addition, some interviewees from Hamilton argued that the low price strategy does not work because low prices produce poor quality that does not attract returning customers. The interviewees stated that Chinese businesses in Auckland area can use ‘selling once’ (have one trade to each client only) because newcomers come every day. These businesses
still have clients even if old clients do not return. Hamilton has a smaller number of Chinese clients. Returning clients are critical to business success. Mr PHm32 (advertiser & paper publisher) in Hamilton stated:

A Chinese media company in Auckland extended its business to Hamilton once, by offering the low price strategy to attract clients to publish advertisements in their papers. But they failed because their design was very rushed. They wanted to offer low prices and had to lower the costs by providing limited time for the designers to design advertisements. By comparison, the local community accepts our advertisements. We maintain the relationship with our clients by delivering products to their doors and discussing our design with them until they are happy. The quality of the advertisements had different results that influenced the decision made by the clients if they wanted to go back again. That company closed one year later because a very limited number of clients went back.

Chinese immigrants have to use different strategies (Aldrich & Waldinger, 1990; Kotler and Armstrong, 2004; Thompson and Strickland, 2001) in Auckland and Hamilton. In Auckland, where new immigrants ‘flow’ through day by day, it is harder for Chinese immigrant entrepreneurs to manage their clients. They tend to use ‘selling once’ and the ‘low price’ to compete in Auckland (Kotler and Armstrong, 2004; Thompson and Strickland, 2001). But the low prices affect the quality of their products and services, therefore, this strategy is less preferred for the Chinese immigrants in Hamilton.

**Key characteristic (6):** In Auckland, publishing a big advertisement that occupies an entire page of the newspaper with a series of articles and participating in radio and TV promotional programmes regularly are effective ways to find Chinese clients. In Hamilton, small advertisements are enough.

‘Effective promotion’ was used to attract clients. It was found that the majority of interviewees used Chinese media to promote their products and services. In Auckland, Chinese media includes Chinese newspaper, 24-hour radio broadcasts and a 24-hour free Chinese TV channel. Chinese immigrant entrepreneurs can publish their advertisements using these media outlets. For instance, Mr PAk1 (lawyer) was a well-known person in the Chinese community because he hosted a one hour radio programme on the Chinese radio station once a week. His radio programme announced local events or invited well-known people from mainstream society for interviews. Mr PAk2 (souvenir retailer in Auckland), a successful business owner, promoted his business by offering a two hour music session
each week where listeners could request songs on air on Chinese radio program for free.

Ms PAk10 (insurance broker in Auckland) said:

We invest a lot of money in advertisements in Chinese newspaper, radio and TV to promote our team and services. We also send our newsletters to our clients every three months. We try to make our clients feel that we are the best broker who has a specialised team. We show them our achievements every day so they will trust us and believe that being our clients is the right choice.

Ms PAk25’s (loan broker in Auckland) customers were mainly Chinese people. She was a well-known person in the Chinese community in Auckland because she regularly wrote articles about real estate investment in Chinese newspaper. She explained, “When my Chinese customers read my articles, they believe in my specialised knowledge. Hence, they trust me as a professional person and use my services.” Ms PAk5 (insurance broker in Auckland) stated, “Big sized advertisements are the most effective tools to attract Chinese customers. Chinese trust companies that publish large-sized advertisements because they believe that the company is capable of doing business well.” Most interviewees claimed to publish advertisements because they wanted to tell customers that their businesses were still alive and so they can find their phone number easily when they want to contact them. Ms PAk26 (private school owner) said, “We have to spend money on advertising in the papers otherwise clients would go to other schools.”

Traditionally, when the Chinese military fought with the enemy, they first ‘FABU’ [发布] (announce): who they are, what they do and why they fight with the enemy, to obtain support from the people (Zhang, 2006). This has been used in business competition in China. They announce their products and services’ value widely through advertisements in order to fight with their competitors. As China is a big market, Chinese entrepreneurs are willing to spend large amount of money to put their advertisement on air and/or in Newspaper and they expect to receive returns from the spending due to the large population of the Chinese market (He, 2005).

Promotion through Chinese media was considered important by the interviewees in Auckland. The intense competition among Chinese businesses in the same sector encourages Chinese to compete by advertising their products and services heavily. The
interviewees expressed that in Auckland advertising is an effective way of finding Chinese clients because there are a large number of new Chinese immigrants, students and visitors in the market. In Hamilton, the purpose of their advertisement is different from Auckland because the smaller population creates less competition between Chinese businesses within the sector. The purpose of their advertisements is just to inform the public that these businesses exist. Mr PHm37 (student recruitment agent) stated:

In Auckland, I saw so many Chinese advertisements. The advertisements are big; some of which occupy the whole page. The advertisements publish details on how good and how attractive and cheap their products and services are and how their businesses are different from others in the same sector. Nevertheless, in Hamilton we simply publish small advertisements to tell the public what occupation we undertake and where we are. That is all. Clients come if they need such services.

‘Unique product’ was high priority because some interviewees disliked cheap price. They focused on offering services and products which were of good quality and/or different from others to avoid the price competition.

Key characteristic (7): In Auckland, Chinese immigrant entrepreneurs focus on the innovation of their products and services which are of good quality and/or different from others, and/or enter into new occupations in order to avoid the price competition.

For example, Mr Pak1 (lawyer) believed that a critical factor for achieving business success could be expressed in the words ‘I can do what others cannot do.’ Ms Pak26 (private school owner) said, “We had a product that was popular four years ago. We were the only service provider of this product at that time. I believe that good products and efficient marketing strategies can facilitate business growth rapidly.” Mr PHm35 (Chinese chef) said:

My business is good because I can cook Beijing duck to meet their tastes. Offering the right product is an effective strategy to attract client. In addition, my products and services are different from others to avoid competition. I receive feedback from customers, so I understand what the local customers want.

Ms PAk26 (private school owner) said:

We have to do what others do not do so we can charge a reasonable price. Actually, it is not easy selling new products before customers understand it ... I am upset
when I invest ‘big’ money, energy and time to introduce my new products successfully and then others follow and come into this market by offering a lower price ...

Using the strategy of offering new products that are different from others sometimes involves uncertainty and risk factors (Kotler & Armstrong, 2004; Thompson & Strickland, 2001). It is viewed as a dangerous strategy because it is hard to know if customers will accept them or not. If the product becomes popular through the promotion then the owner can receive a good price. They have to develop new products continually because there are sure to be followers (He, 2005; Zhang, 2006).

Entering a new sector, in which fewer competitors come from the co-ethnic group can also achieve a similar result as producing a new product does. Take Ms PAk30 below as an example. Ms PAk30 (liquor store owner) received a bachelor’s degree and worked for a factory as an engineer in China. Twelve years ago, she and her family immigrated to New Zealand. Before she came to New Zealand she thought of taking any work available in New Zealand in order to earn a living. In New Zealand she worked for a number of Chinese businesses. She became a greengrocer’s helper, a flower shop assistant and a Chinese restaurant waitress. After one year of living in New Zealand, she and her husband bought a Chinese takeaway restaurant in South Auckland. They employed three chefs. She looked after the front counter orders while her husband worked at the back with the other chefs. One year later, another Chinese takeaway restaurant opened near her shop, making the profit decline rapidly. She sold her business and bought a liquor store. She was happy with her liquor store because it has a stable market and there are no other Chinese people operated similar businesses nearby. She explained that having a unique business helped to avoid high competition with others.

Focusing on offering a unique product is a popular competition strategy called ‘NIWU WOYOU’ [你无我有] (we should have what our enemy do not have) (He, 2005; Zhang, 2006) in China. It is an effective way of competing without cutting prices. The study shows that European entrepreneurs have also used this strategy when they competed in the Chinese market in China. A European entrepreneur stated that “To keep moving, continually upgrade to stay ahead of competitors” (Fernandez & Underwood, 2006, p.132). The studies (e.g., Fernandez & Liu, 2007; Kuang, 2009; Sull & Wang, 2005; Zhang &
Baker, 2008) provide helpful guidance (e.g., strategies) for immigrant entrepreneurs, so they can learn about the competition in China.

The above discussion shows that instead of using the price cutting strategy, some recent Chinese immigrant entrepreneurs focused on competing through product innovations that is a traditional competition strategy in China.

In the same way as the majority of ethnic businesses in mainstream society, successful businesses of contemporary Chinese immigrants are associated with the quality of their products, customer service, marketing and prices which are all addressed in modern business management literature (e.g., Kotler and Armstrong, 2004; Thompson and Strickland, 2001). This shows that business management theory in general can also be applied to contemporary immigrant business management (Kloosterman et al., 1999; Kloosterman & Rath, 2001), particularly in Auckland (world city). Furthermore, Chinese immigrant entrepreneurs are doing so because they are influenced by the Chinese business competition culture such as in the ‘Sunzi Binf [孙子兵法] and Entrepreneurial Strategy’ (Zhang, 2006). This Chinese business competition culture places an emphasis on ‘JiaLian WuMei’ [价廉物美] (i.e., good product at a low price) and ‘NIWU WOYOU’ [你无我有] (we should have what our enemy do not have) and ‘Client Guanxi’ [顾客关系] (i.e., the personal relationship with customers) as well as ‘FABU’ [颁布] (publication announcement).

Overall, Chinese immigrant businesses in the Chinese ethnic market are influenced by the size of the Chinese populations and the location of Auckland as a world city where the Chinese entrepreneurs pay attention to price, promotion and product difference, but in Hamilton, as a non-world city, they focus on customer service.
8.9 Summary of the chapter

It was found that socio-economic and political environmental changes in both New Zealand and China influenced both the ethnic and the non-ethnic markets. In particular, the Chinese ethnic market has unstable demands which are influenced by economic and political environmental changes in the country of origin and the host country. The markets, Auckland, a world city and Hamilton, a non-world city have different level of demand changes. Entering the local markets in Hamilton, Chinese businesses gain a stable market in which they can charge a reasonable price due to less competition. Nevertheless, their businesses are small and employ only a small number of employees. Entering the ethnic market in Auckland, Chinese immigrant businesses have the opportunity to develop in bigger business scale and employ more employees. Chinese immigrant entrepreneurs are under high stress innovating their services and products to meet the changing demands of the market than in non-world cities.

It was found that working with local people is one strategy used by Chinese entrepreneurs to operate in the professional occupations which respond to their local industries’ requirements and the demands of their clients who are influenced by economic and institutional changes in both the host and the country of origin. Moreover, employing young Chinese is a strategy to meet the Chinese customers’ cultural needs and to lower their business’s operational costs. This strategy is influenced by the immigration policies of the host country and the requirements of the employment market in the country of origin. In addition, some Chinese immigrant entrepreneurs obtain finance indirectly through the influences of New Zealand immigration law and due to the Chinese growing economy. Influenced by Chinese culture and experience in China the Chinese, in Hamilton, tend to keep in close contact with Chinese customers to maintain the Chinese markets. In Auckland, Chinese entrepreneurs have customers whose purchasing power is influenced by global market changes, including the New Zealand and Chinese socio-economic and political environment changes. Chinese customers brought their purchasing habits and experience from China. Chinese immigrant entrepreneurs tend to use low prices, unique product development and they use different promotional strategies to compete with others.
CHAPTER 9: CONCLUSIONS, RECOMMENDATIONS AND LIMITATIONS

9.1 Overview of the study and findings

9.1.1 Openings in the study of immigration and the purpose of this thesis

The recent literature on immigrants (e.g., Li & Teixeira, 2007; Spoonley & Bedford, 2003), document that contemporary international immigration is a complex phenomenon, characterised by first of all a blurred boundary between the country of origin and the host country (Spoonley & Bedford, 2003; Wong & Ng, 2002) as some countries such as China become both (Li & Teixeira, 2007). Because of globalisation, immigrants from China have kept in close contact with their country of origin (Spoonley & Meares, 2009). Secondly, contemporary immigrants consist of both high and low skilled immigrants (Li & Teixeira, 2007; Liu, 2000) and temporary visa holders who study, work, travel and invest in their host countries such as New Zealand (Benson – Rea, Haworth & Rawlinson, 1998; Forsyte, 1998; (Zhang & Brunton, 2007). Finally, the appearance of world cities such as Auckland in New Zealand (Li & Teixeira, 2007; Price & Benton-Short, 2007) awakes people’s attention to their attractiveness in recruiting highly skilled immigrants (Ewers, 2007).

This thesis argued firstly, that the country of origin plays an increasingly important role in influencing immigrants’ economic activities. Secondly, high and low skilled immigrants have different characteristics in their economic activities. Thirdly, between the large metropolitan area (the world city) and the small city (the non-world city), immigrant entrepreneurs use different opportunity structures and strategies to operate their businesses.

This thesis explores the main research questions of ‘How do changes in the country of origin influence the characteristics of high skilled Chinese immigrant entrepreneurs? How do changes in the country of origin influence the opportunity structures and business operational behaviours of high skilled Chinese immigrant entrepreneurs in a large metropolitan area compared to a small city - each with a different co-ethnic population sizes? These were achieved through exploring a sample of Chinese immigrant entrepreneurs in Auckland and Hamilton in relation to three areas: their characteristics in modern society, their opportunity structure and the strategies they use in Auckland and
Hamilton, based on the Aldrich and Waldinger (1990) model. The qualitative method adopted in this study was in-depth semi-structured interviews for data collection. Seventy-seven Chinese immigrants from China were interviewed. In addition, this study used data from the 2006 New Zealand census and Longitudinal Immigration Survey: New Zealand.

9.1.2 Research findings are different from the existing theoretical models

Overall, it was found that highly skilled Chinese immigrant entrepreneurs have brought their unique skills and goals to their host countries. They have different group characteristics from earlier generations of Chinese migrants to NZ that formed their own cultural and commercial characteristics. In addition, the differences between their population sizes and locations caused opportunity structures and business operational behaviour differences, in particular, between large metropolitan areas (the world cities) and small cities (the non-world cities). For example, it was found that in Auckland, Chinese immigrant entrepreneurs in professional, capital-intensive occupations in the Chinese immigrant market, also encounter barriers (e.g. licensing requirement) to access ownership. The big Chinese population helps Chinese immigrant businesses to develop a larger business scale and employ more employees. In the non-ethnic market, the interethnic competition is still high. Chinese immigrant businesses do not gain greater opportunity for high success. These findings conflict with the Aldrich and Waldinger (1990) model. Nevertheless, in Hamilton, compared to Auckland, Chinese immigrant entrepreneurship fits more with the Aldrich and Waldinger (1990) model.

This thesis reviewed and summarised the Aldrich and Waldinger (1990) model (the AW Model, see Appendix VI). Meanwhile, a new model (the Zhang Model, see Appendix VII) has been introduced which can best explain contemporary high skilled Chinese immigrant entrepreneurship differences particularly between large metropolitan areas (the world cities) and small cities (the non-world cities). By comparing the two models, contemporary Chinese immigrant entrepreneurs in the Zhang Model have different group characteristics from earlier generations in AW Model. The key feature of the difference is that earlier generations of immigrant entrepreneurs relied heavily on their ethnic resources such as family and co-ethnic workers, but highly skilled Chinese immigrants utilise mixed ethnic and non-ethnic resources such as non-Chinese partners, employees, resources and/or resources from their country of origin. In addition, differences exist between the models
regarding ‘opportunity structures’ and ‘strategies’. As stated above, in Hamilton, Chinese immigrant entrepreneurship in the Zhang Model fits in more with the AW Model than in Auckland where a large number of immigrants are concentrated. It was found that Chinese immigrant entrepreneurship differ between Hamilton and Auckland. The differences include that Chinese immigrant entrepreneurs in Auckland are likely to serve the Chinese ethnic market, but in Hamilton, Chinese immigrant entrepreneurs have to focus on entering the local market. More Chinese immigrant entrepreneurs expressed happiness with the local non-ethnic market in Hamilton due to less competition between Chinese immigrant businesses. The opportunity structure in the non-ethnic market is greater. Chinese immigrant entrepreneurs in Hamilton focus on the local market, hence, they emphasise networks in the local market. It was found that in Auckland, there were more Chinese companies with connections with overseas companies than in Hamilton. They have strong networks and *guanxi* with their business partners in mainstream society and/or overseas countries. Chinese immigrant entrepreneurs in Auckland employ both Chinese and non-Chinese employees. Their businesses are either family businesses or partnerships and registered liability companies, with the potential to grow larger in scale. In Hamilton, there were more Chinese immigrant entrepreneurs who expressed that their businesses are family businesses and they tend to employ Chinese labourers more than in Auckland. Chinese immigrants in Auckland are sensitive to economic environmental changes and like to take action in response. They suffer higher stress innovating their products to meet the changing demands of the Chinese ethnic market than in Hamilton.

**9.1.3 Why did these differences occur?**

Two major areas caused the differences between the two models.

a). The AW Model is about old ethnic, low skilled immigrants who were poor, with limited education, spoke little English, operated small family business such as market garden and greengrocery, and relied on family unpaid members (Waldinger, 1993). By comparison, the highly skilled Chinese immigrants in the Zhang Model are generally middle class, highly educated, able to communicate with mainstream society, operate more professional and skill-intensive services companies such as agencies, legal and accounting firms and employ both Chinese and non-Chinese employees. These are the differences between the two models.
b). The Zhang Model recognised that social economic and political environmental changes in the cities, country of origin, host country and the international market influence the opportunity structure of Chinese immigrant entrepreneurship. However, the AW Model has paid insufficient attention to the above factors which is where it differs from the Zhang Model. The Zhang Model has identified the external environmental influencing factors below. Firstly, environmental changes in the host country influence the opportunity structure of immigrant entrepreneurship (Kloosterman & Rath, 2000). For instance, New Zealand implemented economic reforms in the 1980s to favour all private sectors. In the same way as other New Zealanders, Chinese immigrant entrepreneurs are able to run their businesses not only in labour intensive occupations but also in the capital-intensive professional occupations (Liu, 2000). In addition, in 1986, following in Australian and Canadian footsteps, New Zealand immigration policy changed to welcome applicants who can contribute to New Zealand’s economy (Bedford, Ho, & Lidgard, 2001; Hiebert, Collins, & Spoonley, 2003; Li, 2008; Spoonley & Bedford, 2003; Trlin, 1997). Meanwhile, this study found different levels of social impacts of the host countries on Chinese immigrant businesses between world cities (Auckland) and non-world cities (Hamilton) (Li & Teixeira, 2007) due to their different Chinese population sizes (Evans, 1989), locations and local economic environments (Kloosterman et al., 1999; Pio, 2007b). Consequently, more Chinese immigrant entrepreneurs in world cities have interaction opportunities with the Chinese community than in non-world cities. This is because a world city, compared to the smaller/rural cities, has the advantage of keeping closer links with the international market (Li & Teixeira, 2007). This creates the different opportunity structures between world cities (e.g., Auckland) and non-world cities (e.g., Hamilton). In Auckland, this world city has attracted a larger number of temporary visa holders from China. They demonstrate the characteristics of the Chinese ethnic market as large, unstable in population size with dynamic purchasing habits and strong purchasing power. All of which are directly influenced by the economic and institutional changes in mainland China. It was found that this niche market influenced high skill immigrant entrepreneurs, whose unique characteristics are defined as ‘Trans-Migrate Entrepreneurs (TMEs)’ i.e., immigrant entrepreneurs in this thesis who targeted clients from their country of origin.

Secondly, beyond the impact of the external environmental changes in the host country on the opportunity structure of immigrant entrepreneurship, it was found that the
environmental changes in the country of origin also influenced the opportunity structure of immigrant entrepreneurship, particularly in world cities. In 1978, the Chinese economy also underwent dramatic reforms. As a result, a proportion of the Chinese population gained more and intensive human and financial capital sufficient for fulfilling the immigration requirements of advanced nations such as New Zealand, Australia and Canada (Dollar, 2007). Subsequently, a large number of Chinese immigrants came to New Zealand and other advanced countries through highly skilled, business investor categories (Benson – Rea et al., 1998; Forsyte, 1998; Li, 2008). Highly skilled immigrants are mostly attracted to, and immigrate to, New Zealand and other advanced countries. Differently to low skill immigrants in predominant industries (e.g., food and accommodation) (Spoonley & Meares, 2009), highly skilled immigrants are capable of joining the capital-intensive professional occupations (Ip, 2006; Li, 2008). Particularly, according to the statistics of the government agencies from China, Australia, Canada and New Zealand, a large number (i.e., more than 10 million, see Appendix VIII) Chinese people went abroad each year for education, business and tourism – forming a huge consumer market in their host countries. The Chinese consumers require not only daily-use goods but also capital intensive, professional services and/or luxury products. External environment changes have shaped a unique opportunity structure for Chinese immigrant entrepreneurship worldwide which has created an international community for Chinese immigrant entrepreneurs in countries such as New Zealand, Australia, Canada and the USA to target and serve mainly the Chinese consumers all over the world. Therefore, it is an international phenomenon. Such a phenomenon is fundamentally different from the activities of Chinese immigrant entrepreneurs three or more decades ago. The change can be accounted for by their country of origin – China – playing an important role in influencing and connecting overseas Chinese immigrant entrepreneurs worldwide, particularly in world cities such as Auckland, New Zealand and Vancouver, Canada (Li & Teixeira, 2007; Price & Benton-Short, 2007). In turn, highly skilled Chinese immigrant entrepreneurs have formed an international community, or a ‘Trans-Migrant Entrepreneurs (TMEs)’ community in advanced countries such as New Zealand, Australia, Canada and the USA. Different countries’ different social and economic factors may influence the TMEs to develop their own entrepreneurship characteristics. Nevertheless, the common feature shared by TMEs is that they respond to economic growth in the country of origin, and take advantage of such growth to find commercial opportunities in their host country to serve co-ethnic customers (including
visitors and international students from their country of origin) and their business activities tend to be of a transnational nature. This means that the entrepreneurships of the TMEs are shaped and influenced by the dynamic economic, social, and political changes in the country of origin and host country simultaneously. Such an international phenomenon is fundamentally different from activities of Chinese immigrant entrepreneurs three or more decades ago.

It found that generally speaking, between the 1980s and 1990s, Chinese people had a negative attitude towards self-employment in China because the opportunities for self-employment were constrained in China e.g., media industries which were unavailable to private firms. Other impeding factors include high company registration fees and limited guanxi which could deter them from accessing business opportunities. Nevertheless, in New Zealand, Chinese immigrants used their human capital acquired in China to develop local knowledge and experience through accessing both ethnic and non-ethnic resources. Recent economic changes in the country of origin (China) offer entrepreneurial opportunities, mostly in world cities, to Chinese immigrants who were attracted to serve Chinese clients in their host countries. However, faced with the pressures of language difficulty, cultural barriers and discrimination from the employment market and work place, these middle class immigrants started-up their businesses (Light, 1979; Li, 1997; Spoonley & Meares, 2009). Even though more Chinese immigrants entered into a broader range of professions than earlier generations (Liu, 2000), they primarily serve the Chinese ethnic market and/or the non-ethnic markets that are linked to either the Chinese ethnic market or the Chinese market in China.

Thirdly, technology changes influence the opportunity structure of immigrant entrepreneurship. With the assistance of new technologies (Landolt, 2001), the TMEs can easily communicate with their business partners and clients in either the host country or the country of origin by phone, internet, visual talk and fax. In this way, they are able to look after the extended service chains from their country of origin to their host country.

Fourthly, the international immigration movement influences the opportunity structure of immigrant entrepreneurship. For instance, advantages of the world city, such as globalisation, enables the TMEs in world cities to keep in closer contact with global
markets and have more interaction opportunities with new Chinese immigrants such as tourists and students than Chinese immigrant entrepreneurs in non-world cities (Li & Teixeira, 2007). Such differences create the different opportunity structures between world cities (e.g., Auckland) and non-world cities (e.g., Hamilton). In Auckland, this world city attracts a larger number of temporary visa holders from China that defines the characteristics of the Chinese ethnic market as large, unstable in population size with dynamic purchasing habits and strong purchasing power, all of which are directly influenced by mainland China’s economic and institutional changes.

Overall, the above factors influence the opportunity structure of Chinese immigrant entrepreneurship in Auckland and create totally different niches from that in the opportunity structure model (Waldinger, 1986).


9.2 The concept of trans-migrant entrepreneurs (the TMEs)

9.2.1 Who are trans-migrant entrepreneurs (the TMEs)?

The TMEs are immigrant entrepreneurs who directly target mainly co-ethnic markets that are connected to their country of origin. The TMEs are not ‘astronauts’ who travel abroad purely for economic gains and remittances for their families in their host countries. The TMEs operate their businesses in their host country and stay with their family. Normally, their potential clients are in their country of origin; their clients are in their host country. They are TMEs because they look after their host country customers from their country of origin. They operate their businesses through mainly transnational economic activities.

The TMEs are mainly highly skilled immigrants who hold intensive class resources in their host country. They respond to economic growth in the country of origin and find the commercial opportunity in their host country to serve co-ethnic customers from their country of origin. They are mainly service providers in occupations such as legal, financial, real estate, insurance, education, immigration sectors and/or travel and associations. Their subordinate chain occupations are mainly accommodation, food and souvenir retailers.

9.2.2 Where are the TMEs?

The TMEs are mainly located in the world cities where international students and/or tourists are concentrated. These world cities include Auckland in New Zealand; Sydney and Melbourne in Australia; London in the UK, New York and Los Angeles in the USA; Toronto and Vancouver in Canada. There are some associated cluster areas where tourists are organised to visit additional sightseeing places, such as Rotorua in New Zealand. Sometime, the TMEs set up branch offices in their country of origin and employ local people as staff to approach their clients in their country of origin.

9.2.3 What do the TMEs do?

It was found that the Chinese TMEs undertook professional occupations to take care of their Chinese clients from mainland China. Meanwhile, a wider Chinese community is served in their host countries. These occupations consist of lawyers who help Chinese clients, including immigration applicants. Immigration agencies offer advice to Chinese immigration applicants regarding immigration matters. Real estate agencies facilitate new
immigrants, international students and Chinese investors to access the real estate market.

Travel agencies book tickets and organise tours to Chinese tourists. Private training establishments offer English and university foundation courses to Chinese international students. Education agencies recruit and enrol Chinese international students on behalf of universities and schools. The common characteristic is that the industry authorities in the above occupations all require the licensing. In addition, insurance agencies offer health and travel insurance services to Chinese students and tourists. They like to promote the view that they are a member of professional associations such as the Independent Dealer Association (IDA). Loan agencies provide bank loan services for real estate and business investments to new immigrants, international students and Chinese investors. They like to use Chinese media to promote the view that they have obtained the host country’s qualifications and have work experience in banks. Chinese medical doctors sell Chinese medicine to Chinese tourists and students. Their high qualifications and work experience as Chinese medical experts are advertised.

The following service providers provide the subordinate services of the TMEs’ service chain. Health products and souvenir retailers sell souvenirs and host country manufactured health products to the Chinese tourists. They are appointed by the TMEs (i.e., Travel agencies). Normally, the shops are situated around tourist routes, for instance, near highway entrances. Chinese restaurant owners offer lunch and dinner services to Chinese tourist groups; they are appointed by the TMEs (i.e., Travel agencies). The restaurant is usually required to have a big space in order to accommodate big groups. Takeaway restaurant owners provide fast food to local communities. Some of whom are selected to supply their fast food to the Chinese tourist groups because they are located around tourist routes. Chinese newspaper owners serve the Chinese community and promote the services of TMEs to the Chinese community.

The following service providers do not have close ties to TMEs. They serve wider society in their host countries although Chinese tourists and students occasionally become their clients. Construction contractors cooperate and/or contract with the Chinese investors to develop real estate. Building materials retailers import goods from China and distribute them to Chinese real estate developers. Beauty centre owners and hair salon owners serve mainly Chinese first generations, including occasionally tourists and students. Liquor stores
retailers serve local New Zealanders. However, in this study, a participant’s business also acts as a wholesaler that supplies the alcohol to other Chinese bars and restaurants and serves tourist and student clients occasionally. Lunch bars owners serve local customers and serve tourist and student clients occasionally. Internet Cafés owners serve tourists from all over the world and nearby office staff during their lunchtime. Some such businesses locate near student accommodations; so many international students use these services for internet activities. Photo shop owners serve all customers. Recently such shops have especially promoted luxury marriage photos to the Chinese community. Chinese international students are their main targets. Metal security gate makers serve Chinese real estate property investors. Kitchen furniture makers work with Chinese real estate investors. Cleaning business contractors serve mainly local clients.

9.2.4 Who are the TMEs’ customers?
The TMEs’ customers consist of immigrants, including international students, tourists, immigration applicants, business investors and the country of origin government officers (tourists) at all levels as well as state and private owned enterprise officers (tourists). In their country of origin, their customers and/or partners are mainly government officers at all levels, the state owned and/or private owned enterprise officers, universities and institutions, schools at all levels, educational agencies and potential clients including students and immigrant applications and agents; travel agencies, financial agencies, bank offices and extended family, schoolmates and friends.

The TMEs’ start-up businesses to respond to the market opportunities to serve co-ethnic clients from their country of origin; all of their businesses are mainly dealing with immigrants such as international students, tourists and business investors, meaning that their services are not attractive to the majority of society. However, markets of other non-co-ethnic minority immigrants can be developed. For instance, recently, some Chinese private schools have also recruited Indian international students. Chinese immigration agencies found non-Chinese clients such as Indian and Malaysia immigrants.
9.2.5 The opportunity structure of the TMEs and influence factors

As the TMEs’ businesses were established to respond to changes of the external environment, these businesses are sensitive to any further changes of the external environment. True, their businesses grow faster during particular periods. However, external environment changes will influence the size of the co-ethnic population that is critical to TMEs. Factors relating to cities, host country, country of origin and the competing countries all influence the opportunity structure of the TMEs. Although the world cities (e.g., Auckland) have their advantages that attract highly skilled immigrants, arguably, without a competitive country, a city cannot become a gateway for immigrants. Moreover, to the TMEs, highly skilled immigrants are not the only clients. The co-ethnic market also consists of lower skilled immigrants, tourists and international students. It was found that the external environments of not only the cities and the host country but also the country of origin and other associated countries that compete with the host country all influence the opportunity structure of the TMEs. This is because the TMEs’ competitors are mainly the co-ethnic people of the same sector in their cities, host country, country of origin and/or other countries. The TMEs’ competitive advantages depend on the position of their host country in the international market. When their host country has more competitive advantages than its competitor countries and when their country of origin has stronger economic growths, the TMEs could obtain greater opportunities. The influence factors relating to host country and origin are detailed below:

Firstly, the host country’s favourite factors below could enlarge the opportunity of the TMEs, including good economic environment and political policies promote entrepreneurship and business freedom. Favourable immigration policies that have the advantage of facilitating immigrants to find potential job and/or study opportunities can attract their co-ethnic people to come. Other factors include a safe environment and good reputation and a lower foreign exchange rate can also attract more co-ethnic people to come. Maintaining a good relationship between the host country and the country of origin promotes its socio-economic advantage in the country of origin. When the host country has advantages in terms of the above factors over their competitors’ countries, the TMEs gain great opportunity. Otherwise, their opportunity will be decreased.
Secondly, the socio-economic environmental changes of the country of origin influence the opportunity structure of the TMEs in their host countries. For example, the Chinese Ministry of Education has a “Foresee Warning” programme that from time to time publishes the negative side of schools in other countries to influence prospective students’ decisions. The favourable factors relating to the country of origin below could increases opportunity of the TMEs. These include when the government promotes the host country of the TMEs. When the influences of the industry agencies and/or opinion leaders favour the host country of the TMEs opportunity increases; e.g., when the country of origin experiences good economic seasons; and/or when their foreign exchange rate is going up; and when personal development opportunities such as employment and/or study are limited. Otherwise, the TMEs’ opportunity decreases.

9.2.6 The strategies used by the TMEs for starting-up and company sustainability

TMEs utilise mixed resources that combine ethnic resources with the non-ethnic ones. In particular, they serve mainly the ethnic market that relies on non-ethnic resources and non-ethnic employees to meet ethnic customers’ demands for non-ethnic products and goods.

TMEs employ ‘experts’ to obtain licences. They employ non-ethnic employees to create a multi-cultural team that can produce a good image and maintain local networks; they particularly meet the delegates who are the country of origin government officers. Furthermore, they employ young international students and/or graduates to meet the co-ethnic customers’ cultural needs and lower operational costs because the students and/or graduates need jobs for residential permits in the host country and/or for job hunting in the country of origin where overseas work experience is required. The TMEs sell their companies’ shares to business immigration applicants – a strategy for collecting money for their business operations, influenced by the host countries’ immigration law and the growing economy of the country of origin.

In world cities (e.g., Auckland), the TMEs can lower their product price to attract a large number of customers, making profit through selling more. They can focus on the innovation of their products and services that are of good quality and/or different from others and/or enter into new occupations to avoid price competition. In addition, they can publish big advertisements that occupy an entire page of the newspaper with a series of
articles and involve in radio and TV promotional programmes regularly to attract their clients.

In contrast, in non-world cities (e.g., Hamilton), immigrant entrepreneurs tend to keep in close contact with their customers and keep their prices constant and higher because they only have a small number of customers; small advertisements are enough.

9.2.7 Their cultural and commercial characteristics

It was found that Chinese immigrant entrepreneurs, including the TMEs have their own characteristics because they have unique goals and skills brought from China. Benefiting from the economic growth of their country of origin, they could receive appropriate high income during the ‘good period.’ For instance, more Chinese immigrant entrepreneurs (e.g. TMEs) were happier with their income than the Chinese employees and Chinese immigrant entrepreneurs in Hamilton. They lived in locations that were considered higher class residential area and in good school zones. They were mostly well educated from the universities of both their country of origin and the host country, normally at postgraduate levels. Their English is good; the majority of them could obtain IELTS 6.0 and above. The majority of them have had work experience in professional occupations in their country of origin. They prefer to send their child to ‘famous’ private schools and/or top ranking schools through either paying large amounts of tuition fees or living in the school zones. They support their adult children abroad to study in world-class universities, particularly in the USA and the UK and/or in the host country universities to study subjects which are associated with capital-intensive occupations such as dentists and/or medical doctors and lawyers. By comparison, they have aspirational orientations toward personal reward, but the majority of immigrant entrepreneurs look for financial rewards. By relying on their class capital, they interact with local friends while living, studying and operating their businesses. They do not work alone. Normally, a group of non-Chinese professional experts stands behind them. These experts manage legal, accountancy, industry regulation and government agency issues. They are committee members and/or business service providers to the TMEs’ organisations. Rather than being interested in forming ethnic ties, they like to be friends and/or business partners with the local people, accept their sons’ and/or daughters’ marriages to non-Chinese partners.
Moreover, in the same way as other contemporary Chinese immigrant entrepreneurs, Chinese TMEs also share the following characteristics: Seeking financial rewards are the primary motivations for starting-up of their businesses. Their seeking financial reward is to support their children’s education and their real estate properties. They watch both English and Chinese television and are involved in local politics. Rather than taking money back to China, they bring money from China to the host country and prefer to invest in host countries for security and long-term benefits. They serve local markets in mainly retail, accommodation and food industries and serve the Chinese ethnic markets, including professional service sectors (e.g., TMEs). The majority of them work more than 40 hours per week. They do not live in their business stores. They are reluctant to help their staff set-up similar businesses. There were no substantial differences between entrepreneurs and employees in terms of their satisfaction with their lives in host countries.

9.2.8 Why the TMEs model is important
The TMEs phenomenon is new and growing. It is necessary to study and understand it. Theoretically, this model study immigration entrepreneurship through exploring the role of the country of origin that bridges the pitfalls that exist in the current models. For instance, both the mixed embeddedness approach and transnationalism model ignore the impact of social political and economic environmental changes in the country of origin on the opportunity structure, characteristics and strategies of immigrant entrepreneurship. This model also considers the impact of the competing countries on the opportunity structure of immigrant entrepreneurship.

Practically, this model essentially contributes to the understanding of contemporary highly skilled immigrant entrepreneurship. For example, the study of the TMEs enables a greater understanding of the phenomenon that contemporary immigrant entrepreneurs today employ non-ethnic staff. Furthermore, this model also explains how Chinese immigrant entrepreneurship changes from its traditional image as small, poor business, to ones resembling native entrepreneurship today. The TMEs model helps to understand the differences between highly skilled and low skilled immigrant entrepreneurs in traditional predominant industries such as the food and accommodation occupations. The model also introduces the different opportunity structures and operational behaviour when immigrant entrepreneurs are in different locations (i.e., world cities and non-world cities).
9.2.9 The contributions of the TMEs and recommendations

TMEs provide channels to enable the co-ethnic people in the country of origin to become internationalised. On the other hand, the TMEs promote the host country in the international market, to assist their host countries’ economic growth. Both their country of origin and host nations should consider offering supportive policies to their entrepreneurship.

9.3 Limitations

Potential bias may result since qualitative methods can provide some migrants’ views or experience, so the sample may not represent the whole research population (Page and Meyer, 2000).

It was found that there were significantly higher percentages of Chinese entrepreneurs who expressed happiness with their income than Chinese employees. The bias is that the age differences existing between Chinese entrepreneurs and Chinese employees; in general, employee participants were younger than entrepreneur participants.

The entrepreneur participants tended to be very successful entrepreneurs who earned more income than the average income earned by the Chinese entrepreneurs reported by the 2006 New Zealand census. The research results represent the situation of a particular period only. Participants have experienced a good New Zealand immigration policy that favoured Chinese immigrants migrating to New Zealand; meanwhile China’s economy has been growing in the last decade.

This study did not include immigrants who did not arrive although their business immigration applications were approved, nor can it include immigrants who have arrived and subsequently left. Their experience was missing.

The employer samples did not include immigrants who had failed and left the industries before the interviews and whose occupations that were not listed on Chinese Yellow Pages. Meanwhile, the employee samples did not include those whose boss had failed and left the
industries before the interviews and those whose occupations were not listed on *Chinese Yellow Pages*.

Research data was obtained through the two-hour interviews only. However, it should be more comprehensive and could be improved through observing and/or working with the participants for a period.

The number of male and female participants was well selected and balanced. But, this study focused less on the study of different characteristics between male and female entrepreneurs.

**9.4 Conclusion**

This thesis explored ‘How do changes in the country of origin influence the characteristics of high skilled Chinese immigrant entrepreneurs? How do changes in the country of origin influence the opportunity structures and business operational behaviours of high skilled Chinese immigrant entrepreneurs between a large metropolitan and a small city - each with a different co-ethnic population size?’ The conclusion is that, due to the economic growths, the country of origin plays an increasingly important role in influencing the immigrants’ goals and skills which shape their characteristics. In addition, the economic growth of the country of origin influences the immigrant entrepreneurial opportunity structures and operational behaviours. The country of origin influences the opportunity structures and business operational behaviours of high skilled Chinese immigrant entrepreneurs in a large metropolitan (i.e., immigrant gateways) more heavily than in a small city (non-immigrant gateways). Therefore, to understand contemporary immigrant entrepreneurship, in addition to the host country, the impact of the economic and politico-institutional environmental changes in the country of origin on modern Chinese immigrant entrepreneurship should be considered. To further explore how the changes in the country of origin influence immigrant entrepreneurship, other research should consider a comparative study between low and highly skilled immigrant entrepreneurship. For instance, how do highly skilled immigrants in non-world city, rely on their resources (ethnic resources? or class resources?) to start-up their businesses in the local, non-ethnic market? In addition, more study is needed for how one child policy impact on Chinese immigrant entrepreneurship.
9.5 Suggestions for further research

This study explored how the external environment of both their country of origin and their host country shaped the characteristics and opportunities of Chinese immigrant entrepreneurship in New Zealand. In the opposite direction, it is interesting to know how Chinese immigrant entrepreneurs influence the external surroundings of their host countries. The following areas can be potential research topics.

This study shows that business opportunities and competing strategies of contemporary Chinese immigrant entrepreneurs are influenced by the changing demands of Chinese immigrants, students and visitors, whose needs are influenced by factors relating to the environmental changes in the host country and origin and globally. This study goes beyond questions of whether Chinese immigrant entrepreneurs influences the demands of Chinese immigrants in New Zealand; and instead, aims to explore what impacts Chinese immigrant entrepreneurs have on the life of Chinese immigrants, students and short-term visitors to New Zealand.

A further research topic could focus on the impact of Chinese immigrant entrepreneurship on New Zealand’s tourism and international education industries. When Chinese immigrant entrepreneurs influence the demands of Chinese immigrants, such as students and short-term visitors to New Zealand, such influences will affect the country’s economy. Future studies could explore what impacts Chinese immigrant entrepreneurs have on New Zealand’s tourism and international education industries.

This study shows that contemporary Chinese immigrant entrepreneurs entered into almost all sectors of the Chinese ethnic market that should influence the lives of the Chinese in New Zealand. Although their services provide more convenience to Chinese immigrant community in New Zealand, little is known about whether or not they could also enhance Chinese immigrants’ living standards. Alternatively, do Chinese immigrant entrepreneurs improve Chinese wellbeing in New Zealand? Both positive and negative issues could be explored further.
Further research should consider the comparative study between low and highly skilled immigrant entrepreneurship. Also, more study is needed for how one child policy impact on Chinese immigrant entrepreneurship.
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Appendices

Appendix I: The Chinese businesses in Auckland

According to 2008 Chinese Business Yellow Pages, Chinese businesses in Auckland include 99 immigration agents, 22 private schools, 27 insurance salespersons, 28 mortgage agents, 30 finance and investment companies, 21 accounting firms, 53 legal firms, 262 real estate salespersons, 14 business salespersons, 25 construction and design companies, 96 building material trades, maintenance and decorating companies such as glass, metal window and doors, lockers, tiles, carpet, plumbing, fibres, floors, electrical trades, kitchen staff, bath, 33 gardening and designing, paintings, roof maintaining companies, 15 kitchen furniture makers, 24 import and export firms, seven international transport companies, 26 home removers, 24 furniture trade companies, 250 restaurants, 28 supermarkets, 18 souvenirs, 72 beauty and hair design, three wedding services, six fashion shops, seven florists, 17 video tapes hires, 13 bars, 11 Karaoke bars, nine internet bars; one fishing tool shop, nine arts designs, 23 advertising agents and sign, 28 printing companies, 16 photographers. 94 health care and Chinese medicine and acupuncture, five optometrists, 12 dentists, four rest homes, three document translation companies, 38 after-school training (language, arts, academic, music and dancing) facilities, 38 electronic equipment repairs, six electricians, eight plumbers, seven other household equipment repairs. 79 computers trade and respires, security equipment companies, 62 travel agencies, 22 hotel and motels, 23 car dealers, six car hires, 17 driver schools, 12 massage and nightclubs, 116 car repairs, four fengshui groups, seven funeral services, 18 Chinese newspapers, two Chinese TV programmes, two Chinese radio stations. There are 61 Chinese associations.
Appendix II: Interview topic guide (for entrepreneurs)

[Demographic and business information]

- Nature and purpose of study
- Confidentiality
- Explain structure of interview - groups of the topics.
- Sign the consent form
- Employment type: (Probable fall in: answers: employee, employer)
- Age [This is an optional to respond] (Probable answers fall in:: 20-24; 25-29 …)
- Gender (Probable answers fall in: Male; Female)
- Marital status [This is an optional question]( Probable answers fall in: married; not married; other)
- How long have you been in New Zealand? (Probable answers fall in: less than 3 years; 4 to 6 years; 7 to 9 years; more than 10 years; other)

[6.1 How NZ and PRC shaped Chinese Attitude on Entrepreneurship?]

- Did you try hard to look for a job before you started-up? (Probable answers fall in: yes/no; other); if yes, what was the experience? If not, why?
- Is self-employment popular in China? (Probable answers fall in: yes/no; not sure; other); why?
- Did you consider taking a blue-collar job before you came to NZ? (Probable answers fall in: yes/no; not sure; other); why?
- If you did not start-up when you were in China, why?
- Have you already thought to enter into entrepreneurship before your migration? (Probable answers fall in: yes/no; not sure); why?
- Why did you enter entrepreneurship in New Zealand?
- What are the important events that support you starting-up in New Zealand?
- Did you have a stable salary or wage paid job before you started-up? (Probable answers fall in: yes/no; other); if yes, why gave it up?
- Why did you enter this business (sector)? Regret?
• Is guanxi important for doing business in New Zealand? (Probable answers fall in: yes/no; other); explain why?
• Overall, comparing with China, what areas do you think is easier for doing business in New Zealand? What are not easy? Why?

[6.2 Human Capital earned in PRC assists Chinese to gain NZ Experience]
• What did you do in China? (occupations)
• Is your business similar to that previously involved? (Probable answers fall in: yes/no; other), if not what was that?
• How long have you run your business in New Zealand? (Probable answers fall in: less than 3 years; 4 to 6 years; 7 to 9 years; more than 10 years; never; other)
• How long have you run your business in China? (Probable answers fall in: less than 3 years; 4 to 6 years; 7 to 9 years; more than 10 years; never; other)
• What New Zealand qualifications did you receive? (Probable answers fall in: no; certificate, diploma, bachelor, master, doctor; other)
• What overseas qualifications did you receive? (Probable answers fall in: no; certificate, diploma, bachelor, master, doctor; other)
• Do you always speak English? (Probable answers fall in: always; use; never; other); why?
• Are work experience and qualifications critical in the success of entrepreneurship? (Probable answers fall in: yes/no; other); why?
• Are your family, friends and the community helpful? (Probable answers fall in: yes/no; other); why?
• Between personal human capital and the ethnic resources which one is most important to modern Chinese immigrant entrepreneurship? (Probable answers fall in: human capital/ethnic resource; other); why?

[6.3 The Characteristics of New Form of Ethnic Resources] [8.4-8.8 Strategy]
• Are you a member of any Chinese organizations? (Probable answers fall in: yes/no; other), if yes, what are the benefits? If not, why?
• What are the important reasons for selecting the present business location?
• What methods do you use to recruit employees?
• What is the important information sources used to start/operate current business?
• Do you rely on Chinese resources for business operation? (Probable answers fall in: yes/no; other); if yes, how and why? If not, why not?
• What are the most important factors contributing to develop Chinese ethnic market?
• What are the most important factors contributing to business success?
• What were the important events that made your business successful?
• Do you depend on your personal saving for capitalization? (Probable answers fall in: yes/no); if yes, why; if not, how and why?
• Do you have other investment? [This is an optional question] (If yes, probable answers fall in: residential property investment; stocks and shares; others), if yes, why do it? If not, why did not do it?
• What are the most important factors contributing to business success? (Probable answers fall in: advertising heavily; offering unique products; cheap price; keep in close contact with potential customers; others) and why and how?

[7.1 The Cultural and Aspiration of Chinese Immigrant Entrepreneurs]
• Are you intending to settle in NZ permanently? (Probable answers fall in: yes/no; not sure; other); why? Or why not?
• Are your friends all Chinese? (Probable answers fall in: yes/no; other); why? Or why not?
• Do you live in a residential area that is concentrated by a large Chinese population? (Probable answers fall in: yes/no; not sure; other); is yes, what are the benefits? Or why not?
• Will you accept if your son or daughter married with non-Chinese? (Probable answers fall in: yes/no; not sure; other); why? Or why not?
• Do you use Chinese calendar? (Probable answers fall in: yes/no; other); why, or why not?
• Do you like to attend the party organized by non-Chinese? (Probable answers fall in: yes/no; not sure; other); why, or why not?
• Do you intend to send Childs to learn Chinese during the holiday? (Probable answers fall in: yes/no; not sure; other); why, or why not?
• Do you take care of local news such as watch local TV, or read the local newspaper? (Probable answers fall in: yes/no; other); why, or why not?
• Do you take care of Chinese news such as watch the Chinese TV, or read Chinese newspaper? (Probable answers fall in: yes/no; other); why, or why not?
• Are you interested in vote? (Probable answers fall in: yes/no; not sure; other); why, or why not?
• Do you consider letting your loyal employees to become your partners? (Probable answers fall in: yes/no; not sure; other); why, or why not?
• Does your business have many other Chinese competitors? (Probable answers fall in: yes/no; not sure; other); if yes, what is happen? If not, why?
• Do you prefer to employ Chinese or relatives? (Probable answers fall in: yes/no; not sure; other); if yes, why; If not, why?
• Does your family live in their stores? (Probable answers fall in: yes/no; other); if yes, why? If not, how?
• Is your business a family business? (Probable answers fall in: yes/no; not sure; other); why, or why not?
• Does your wife/husband help your doing business? (Probable answers fall in: yes/no; others); why, or why not?
• Are all of your employees Chinese? (Probable answers fall in: yes/no; others); why, or why not?
• Do your children help your doing business? (Probable answers fall in: yes/no; other); why, or why not?
• Do you invest or intend to invest heavily in New Zealand if you earned money? (Probable answers fall in: yes/no; not sure; other); why, or why not?
• Do you employ manager? (Probable answers fall in: yes/no; not sure; other); why, or why not?

[7.2 Aspirations and Lifestyles are associated to Economic Situations]
• What is your business goal? (Probable answers fall in: growth; profitability; others) why?
• Do you own the house? [This is an optional question] (Probable answers fall in: yes/no; other)
• Do you have more than one house? [This is an optional question] (Probable answers fall in: yes/no; other); if yes, how many?
• How many average total hours do you work per week? (Probable answers fall in: less than 40 hours; 40 to 50 hours; 50 to 60 hours; more than 60 hours; other)
• Do you work on weekends? (Probable answers fall in: yes/no; other); if yes, why? If not, why not?
• How many times that your family spent holiday outside Auckland per year? (Probable answers fall in: more than 2 times a year; 1 to 2 times a year; never; others); why?
• How often do you spend weekends with your family such as shopping, dinner and or film? (Probable answers fall in: 1 to 2 times a week; once a fortnightly; once a monthly; never; others); why and what?
• How do you define business success?
• Is your business successful?
• Were you always worried about your business or work’s future? (Probable answers fall in: yes/no; other); why?
• Do you believe that coming New Zealand is right choice? (Probable answers fall in: yes/no; not sure yet; other); why?
• Do you have the opportunities to attend New Zealanders’ parties? (Probable answers fall in: yes/no; other); why? Or why not?
• Do you always attend Chinese parties? (Probable answers fall in: yes/no; other); why? Or why not?
• If you found a stable white-collar job earning $50,000 or above annually, will you give up your business? (Probable answers fall in: yes/no; other); why yes? Or why not?
• Comparing with wage paid Chinese, are you happy with your income? (Probable answers fall in: yes/no; other), why? Or why not?
• Comparing with wage paid Chinese, are you happy with your life? (Probable answers fall in: yes/no; other), why? Or why not?
• Overall, do you have a happy life in New Zealand? (Probable answers fall in: yes/no; other), why? Or why not?
[8.1 The markets in which the Chinese businesses were found]
[8.2 How NZ and PRC’s factors impact on entrepreneurial opportunities?]
[8.3 The Opportunity Structure in Hamilton and Auckland]

- What are barriers for doing business in New Zealand?
- What is your business annual profit? [This is an optional question] (Probable answers fall in: 0; less than 50,000; 60,000 to 100,000; more than 100,000; other)
- Who are your main customers?[This is an optional question] (Probable answers fall in: Chinese; non-Chinese; anyone; other), why?
- Does your business link with overseas companies? (Probable answers fall in: yes/no; other) if yes, what was that? If not, why not?
- Does your business require skilled employee/professional experts? (Probable answers fall in: yes/no; other) if yes, what is that? If not, why?
- Is new technology used? (Probable answers fall in: yes/no; other), if yes, what is that? If not, why?
- How many staff do you employ? (Probable answers fall in: no; 1; 2 to 5; 6 to 9; 10 to 15; more than 16; other)
- Are you happy with the entering Chinese ethnic market? (Probable answers fall in: yes/no; other), why?
- Is your company competing with local firms? (Probable answers fall in: yes/no; other), why?
- Why do local customers buy your products (service)? any advantage?
- Does your company involve in the international business? (Probable answers fall in: yes/no; other), why?
- Is government policy important to your business? Why?
- Do you suffer high stress in innovating your services and/or products to meet the changing demands of the market? (Probable answers fall in: yes/no; other); if yes, how? If not, why not?
Appendix II: Interview topic guide (for employees)

- Nature and purpose of study
- Confidentiality
- Explain structure of interview - groups of the topics.
- Sign the consent form
- Employment type: (Probable answers: employee, employer)
- Age [This is an optional to respond] (Probable answers: 20-24; 25-29 …)
- Gender (Probable answers: Male; Female)
- What New Zealand qualifications did you receive? (Probable answers: no; certificate, diploma, bachelor, master, doctor; other)
- What overseas qualifications did you receive? (Probable answers: no; certificate, diploma, bachelor, master, doctor; other)
- Do you always speak English? (Probable answers: always; use; never; other); why?
- Marital status [This is an optional question] (Probable answers: married; not married; other)
- How long have you been in New Zealand? (Probable answers: less than 3 years; 4 to 6 years; 7 to 9 years; more than 10 years; other)
- How long have you run your business in New Zealand? (Probable answers: less than 3 years; 4 to 6 years; 7 to 9 years; more than 10 years; never; other)
- How long have you run your business in China? (Probable answers: less than 3 years; 4 to 6 years; 7 to 9 years; more than 10 years; never; other)
- Did you try hard to look for a job before you started-up? (Probable answers: yes/no; other), if yes, what was the experience? If not, why?
- Do you own the house? [This is an optional question] (Probable answers: yes/no; other)
- Do you have more than one house? [This is an optional question] (Probable answers: yes/no; other), if yes, how many?
- How many average total hours do you work per week? (Probable answers: less than 40 hours; 40 to 50 hours; 50 to 60 hours; more than 60 hours; other)
• Do you work on weekends? (Probable answers fall in: yes/no; other); if yes, why? If not, why not?

• How many times that your family spent holiday outside Auckland per year? (Probable answers fall in: more than 2 times a year; 1 to 2 times a year; never; others); why?

• How often do you spend weekends with your family such as shopping, dinner and or film? (Probable answers fall in: 1 to 2 times a week; once a fortnightly; once a monthly; never; others), why and what?

• Were you always worried about your business or work’s future? (Probable answers fall in: yes/no; other), why?

• Do you believe that coming New Zealand is right choice? (Probable answers fall in: yes/no; not sure yet; other), why?

• Do you have the opportunities to attend New Zealanders’ parties? (Probable answers fall in: yes/no; other), why? Or why not?

• Do you always attend Chinese parties? (Probable answers fall in: yes/no; other); why? Or why not?

• If you found a stable white-collar job earning $50,000 or above annually, will you give up your business? (Probable answers fall in: yes/no; other); why yes? Or why not?

• Comparing with wage paid Chinese, are you happy with your income? (Probable answers fall in: yes/no; other); why? Or why not?

• Comparing with wage paid Chinese, are you happy with your life? (Probable answers fall in: yes/no; other); why? Or why not?

• Overall, do you have a happy life in New Zealand? (Probable answers fall in: yes/no; other); why? Or why not?

• Are you intending to settle in NZ permanently? (Probable answers fall in: yes/no; not sure; other); why? Or why not?

• Are your friends all Chinese? (Probable answers fall in: yes/no; other); why? Or why not?

• Do you live in a residential area that is concentrated by a large Chinese population? (Probable answers fall in: yes/no; not sure; other); is yes, what are the benefits? Or why not?

• Will you accept if your son or daughter married with non-Chinese? (Probable answers fall in: yes/no; not sure; other); why? Or why not?
• Do you use Chinese calendar? (Probable answers fall in: yes/no; other); why, or why not?
• Do you like to attend the party organized by non-Chinese? (Probable answers fall in: yes/no; not sure; other); why, or why not?
• Do you intend to send Childs to learn Chinese during the holiday? (Probable answers fall in: yes/no; not sure; other); why, or why not?
• Do you take care of local news such as watch local TV, or read the local newspaper? (Probable answers fall in: yes/no; other); why, or why not?
• Do you take care of Chinese news such as watch the Chinese TV, or read Chinese newspaper? (Probable answers fall in: yes/no; other); why, or why not?
• Are you interested in vote? (Probable answers fall in: yes/no; not sure; other); why, or why not?
Appendix III: Participant information sheet

Participant Information Sheet

25 April 2007

The Home Country’s role in Shaping Chinese Immigrant Entrepreneurship in New Zealand

I, (Peter) Zhiheng Zhang, am enrolled for a Doctor of Philosophy (PhD) degree in the School of Social Science, Auckland University of Technology. I would like to invite you to participate in a research project that aims to explore the situation of Chinese immigrants’ businesses in New Zealand. I will write a thesis on this research which will contribute to my PhD qualification.

Since 1986, New Zealand immigration policies have attracted many Chinese immigrants to come and live in New Zealand. Many of them have become entrepreneurs. The purpose of this research is to ask questions such as: “What are the reasons for becoming an entrepreneur?” and “How different are business experience in Auckland and Hamilton?”

In the course of this project I will be interviewing Chinese business owners and employees from a number of Chinese businesses and across the sectors in Auckland and Hamilton in New Zealand. I am interested in the daily operation of your business. I am also interested in your perceptions of Chinese immigrants’ business networking issues.

I would like to invite you to an interview and would be extremely grateful if you are able to accept the invitation. The semi-structured interview would be about your previous career and your reasons for becoming an entrepreneur and will cover issues in management, networking and so on. The interview would last about two hours. I would provide a Consent Form for you to complete before we start the interview.

The findings will be available in early 2008 and will be published; you may ask for a summary of the findings by email. If you have any queries, or wish to know more about this study, please contact me or one of my supervisors (details listed on the following page).

Thank you for your participation in this study. It is important to our country’s future that minority immigrants’ entrepreneurship is able to be successful. Hopefully we will find out the best way of doing business in New Zealand and will be able to make good suggestions towards the development of government support programmes.
Please be assured that all personal details will remain strictly confidential. You are under no obligation to accept this invitation, your participation is voluntary and you are free to stop, or withdraw at any time. If you decide to participate, you have the right to:

- Decline to answer any particular question;
- Ask any questions about the study at any time during participation;
- Provide information on the understanding that your name will not be used in any publications resulting from this study;
- Be given access to a summary of the project findings when it is concluded.

Any concerns regarding the nature of this project should be addressed in the first instance to the Project Supervisor, Professor Charles Crothers, School of Social Science, Auckland University of Technology. Email: charles.crothers@aut.ac.nz, work phone: 921 9999 ext 8469; or, Dr Oksana Opara, Senior Lecturer, School of Social Science, Auckland University of Technology. Email: oksana.opara@aut.ac.nz, work phone: 921 9999 ext 5891.

Concerns regarding the conduct of the research should be addressed to the Executive Secretary, AUTEC, Madeline Banda, madeline.banda@aut.ac.nz, 921 9999 ext 8044.

Researcher Contact Details:
Name: Zhiheng Zhang, Mobil phone: 021 1072528, Email: zhizhaa4@aut.ac.nz

Project Supervisor Contact Details:
Professor Charles Crothers, School of Social Science, Auckland University of Technology
Email: charles.crothers@aut.ac.nz, work phone: 921 9999 ext 8428

Dr Oksana Opara, Senior Lecturer, School of Business, Auckland University of Technology. Email: oksana.opara@aut.ac.nz, work phone: 921 9999 ext 5891.

Approved by the Auckland University of Technology Ethics Committee on 9 July 2007, AUTEC Reference number 07 / 27.
信息单

我，张智恒是一名奥克兰理工大学在读博士生。我（调研人）为完成在奥克兰理工大学的哲学博士学位学习的一部分工作。我非常诚恳的邀请您参与这个调研的活动。调研的目的是探讨中国移民企业家在新西兰的生活以及他们对新西兰的一些感受和体会，参与者应是20岁以上。

自1986年以来，越来越多的中国人来到新西兰，很多人自雇做买卖成为了雇主。这个调研将探讨‘您自雇的原因；在中国与在新西兰作生意的不同经历。’这个调研对我们华人生意有很大帮助，希望我们能为华人生意的经营提供一些建议，也建议新西兰政府能提供一些有利的资助政策。

我们将与各行业的雇主及雇员面谈，包括奥克兰及哈密耳顿，我对您的日常工作和生活感兴趣，也对华人移民的关系网与做生意的关系感兴趣。会谈将会占用大约2小时，会谈前请填写同意表。调研结果将公布，在2008年，通过电子邮件您可以要求一个该调研的总结。如果您还想了解更多的信息，请与我或我的指导教师联系。非常感谢您的参与。

参与者的权力：您所提供的任何信息将得到保密，只有调研人和其导师可以看到。所有信息只用于该项调研。您的参与是志愿的，在任何时候您可以停止回答。您有权：

• 停止回答任何问题
• 对该研究提出任何问题
• 您的名字不可以出现在该调研的任何发表刊物上
• 您可以要求一个该调研的总结

所有信息将由调研人安全保管并于五年后销毁。如果您有任何与该调研有关的问题，请与调研人或其指导教师联系。

联系方式：调研人：张智恒，奥克兰理工大学在读博士生，电子邮件：zhizhaa4@aut.ac.nz Phone: 021-1072528
指导教师：Professor Charles Crothers，社会科学分院，奥克兰理工大学，电子邮件：charles.crothers@aut.ac.nz; Phone: 921 9999 ext 8428
指导教师：Dr Oksana Opara 社会科学分院，奥克兰理工大学，电子邮件：oksana.opara@aut.ac.nz; Phone: 921 9999 ext 5891。

这个调研经由奥克兰理工大学人类道德伦理委员会审查为一项低风险的调研活动，并同意授权调研人和其导师开展该调研活动。批准时间：2007年七月九号，奥克兰理工大学参考号：07/27
Appendix IV: Consent to participate

Consent Form

Project title: The Home Country’s role in Shaping Chinese Immigrant Entrepreneurship in New Zealand

Project Supervisor: Professor Charles Crothers, School of Social Science, Auckland University of Technology
Dr Oksana Opara, Senior Lecturer, School of Social Science, Auckland University of Technology

Researcher: (Peter) Zhiheng Zhang

☐ I have read and understood the information provided about this research project in the Information Sheet dated 29 November 2006.

☐ I have had an opportunity to ask questions and to have them answered.

☐ I understand that the interviews will be audio-taped and transcribed.

☐ I understand that I may withdraw myself or any information that I have provided for this project at any time prior to completion of data collection, without being disadvantaged in any way.

☐ If I withdraw, I understand that all relevant information including tapes and transcripts, or parts thereof, will be destroyed.

☐ I agree to take part in this research.

☐ I wish to receive a copy of the report from the research (please tick one): Yes ☐ No ☐

Participant’s signature:

Participant’s name:

Participant’s Contact Details (if appropriate):

Date:

Approved by the Auckland University of Technology Ethics Committee on 9 July 2007, AUTEC Reference number 07 / 27.
同意参加单

项目名称：中国对华人企业（生意）的影响
项目指导教师：
指导教师: Professor Charles Crothers, 社会科学分院, 奥克兰理工大学, 电子邮件: charles.crothers@aut.ac.nz Phone: 921 9999 ext 8428
指导教师: Dr Oksana Opara 社会科学分院, 奥克兰理工大学, 电子邮件: oksana.opara@aut.ac.nz; Phone: 921 9999 ext 5891.

调研人: 张智恒, 奥克兰理工大学在读博士生, 电子邮件: zhizhaa4@aut.ac.nz Phone: 021-1072528

○ 我已阅读信息单（29/11/2006）并得到详细的说明有关该调研，我满意相关的回答。
○ 明白我可以在将来提出进一步的问题
○ 明白探讨将用录音磁带。
○ 明白可以随便停止和收回我的信息。
○ 明白可以随便停止和收回我的信息。那么，信息和录音磁带将被捣毁。
○ 我同意参加这项调研。
○ 我希望受到一个有关结论的复印件 (请选择): 是○ 不是○

参与者签字：........................................................................................................................................
参与者姓名：........................................................................................................................................
参与者联络地点: ......................................................................................................................................

日期:

这个调研经由奥克兰理工大学人类 道德伦理委员会审查为一项低风险的调研活动，并同意授权调研人和其导师开展该调研活动。批准时间: 二 OO 七年七月九号, 奥克兰理工大学参考号: 07/27

注意: 参与者应保留一个复印件
## Appendix V: Participants’ demographic information

### Entrepreneur Participants

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<th>No</th>
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<th>Age</th>
<th>Sex</th>
<th>Education in NZ</th>
<th>Education in China</th>
<th>Speak English</th>
<th>Marital status</th>
<th>Time in NZ</th>
<th>Occupation in China</th>
<th>Business time in NZ</th>
<th>No of employee</th>
<th>Market Entered</th>
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<td>38</td>
<td>Chinese &amp; Tourism</td>
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<td>Teacher</td>
<td>6</td>
<td>0</td>
<td>Chinese &amp; Little local</td>
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<td>4A</td>
<td>Mr Pak4 (Student Recruitment Agent)</td>
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<td>Always</td>
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<td>10</td>
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<td>7</td>
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<td>Chinese</td>
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<td>Time in NZ</td>
<td>types in China</td>
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<td>No of employee</td>
<td>Market entered</td>
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* A couple operate the businesses together. ** ‘A’: interviewee came from Auckland, ‘H’: interviewee came from Hamilton. *** ‘Mr PAk13 (Lunch Bar)” means the 13th participant from Auckland, lunch bar owner. ‘Mr PHm35 (Chinese Chef)’ refers to the 35th participant from Hamilton, Chinese restaurant, Chef and owner.
<table>
<thead>
<tr>
<th>N*</th>
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<th>Age</th>
<th>Sex</th>
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<td>24</td>
<td>F</td>
<td>Bachelor Degree</td>
<td>High school</td>
<td>Sometimes</td>
<td>Not single</td>
<td>7</td>
<td>Health Product School</td>
<td>0</td>
<td>Chinese firm</td>
</tr>
<tr>
<td>35 H</td>
<td>Ms EPHm35</td>
<td>27</td>
<td>F</td>
<td>Master Degree</td>
<td>Bachelor Degree</td>
<td>Always</td>
<td>Not single</td>
<td>8</td>
<td>School</td>
<td>0</td>
<td>Chinese firm</td>
</tr>
<tr>
<td>36 H</td>
<td>Ms EPHm36</td>
<td>28</td>
<td>F</td>
<td>Diploma</td>
<td>High school</td>
<td>Always</td>
<td>Single</td>
<td>7</td>
<td>Health Product Student Recruiter</td>
<td>0</td>
<td>Chinese firm</td>
</tr>
<tr>
<td>37 H</td>
<td>Ms EPHm37</td>
<td>33</td>
<td>F</td>
<td>Master Degree</td>
<td>Bachelor Degree</td>
<td>Always</td>
<td>Married</td>
<td>12</td>
<td>Non-Chinese firm</td>
<td>0</td>
<td>Non-Chinese firm</td>
</tr>
</tbody>
</table>

*‘A’: interviewee came from Auckland, ‘H’: interviewee came from Hamilton*
### Structures Opportunities

**Ethnic product:** ‘protected market’
- Assess to ownership: easy to enter, but high competition with one another;
- Outcomes: limited industries, poor profit, small business, restricts business growth

**Non-ethnic market:** ‘open market’
- Assess to ownership: difficult to enter, licensing; unless niches under conditions
- Outcomes: businesses gain great opportunity.

**Limitations (S 2.2.7)**
- Ignores the influence of the destination economy (Light and Bhachu, 1993);
- It is about the old ethnic immigrants [i.e., poor, low skilled migrants (Waldinger, 1993)]
- Ignores the external environment of the host country (Kloosterman, Van Der Leun & Rath, 1999)

**Argument:**
- Country of origin ALSO influences ‘niches’
- Different external environment create different structures opportunities of Chinese in Auckland and Hamilton.

### Ethnic Strategies

**Labour and finance**
- Recruit cheap labourers: co-ethnic apprentices and family labourers
- Obtain capital: Rotating credit associations and/or personal saving

**Competition strategies**
- Managing relations with customers; Provide special services, extend credit and deliver individual services door to door.
- Surviving strenuous competition: Self-exploitation; Expand the business
- Found associations; Cement alliance
- Protecting themselves-political attacks

**Argument**
- New Zealand supportive policy and the significant human capital of Chinese facilitate them obtaining both ethnic and non-ethnic resources.
- Their strategies should be different from ‘ethnic strategies’ as the changes of their group characteristics and opportunity structures

### Group Characteristics

**Predisposing Factors:** focusing on the skills (human capital) and goals (aspiration levels).

**Argument:** Environmental changes in the host country and the country of origin influence ‘goals and skills’ of immigrants

**Skills (human capital):** “Some immigrant group members have not been able to turn their previous education and experience into positions ... turned to entrepreneurship”

**Goals (aspiration levels):** “Comparison to the native-born, immigrants from POOR country prefer to low profits”

**Limitation (S 2.2.7)**
- Does not know why Chinese entrepreneurs started-up, but the employees did not.
- Does not know how other [other than poor] factors in country of origin influence their goals toward entrepreneurship
- Does not know the aspirations toward entrepreneurship between Chinese entrepreneurs who are poor and wealthy

**Resource mobilisation:** Utilise the ethnic resources available to assist ethnic entrepreneurship

**Argument:** the clients ALSO need luxury goods; ethnic resources cannot do the jobs.
## Appendix VII: High Skill Chinese Immigrant Entrepreneurship between Cities and World Cities [Zhang Model]

### Opportunity Structures

<table>
<thead>
<tr>
<th>Hamilton [City with Small Ethnic Population]</th>
<th>Auckland [World City- Immigrant Gateway]</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Ethnic product markets:</strong></td>
<td><strong>Ethnic product markets:</strong></td>
</tr>
<tr>
<td>• Assess to ownership: They also encounter</td>
<td>• Assess to ownership: They also encounter</td>
</tr>
<tr>
<td>barriers [i.e., licensing requirement].</td>
<td>barriers [i.e., licensing requirement].</td>
</tr>
<tr>
<td>• Outcomes: the ‘AW Model’ works well</td>
<td>• Outcomes: business grows quickly in</td>
</tr>
<tr>
<td></td>
<td>particular periods.</td>
</tr>
<tr>
<td></td>
<td>• Behaviours: suffer higher pressures in</td>
</tr>
<tr>
<td></td>
<td>innovating products to meet changing</td>
</tr>
<tr>
<td></td>
<td>demands than in Hamilton.</td>
</tr>
<tr>
<td><strong>Non-ethnic markets:</strong></td>
<td><strong>Non-ethnic markets:</strong></td>
</tr>
<tr>
<td>• Outcomes: interethnic competition is still</td>
<td>• Outcomes: interethnic competition is</td>
</tr>
<tr>
<td>high. Chinese businesses did not gain</td>
<td>still high. Chinese businesses did not</td>
</tr>
<tr>
<td>great opportunity (S 8.3)</td>
<td>gain great opportunity (S 8.3)</td>
</tr>
</tbody>
</table>

### Conditions:
1. The world city has big co-ethnic population and intensive interactions with international markets; 2. active local economy, 3. favourite immigration policy, 4. economic growth of home country; 5. global competition favours host country (S 8.1 – 8.4)

### Ethnic Strategies

<table>
<thead>
<tr>
<th><strong>Licence, labour and finance (S 8.5-8.7)</strong></th>
<th><strong>Competition strategies</strong> (S 8.7)</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Get license: Engage local experts</td>
<td>• In Hamilton, the Chinese focus</td>
</tr>
<tr>
<td>• Recruit workers: Chinese students</td>
<td>on customer relations. It fits</td>
</tr>
<tr>
<td>• Obtain capital: Sell shares to</td>
<td>AW Model</td>
</tr>
<tr>
<td>migrant</td>
<td>• In Auckland, besides customer</td>
</tr>
<tr>
<td></td>
<td>relations, the Chinese focus on</td>
</tr>
<tr>
<td></td>
<td>low prices, unique products and</td>
</tr>
<tr>
<td></td>
<td>heavy promotion are all emphasised</td>
</tr>
</tbody>
</table>

### Conclusion:

**Survive strenuous competition**

- Self-exploitation (S 7.1.4)

**Conclusion:** Chinese rely on mixed resources; the external environment of both the host country and the country of origin influenced the strategies they used (S 8.5-8.9).

### Group Characteristics

- **Predisposing Factors:** high skill immigrant brought better human capital and varied goals which formed their unique characteristics (S 7.1).
- **Blocked mobility:** disadvantage and discrimination exist in job markets and work place (S 6.1.7).
- **Identify routes:** high skill immigrants transfer their original human capital through utilizing both public and ethnic resources (S 6.2)

### Aspiration levels:

- More entrepreneurs were happier with financial reward than employees. But they had no differences regarding personal reward (S 7.2.1)
- The differences [other than poor] between the host country and the country of origin impacted on high skill immigrants' aspiration toward entrepreneurship (S 6.1.1-6.1.6);
- New owners tend to look for economic reward, old owners focus on personal reward (S7.2.2-7.2.3)

**Conclusion:** The Characteristics of modern Chinese immigrant entrepreneurs are shaped by the social environmental changes of their host country and country of origin and the international markets.

### Resource Mobilisation:

- Utilise the mixed resources available to assist or promote entrepreneurship (S 6.3); particularly, relying on non-ethnic resources, they serve ethnic markets; relying on ethnic and/or home country’s resources, they serve non-ethnic markets.
## Appendix VIII: The top ten countries to which Chinese citizens travelled in the years between 2007 and 2009

<table>
<thead>
<tr>
<th>Answers</th>
<th>2007 rank</th>
<th>2007 travel times</th>
<th>2009 rank</th>
<th>2009 travel times</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Japan</td>
<td>1,458,000</td>
<td>Japan</td>
<td>1,553,000</td>
</tr>
<tr>
<td>2</td>
<td>Korea</td>
<td>1,313,000</td>
<td>Korea</td>
<td>1,474,189</td>
</tr>
<tr>
<td>3</td>
<td>Viet Nam</td>
<td>920,000</td>
<td>Viet Nam</td>
<td>1,343,320</td>
</tr>
<tr>
<td>4</td>
<td>Russian</td>
<td>737,000</td>
<td>U.S.A.</td>
<td>824,214</td>
</tr>
<tr>
<td>5</td>
<td>Thailand</td>
<td>717,000</td>
<td>Russian</td>
<td>684,248</td>
</tr>
<tr>
<td>6</td>
<td>U.S.A.</td>
<td>714,000</td>
<td>Singapore</td>
<td>668,000</td>
</tr>
<tr>
<td>7</td>
<td>Singapore</td>
<td>648,000</td>
<td>Thailand</td>
<td>622,000</td>
</tr>
<tr>
<td>8</td>
<td>Malaysia</td>
<td>573,000</td>
<td>Malaysia</td>
<td>609,000</td>
</tr>
<tr>
<td>9</td>
<td>Australia</td>
<td>398,000</td>
<td>Australia</td>
<td>452,000</td>
</tr>
<tr>
<td>10</td>
<td>Germany</td>
<td>272,000</td>
<td>Burma</td>
<td>272,000</td>
</tr>
<tr>
<td>Others</td>
<td></td>
<td>4,049,000</td>
<td>Others</td>
<td>4,301,000</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>11,800,000</td>
<td>Total</td>
<td>12,880,000</td>
</tr>
</tbody>
</table>

Sources: Bureau of exit and entry administration of the ministry of public security, China. http://www.mps.gov.cn/n16/n84147/n84211/n84424/1295693.html