Immigrants in Business: A Study of Self-employed Immigrants and Their Businesses in New Zealand

Nicola North and Andrew Trlin

NEW SETTLERS PROGRAMME
MASSEY UNIVERSITY
PALMERSTON NORTH
2004
ACKNOWLEDGEMENTS

Our thanks to the 26 mostly recent immigrants who participated voluntarily in the study, each giving of their time and experiences. Your frank responses have collectively expanded our understanding of the particular challenges facing new settlers running their own businesses, and why some prefer self-employment.

We wish to acknowledge also those who assisted in networking with and the recruitment of participants: personnel working with business development agencies, those in immigrant business organisations and migrant centres, as well as those who had personal contacts with self-employed immigrants. Thank you. Without your assistance it would have been difficult to carry out this study.

Our thanks also to: Brigid Higgins and Suellen Woods for transcribing the tapes and inputting data recorded on the questionnaires, respectively; Dr Monica Skinner for checking and advising on tables; Dr Anne Henderson for critically reading a draft of this report; Amie Hammond for her assistance; and to Dr Claire Massey, Director of the New Zealand Centre for SME Research, Massey University, for her comments from the perspective of small and medium sized businesses.

This project is part of the New Settlers Programme at Massey University, supported by funding (1997-2004) from the Foundation for Research, Science and Technology.
EXECUTIVE SUMMARY

A comparative case study of mostly recent immigrants was conducted in Palmerston North and Auckland between January and August 2000, in which data were systematically collected via personal interviews with 26 immigrants running their own businesses.

Objectives

The study set out to investigate the experiences of immigrants, especially skilled immigrants, in doing business in New Zealand. The specific objectives of the study were to examine:

- the reasons for entering business;
- the immigrants’ experiences in and opinions regarding New Zealand as a place to do business;
- the ways in which immigrants saw themselves as disadvantaged compared with their New Zealand counterparts;
- business links with the home country and with immigrant and ethnic communities in New Zealand; and
- the contributions of immigrant-run businesses to New Zealand society.

Results

A key finding of this study was that the immigrant’s decision to run their own business was an outcome of a complex interaction of factors, and not simply because of difficulties experienced or anticipated in finding employment. Indeed, the majority had been previously employed in New Zealand. A second significant finding was that the decision to live in New Zealand for lifestyle reasons was an important determinant of operational and strategic decisions related to the business, and coloured perspectives on the New Zealand business environment. A third important finding was the multi-dimensional links between many immigrants’ businesses with their country of origin as a market, as well as a source of workers, material supplies, venture capital and new technology. These links were also evident with the ethnic/compatriot community in New Zealand, e.g. as a market, source of employees, mentoring and advice, but not capital. Ethnic or compatriot communities that nurture cultural, human and economic capital are well-positioned to enhance business operations by their individual members.

Finally, the study found that while many types of business run by immigrants were comparable to those run by any New Zealander (e.g. manufacturing, retail shops, cleaning services, etc), others had the potential to make a unique contribution. The latter included businesses that enrich society through the introduction of new products and cuisine and those yielding new products with an export potential based on technology from the immigrant’s home.
country that capitalised on New Zealand branding. In addition, immigrants engaged in business have the potential to invigorate the commercial sector: through the introduction of diversity and innovation in business practices; and by facilitating activity in a global marketplace via their pre-migration exposure to international business and the networks they have established.

Recommendations

Recommendations arising from this study fall into three broad areas:

For government and its agencies

- Information on the New Zealand business environment and relevant legal, advisory and other resources is needed with language suited to people unfamiliar with English and New Zealand culture. Information packs need to be up to date, and their availability linked to other information new immigrants may receive.
- Venture capital and other sources of grants and loans are required for recent immigrants who lack New Zealand-based assets and credit rating.
- GST and other tax relief and/or income support are needed for those innovative, technological and science-based businesses where the required investment is high and returns not immediate. Such support would need to be approved subject to the potential contribution to New Zealand’s strategy for a knowledge-based economy.
- Structured opportunities need to be created to acknowledge the pre-migration business experience and expertise of immigrants, and to learn from them as appropriate where new ideas and practices may be of benefit to the New Zealand business environment.

For the commercial sector

- New Zealand commercial and business associations should encourage the membership of immigrants who meet the appropriate criteria, and to establish networks with parallel immigrant/ethnic associations.

For immigrants in general

- Immigrant communities should encourage and/or facilitate support for their compatriots engaged in business via measures such as: free or low cost advertising in community media; and access to acquired knowledge and social networks for mentoring, the recruitment of labour and expertise; and as sources of capital and shareholding.
- Immigrants successfully engaged in business should be encouraged: to establish associations to support new compatriots; to forge links with counterpart New Zealand associations; to develop information and resource packs for compatriots aspiring to self-employment; to
publicise both positive contributions to New Zealand, as well as barriers encountered and experiences of discrimination; and to work toward the reduction of identified barriers to participation.
## CONTENTS

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acknowledgements</td>
<td>iii</td>
</tr>
<tr>
<td>Executive Summary</td>
<td>v</td>
</tr>
<tr>
<td>List of Tables</td>
<td>x</td>
</tr>
<tr>
<td>Introduction</td>
<td>1</td>
</tr>
<tr>
<td>Methods</td>
<td>3</td>
</tr>
<tr>
<td>Immigrants’ Stories of Their Businesses</td>
<td>5</td>
</tr>
<tr>
<td>Profile of Participants and Their Businesses</td>
<td>12</td>
</tr>
<tr>
<td>Reasons for Going into Business and Choice of Business</td>
<td>17</td>
</tr>
<tr>
<td>Operating the Business</td>
<td>26</td>
</tr>
<tr>
<td>Perspectives on the New Zealand Business Environment</td>
<td>32</td>
</tr>
<tr>
<td>Links with Own Ethnic/compatriot Community and Country of Origin</td>
<td>50</td>
</tr>
<tr>
<td>Contributions to New Zealand</td>
<td>57</td>
</tr>
<tr>
<td>Conclusion and Recommendations</td>
<td>60</td>
</tr>
<tr>
<td>References</td>
<td>65</td>
</tr>
<tr>
<td>Appendix</td>
<td></td>
</tr>
<tr>
<td>Questionnaire</td>
<td>69</td>
</tr>
<tr>
<td>Authors</td>
<td>91</td>
</tr>
<tr>
<td>Selected New Settlers Programme Publications</td>
<td>92</td>
</tr>
</tbody>
</table>
LIST OF TABLES

Table 1: Participants ratings of five statements concerning financial performance 36

Table 2: Participants ratings of four statements concerning overall experiences and intentions 37

Table 3: Participants ratings of three statements concerning personal aspects 37

Table 4: Participants ratings of four statements concerning the regulatory environment and culture 38

Table 5: Participants’ perceptions of the extent to which specified regulations and requirements affected their day-to-day business operations 39
INTRODUCTION

Difficulties experienced by highly qualified, recent immigrants in securing satisfactory employment have been well-documented by researchers in both New Zealand (e.g. Department of Internal Affairs, 1996; Boyer, 1996; Friesen and Ip, 1997; Ho and Lidgard, 1997; Lidgard and Yoon, 1998; North et al., 1999) and Australia (Miller and Neo, 1997). A longitudinal survey of three small panels of immigrant families from the People’s Republic of China, India and South Africa, carried out for the New Settlers Programme has produced further evidence of these difficulties in New Zealand (see Henderson, 2003; Trlín et al., 2004), highlighting the point that being skilled does not necessarily guarantee successful integration and settlement. Complementing the latter study, a survey of employers in 1998 indicated that in spite of generally positive experiences with immigrant employees, immigrants nevertheless faced greater barriers to employment than their New Zealand counterparts (North and Higgins, 1999).

The present study contributes to the objectives of the New Settlers Programme (Trlín et al., 1998) by examining the experiences of immigrants who set up and run their own businesses. The majority of those participating in this study entered New Zealand under the General Category points system introduced in 1991 or its successor the General Skills Category introduced in 1995. Several others were permitted residence under the Family Category, generally by marrying a New Zealand citizen or resident. The premise of the study was that self-employment – setting up and running a small business with or without employees – represents an alternative to waged/salaried employment, under-employment or unemployment, and as such may be perceived as a positive strategy or response for immigrants encountering difficulties in the labour market.

While there has been little research carried out on self-employment among recent immigrants, the same holds true for ethnic minorities in general (Cameron and Massey, 1999). Despite this neglect the importance of self-employment as a form of labour force participation is evident in statistical data from the 2001 New Zealand Census. At that time, the total population of employed Asians (both overseas-born and New Zealand-born aged 15 years and over) was 89,466, of whom 11,895 were listed as ‘Self-employed and without employees’ and a further 6,171 were ‘Employers’ (Statistics New Zealand, 2001). A total of 18,066 (20.2 per cent) were therefore self-employed, and of these 14,496 were overseas-born. Differences between immigrant groups in 2001 can be readily illustrated by reference to those from: the People’s Republic of China with 12,495 employed, of whom 1,248 were ‘Employers’, 2,376 were ‘Self-employed without employees’, hence 29 per cent self-employed; India with 10,743 employed, of whom 675 were listed as ‘Employers’ and 1,608 as ‘Self-employed without employees’ – a total of 21.2 per cent self-employed; and South Africa with 14,172 employed, of whom 705
were ‘Employers’ and 1,374 were ‘Self-employed and without employees’ – a total of 14.7 per cent self-employed.

The report begins with a description of the research method used. Findings are then set in the context of the stories told by four participating immigrants. Results are presented in the next six sections, beginning with profiles of the immigrants and their businesses, and then going on to: the reasons for self-employment and for choosing the particular business line(s); experiences in operating the businesses; perspectives on the New Zealand business environment; links with the migrants’ home countries and their own ethnic/compatriot communities; and finally, the contribution to New Zealand society. Where possible the findings are discussed in the light of both recent New Zealand research and selected overseas studies on immigrants engaged in business. The report concludes with a summary of key findings and a number of recommendations arising from the study.
METHODS

The study was initiated in 1999 and conducted during 2000. During the latter part of 1999 the data collection instrument was developed (see Appendix), ethical approval gained and the networking process commenced. Early in 2000 contacts were made in Auckland and Palmerston North with agencies in touch with recent immigrants and business development to identify potential participants. The interviews took place from January to March 2000 in Palmerston North, and in Auckland between April and August 2000.

Purpose of the Research

The principal purpose of the study was to describe the reasons why immigrants, especially skilled immigrants, decide to enter business and their experience of doing business in New Zealand. We were also interested in: immigrants’ experiences in and opinions regarding New Zealand as a place to do business; ways in which immigrants saw themselves as disadvantaged compared with their New Zealand counterparts; links with the home country and with immigrant and ethnic/compatriot communities in New Zealand; and the contributions of immigrant-run businesses to New Zealand society.

Design

A comparative case study design was employed to systematically collect data from 26 immigrants running their own businesses in Auckland and Palmerston North. This method involves the development of generalisations from a number of individual cases. It is particularly useful when a complex phenomenon in relation to its context is poorly understood, where the natural sample is small and diverse (as in the present study) and for exploratory research (see Eisenhardt, 1989, 1991; Yin, 1994).

Participants

Criteria for selecting self-employed immigrant participants engaged in business were deliberately not tightly restricted to an immigration category, to particular countries of origin, time of arrival in New Zealand or time of entering business, and type or size of business. Indeed, the desire was to incorporate in the study a range of characteristics represented in the immigrants themselves and their businesses. While business migrants as a category have been represented in previous research (e.g. Boyer, 1996; Goulter, 1996; Hsieh, 1998) and some research has been carried out on forced migrants conducting business (e.g. Prasad, 1995), skilled immigrants engaged in business have received little attention in New Zealand. Where appropriate, therefore, preference was given to those who entered New Zealand after the immigration policy changes in 1991 when the occupational priority list was
replaced with the general category points system for skilled migrants (see Trlin, 1992, 1997). Participants were recruited with the assistance of local council initiatives in business development, associations and agencies representing the interests of immigrants and immigrant businesspersons, and through networking.

**Data Collection**

A structured questionnaire comprising 50 questions, including open-ended questions, was developed for the study and pilot-tested (see Appendix). Each interview, conducted in a place and at a time specified by the particular participant, lasted approximately two hours. In all except two cases, the interviews were conducted in English, tape-recorded and the interviewer completed the questionnaire. For the two exceptions, which involved Chinese participants unable to converse in English, the interviewer (North) together with a Chinese interpreter completed the questionnaire. Neither of these interviews was tape-recorded. Supplementary data were collected (where relevant) via observation of business premises and from an examination of documents such as business cards, advertising and the like. Participants were not requested to supply financial documentation, but some questions were asked to provide a general indication of the financial health of the business.

**Data Analysis**

The tape-recorded interviews were transcribed and the transcriptions were cross-checked for accuracy with the completed questionnaires. Descriptive and quantitative data were summarised and tabulated. Descriptive statistics and frequencies were considered but not used in view of the small number and wide diversity of the cases included. A content analysis approach was used to identify dominant themes that emerged across the transcribed interviews. The report employs quotes drawn directly from the accounts of participants to present their perspective.

**Ethical Issues**

The study was approved by the Massey University Human Research Ethics Committee and the approved protocol adhered to. No business or person is identified by name and specific descriptive information that would enable identification has been minimised. Participation was voluntary. After the potential participants were informed about the study (including how they were identified for contact to be made) and had indicated their willingness to participate, they were invited to give their written consent. Where the transcription of the tape-recorded interview was carried out by a person other than the interviewer, a confidentiality agreement was completed by the person concerned.
IMMIGRANTS’ STORIES OF THEIR BUSINESSES

To provide a general introduction to and overview of the experiences of immigrants in business, four examples have been selected for illustrative purposes. They explain: why they went into business, why they chose that particular line of business, and how things have gone for them. These four accounts indicate that immigrants who go into business do so for a variety of reasons, that the businesses established vary in size and product line(s) and vary also in their performance. We have decided to present each immigrant’s story in his or her own words as often as possible. No part of their account has been altered but when necessary additional words are added (in square brackets) to enhance coherence. This approach allows the reader to fully comprehend the language difficulties of many of the immigrants and related barriers which may arise.

Case 18

A Chinese male in his mid-30s, holding a Masters degree in business, who immigrated under the General Skills category in 1996 to join his parents who were already resident in New Zealand:

I started, I start here... I sought tourist, this industry is very [high] potential for New Zealand, very beautiful country and very [strong] potential market. So I start [a] Diploma in Tourism. But this, [after] half semester I... gave up. Because... my parents [with] another family, they create a Chinese media newspaper, and they want me to help them, so I just give up the school... the study, and go [in] to business. It’s for one year, called Chinese media. And it’s a very important year for me to learn... you can come to many people, no matter Kiwi or Chinese, and we have to find some problem or find some news on the society. A very important year to me to get involved in this society.

And after that I knew Professor G., developer for [medicinal] product [from fungi] (indicating photographs on display). We had to write it, report it, everything because quite small media, only focus on Chinese community. So I knew, I knew him at the time and I saw this very potential product... He work for the [research institute] for New Zealand Government... He study, focus on ... fungus. ...At the time I was a reporter, I interviewed him and I think it was a very good chance to develop this product... He’s not businessman so he has no idea how [he] could [launch the] product into the market. So I just negotiate with him to be a sole agent, something like that, to promote the product through here and also in Asian country. I quit the media, create this
company in April of 1998. ...From June of 1999 we begin to create other branch in the other country... over one year [ago]. [We called it a particular name]... there [are] two reasons... I think very positive word. [It] is two words in Chinese. It's safe and healthy... so it's kind of connect[ed] to our product, the image is very good... I hope I can [be] successful to promote this product. Because... I saw this product as quite unique... I think we can promote this product in most Asia[n] countries. It can be a leading product... The market's quite huge, huge... So far so good and now it's just two years, just two years... You have many, many chance you have to take and many, many problem we have to overcome. Especially in overseas market. ...Only the Kiwi market we are still think[ing] about. We never give up but [the Kiwi market is] quite conservative.

Difficult though it may be for a new immigrant to find his niche, in this case a chance encounter gave rise to a business partnership that capitalised on a potentially huge overseas market (needed to ensure the venture's viability), innovative technology and contacts, the clean green image of New Zealand, and the entrepreneurial vision and energy of immigrants seeking to establish themselves in the new country. Patents were pending and awards for innovation had been received in China. The New Zealand Herald subsequently ran a feature on Professor C., reporting on the export of fungus-derived health products, transferring the technology to extract the key ingredients from fruits, herbs and marine life, and an intention to work with Maori elders to apply the technology to Maori medicinal plants. A factory in Auckland to commercialise the research was planned, and the importance of exporting with New Zealand branding was emphasised.

Case 19

A South African woman in her early 40s who held a Bachelors degree and immigrated to New Zealand in 1993, accompanying her husband who was the Principal Applicant approved for residence under the General Category introduced in 1991. Prior to her immigration she had never been employed, describing herself as a 'spoilt little girl' dependent on her family.

I had studied art, so starting a business was the furthest [thing] from my mind. My husband arrived in New Zealand happy to go into a job straight away. [His job was] all lined up, during our ten day visit. It all worked out well for us and we packed up and came three months later. But he stayed in that job only three months. It was very different and difficult for him. So he quit. And then we thought, what are we going to do, we've got to do something. So he, being a business-minded person...[opened a shop and] he went back to South Africa with... a list of ideas of things we could sell in the shop... and he brought a whole lot of children's clothes... So we filled the shop with these clothes. And he also sort of thought, just when he packed these boxes, to bring a little bit of Mrs Bull's Chutney, it's the name of a type of
chutney you get in South Africa... when you come to a new country you don’t actually think you’re not going to find the foods you’re used to... But the clothes were expensive. There was an import duty which was just far too high on these particular children’s clothes... they didn’t sell quickly enough to make it worthwhile. But the chutney just sold shoo! Out the door! And it was one day that a woman... came in to the shop... she said she hears that Mrs Bull’s Chutney is to the South Africans like apple pie to the Americans. So can she have a photograph of me with this chutney. So there I am on the front page holding this chutney. And really the last few bottles just disappeared off the shelves within that week.

And then I started getting people’s names and we ordered more. And it was like a pallet in a container, one pallet of chutney came and then the South Africans heard about the chutney being available and they came in with their ideas, and said ‘Can you bring in coffee, can you bring in chocolate, can you bring in this’. And the list has grown. All South African foods. Some haven’t worked at all, others that I thought would never work [did work]. So we stayed in the shop for two years. And we closed the shop. And I brought the business home. I actually wanted to close the thing because I mean – food – I didn’t want to sell food. But the South Africans kept on phoning me and said ‘Please don’t stop’. ....I get orders through the fax machine, e-mail.... And I pack, I have someone who helps me with packing the orders. And I supply shops so a lot of South Africans just go to the shops that they know stock all these products... I courier the goods out, so it’s a mail order. ....I have agents. This is how it’s been working. So now I’ve got about thirty agents and they’re all housewives. All housewives, all the way down to Dunedin, [and] up to Kerikeri. And they’ve got about... 5, 15, 100, 200 people on their mailing lists and once every few months they send out price lists. They do all the work for me...

That’s how it started... I felt emotional when I was [recently] in South Africa and I saw the product and I could understand. And I thought, okay, for that reason I will give it all I’ve got, because I can understand when you come to a new country how difficult it is. And for that reason I will carry on because I think that is the main reason why my people buy this product... And people, people, they write me letters and they send me cheques. They say ‘Thank you, thank you, thank you, thank you’.... I get faxes, e-mails, ‘Thank you’. ‘It’s like Christmas Day’, they say, ‘when I open my boxes and unpack these goods’. So being an emotional person that triggered something in me ...And so a whole new me has come out of here, and I always thought a woman who does this type of work has got to be really clever or good at that. You know it’s not always the case. Sometimes you don’t know you can do it... I find that very good about New Zealand.

Unlike the previous account, this participant, an artist, was not looking for a way of making a living, and had neither previous experience nor interest in
business, particularly in selling food! She was ‘pulled’ into the business and stayed because she was catering for nostalgia among compatriots ‘hungry’ for foodstuffs from the home country. Had the family not immigrated it is unlikely she would have become involved in a business. The emotional satisfaction, rather than financial and business success, kept her engaged. The distribution network she developed differed from sales methods commonly used by retail and mail-out businesses, and was aligned with the nostalgic underpinning of the business.

Case 17

This example is that of an Indian male in his 50s, who came to New Zealand as the spouse of a New Zealand resident in the late 1970s. He had a Bachelor’s degree from India, and was close to completing professional examinations in New Zealand in accountancy, when he decided instead to run his own business. At the time of the interview he owned and operated a supermarket along with associated businesses.

My boss was the boss of the [named] company; it was [a] multi-millionaire company [owned and directed by the boss’s family]. And... we always sat in the office and talk about business... And read the papers and if he comes across some other good ideas then he tells me... Then suddenly I sat up: we would go into the business.

Then I look around the shops. In those days because it’s the only shop, only [the] grocery store you can run without any knowledge, without any experience... as long as you put somebody in front... Then I bought that business... And we didn’t have even one penny and then that shop came up... In [19]81, [19]82 we bought the shop. We were two partners, brother-in-laws, myself and my brother-in-law and the two sisters married to us. At that point we wasn’t thinking even month ahead. Just to survive... [We] didn’t have any penny. [We] decided to do it... We started with mostly loan, we took six loans at the time. We had bank loans, family loans and also a few other loans too. In total six loans we had... that was $40 million and of course $40 million is quite a lot... Because of my study [towards chartered accountancy examinations] I worked out the way that we can pay that loan there, pay that loan there and so on...

Then the other side [of the property] was the Garden Centre, and then they closed the [Centre]... then I bought the sections... That [opposite] side was wine and the [owners] said ‘We are not making any money’... And then I decided with other directors, and I said ‘Why don’t we buy that’...And I put one person there and we work the business very quite successful after that... You see that wall there? ...That’s where the bakery is, used to be backyard there. And wall where that man is coming, and then I extended it to the boundary and then we got very good business out of that... and extend it some meat
department and deli department and so on. And we got really [good] return on them… Bakery, butchery and service desk we put [in] about four or five years ago, [take-away] quite recently. [At this stage the business is] probably quite good actually. Yes, quite successful.

I went into the different field now, keeping that basic [supermarket] here, but went into all of the restaurants, hotels and this and that… It’s three business here which is supermarket, liquor store and the [laundrette]. And then [four other places and different businesses]… Then I got wholesaling company which is the partnership with my brother-in-law… we buy quite a lot of stuff from overseas. That one we do our own product… we start making the apple juice. We export that and also we did develop it, not much but we selling in all New Zealand market now… And then we bringing quite a lot of stuff from Japan, Indonesia… We retail them here… [it’s an] interconnection with [each other], it’s not direct… [To do this I] need lot of courage, a lot of tablets too. Each business I buy I have to increase the tablets every night… It’s too big. And to control so much staff and things, just so busy now.

The above account illustrates a successful family business established when the owner left another job in order to be self-employed. Through hard work and apparently sound business judgement and practices, the business has expanded into a diverse portfolio of businesses. While the business products and markets are not too different from those of many other New Zealand businesses, this case is an almost classic example of the stereotypic story of the ‘poor immigrant who makes good’.

Case 21

This case concerns a South African woman in her 40s who immigrated to New Zealand with her husband (the Principal Applicant) in 1986 under the terms and conditions of the Occupational Priority List. Her highest qualification is a trade certificate. The husband was made redundant from the job he had come to New Zealand to fill, and unable to find employment in her own field she established a shop under franchise to a very popular retail chain in South Africa.

When he went under, he went under. He took a job for about three months [working for somebody else]… And then he went [into the merchant navy], that was also about three months. And then he worked on the island for about two years… and that’s when our marriage fell apart. Well he left anyway… it was just too unsettling. I got my independence and that. I’ve always [worked], since ’89. I tried to find a job as [an] interior decorator, but there were no openings. I guess I wanted to be able to be creative and make some money.
I had a business partner. [She was] South African. So the two of us did help each other out... we worked really, really well together for the first four or five years. And [since] then I’ve been on my own. She actually opened up a [retail business of the same franchise chain]. Oh it was terrible, too much competition. It was more than I [could bear]... And they made it pretty hard, they valued the business very high... I don’t know how I got through that time. I just had to come up with the money [and said] ‘You can take the stock’. They wanted $160,000 goodwill. And I said, ‘No you can’t have that. Take the stock, take whatever clients you want and go because you will open up in opposition to me. I will keep running this one’. And so I ended up settling for $50,000 goodwill and gave them the stock. She took one of my part-timers from here... She didn’t only just take that, she actually took the shelf of my business, she left me with the shell. Husband was [an] ex lawyer... Just three months [ago, after a flood of the shop] the whole shop closed down. And we had to rebuild basically... Everything, the cupboards had to come off, be rebuilt... We lost a lot. And the [insurance assessor] guy came into the business and checked me out, he was very unfair. And that guy was actually South African that came in [and assessed].

I feel like we’ve achieved a lot with the people who come to my shop. That is enough... People come in and they just say it’s like... ‘This is my favourite shop’. And we were the finalists of the Top Shop, we were in the five Top Shop nominees in the first year that we opened. And I feel that the shop has improved hands down since those days... We’ve just received our pack... you get the banner and put [it] in your window and so on... I feel I have achieved my hope of being recognised as a speciality store that’s [been] created in our community... That’s good for me. It’s personal... I think coming from South Africa we are always part of a big family, and when I come here it was devastating thing for me to feel that I was just a member [of society]. And so being a part of the community and being friendly was important to me. And as far as the viability of the business [is concerned] I would like that to improve enormously. It has to.

This participant encountered a series of difficulties. Her hard work, her enthusiasm and dedication, as well as local community support, have not been sufficient to make the business any more than barely viable. She entered into business in the first place out of a personal need to make a living and to support her children, and while the business is connected both to her home country and the local compatriot community, her greatest business difficulties have also arisen from that community. The ‘push’ factors that led her to engage in business in the first place continue to keep her engaged in spite of the difficulties encountered.
Three Themes

These four accounts illustrate three common themes. The first theme relates to reasons for self-employment, demonstrating a mix of 'push' and 'pull' factors behind the decision to go into business. As will be seen later in this report, with few exceptions the participants were at first either employed and left voluntarily to run their own business or stumbled into running their own business through a series of events. The reasons and motivations for going into business were as varied as the immigrants themselves and their businesses. There were those for whom self-employment was simply a way to make a living, but others (including those who did not need to work) were motivated by personal and social reasons. Similarly, reasons for remaining in business varied: some still needed to make a living, others felt more in control of their work and lives, and there were some who were kept engaged by their vision, ambitions and the emotional rewards they gained.

The link with immigration, with being part of a minority community and having links with the home country, was the second prominent theme. Businesses represented included cases of developing technology from the home country in New Zealand, while at the same time taking advantage of New Zealand's image as 'clean and green' in overseas marketing. Others saw an opportunity in exporting New Zealand products to places where they had personal links, again taking advantage of New Zealand branding. Links with one's own immigrant community and/or country of origin, as these four accounts illustrate, included the relationships with respect to a market, labour supply and the source(s) of product and technology. Relationships may not always be positive, however, and competition and tensions from one's compatriots within an immigrant community seemed to be magnified by disappointed expectations of support.

The third theme concerned the wide variation in participants' business experiences. As these accounts illustrate, experiences ranged from a struggle for survival to the achievement of millionaire status, from working hard in a business that struggled rather more than anticipated to another that exceeded financial performance expectations. Related to these experiences is the perception of New Zealand as a place to do business. Again there was a wide variation: at one extreme the environment was perceived as being relatively straightforward, a place where you had the chance or opportunity to do something new, while at the other it was seen to be over-regulated with a difficult, conservative market.
PROFILE OF PARTICIPANTS
AND THEIR BUSINESSES

The purpose of this section of the report is to provide a descriptive overview of the characteristics of the participants and their businesses.

Profile of Participants

Of the 26 immigrants who participated in the study, 20 were based in Auckland and 6 in Palmerston North. Males (18) outnumbered females (8) and the majority of the participants (17 out of 26) were 41 years of age or over (i.e. a group that was in mid-life and mid-career).

Origins, residency and immigration categories

The participants came from 12 different countries of origin, spread across five regions:

- Northeast and Southeast Asia– 7 (3 countries: the Peoples’ Republic of China, the Democratic Republic of China and Thailand);
- South Asia – 6 (2 countries: India, Sri Lanka);
- South Africa – 6;
- Europe – 5 (4 countries: Holland, Croatia, Russia, Belarussse); and
- Middle East - 2 (2 countries: Israel and Palestine).

This mix of origins reflects the removal of a traditional source country bias from immigration policy in 1986 and an emphasis from 1991 onwards upon human capital recruitment on merit irrespective of origin (see Trlin, 1992, 1997). The majority of the participants (16) were approved for residency in New Zealand under the General/General Skills Category, 5 were approved under Family provisions (most through marriage to a New Zealand citizen) and the remainder gained entry via other provisions. Residency in New Zealand was taken up: by 15 participants during the period 1996-1999; by 5 during the years 1991-1995; by 4 between 1986 and 1990; and by only 2 participants prior to 1986. Seven participants had visited New Zealand prior to their decision to apply for residency.

Qualifications

When approved for immigration 16 of the 26 participants held university degrees, a feature consistent with the majority gaining residence under the General/General Skills Category and with a finding reported by Statistics New Zealand (1999: 60) that recent immigrants were more than three times as likely to hold a degree than the New Zealand–born. The highest qualifications reported were: Doctoral degrees (5); post-graduate degrees or diplomas (7); Bachelors degrees (4); and trade qualifications (7). Only 3 participants had no
post-secondary school qualification. Since their arrival, a few participants had gained or were studying for New Zealand qualifications (including 1 of the 3 without any post-secondary qualification), usually as a strategy to improve their employability, understanding of New Zealand society, their use of English and also to develop personal networks and contacts.

**Language ability and patterns of usage**

- Overall, 23 were able to speak, read and write in 2-3 languages and/or dialects and 3 reported proficiency in 4 or more languages;
- Although 2 participants (both Chinese) were unable to converse in English, 6 said English was their mother tongue (but they also spoke other languages) while 5 for whom English was not their mother tongue reported using English mostly or equally at home;
- 15 mainly used languages other than English at home and many said they wanted their children to maintain the parent’s mother tongue.

In a global economy, bilingual or multilingual ability is an asset often unrecognised or under-rated for business (see Watts and Trlin, 1999, 2000a). Indeed, the fact that several participants traded internationally highlights the value of proficiency in more than one language. However, rather than identify their linguistic ability as an asset, some participants (particularly those of Chinese and Russian origin) regarded their limited English language ability as a barrier to entering the labour market and running a business. Regrettably, this self-assessment was not without merit given the attitudes of New Zealand employers (see Burns, 2000; North and Higgins, 1999) and the experiences of other immigrants as reported in a number of New Zealand studies (e.g. Department of Internal Affairs, 1996; Henderson et al., 2001).

**Profile of Businesses**

The following business categories (as used by Statistics New Zealand for collecting business activity information) were represented (in order of frequency):
- Manufacturing (8);
- Retail Trade (8);
- Wholesale Trade (7);
- Accommodation, Cafes and Restaurants (7);
- Property and Business (4);
- Personal and Other Services (3);
- Agriculture, Forestry and Fishing (2);
- Finance and Insurance (1);
- Cultural and Recreational Services (1);
- Transport and Storage (1); and
- Communication Services (1).
The number of businesses (43) exceeded the number of participants (26), as many reported operating more than one product line and company. More specifically: 2 participants (the earliest arrivals) each operated a portfolio of businesses and companies; 8 reported 2-3 product lines or companies; and 16 reported one product only (although 5 of these also described their definite intentions to diversify and expand).

**Legal status and business relationships**

Nineteen participants reported that their businesses were registered as private companies (often in partnership with a spouse) and one as a public company. Six were not registered as companies, of which a few were established as family trusts and one as a co-operative. Only four of the businesses were franchised, although some of the remainder were related to other businesses, e.g. as a chain, a joint venture or partnership (with a home-country partner). Others described informal links with other businesses both in New Zealand and overseas. Of these, one participant (the owner of several businesses and companies) described how the different products were mutually related to support a diverse customer base and the different businesses.

**Scope of business activities and markets**

While the scope of business activity was mainly local or regional (e.g. for shops and restaurants), about half reported having national and international markets for their product(s). Seven businesses were importing products or raw material (usually from the participant’s country of origin), 4 exported products and 6 were preparing to export New Zealand products.

When asked to identify their principal market/clientele: 19 participants nominated the general population of New Zealand; 5 said that it was predominantly the immigrant and/or their own ethnic community; and 1 claimed it was exclusively the participant’s own immigrant community. In the 6 cases where the market was predominantly or exclusively immigrants and/or one’s own ethnic community, there were mixed views on how desirable this was. For example, a recruitment agency operated by a South African was trying to shift away from a focus on South African job seekers:

> Now I place Kiwis as well. It broadened... [We don’t now have] a concentration, but just a proportionately large number [of South Africans]. [Case # 23]

Despite the dominance of the domestic market, 6 reported they also had markets/clients overseas and 4 were actively seeking to develop an overseas market. Intentions to initiate or further develop international ventures, building on their existing networks and contacts, were reported by at least one-third of the participants. Some of these described overseas partners in business, while others used buyers, suppliers and distributors based overseas. It was not only knowledge of and access to overseas suppliers, markets and
networks that these immigrants drew from when developing business strategies; they also brought a breadth of vision derived from their often extensive and varied global experience prior to settling in New Zealand.

Coming from countries with large populations and large markets, some of the participants found the New Zealand market small and sluggish. In several cases, however, the decision to migrate to New Zealand was not primarily to engage in business or to find employment, but for the lifestyle. Commenting on the motivation(s) of his compatriots, a Taiwanese participant said:

*I think over 80 per cent [of the] Taiwanese migrants... they arrive here [for lifestyle], otherwise they don’t care to come here.*

[Case # 18]

**Size of businesses**

Almost all of the businesses were micro or small sized enterprises. Using the classification of Cameron and Massey (1999), the distribution was as follows:
- 15 micro size (5 or less workers);
- 9 small size (6-50 workers); and
- 1 medium size (with 70 employees across several businesses).

One other business didn’t strictly fit the above classification; it involved two family members, neither of whom drew an income, with products distributed through a network of 46 persons selling on commission.

**Profile of employees**

All 26 participants worked in their own business, 23 also managed their business(es), and 2 ran the business in addition to having external salaried employment. With few exceptions, the businesses operated from one location only. Half of the participants worked for the business only in their own business premises and/or those of clients, while 7 worked in both the business premises and also at home, and 6 worked for the business at home only (where the business was located).

In terms of the relationship of employees to themselves and their own ethnic group, the *principal* categories of employees identified by the 26 participants for their businesses were as follows:
- own family members, 9;
- own ethnic group but not related, 8;
- the wider population, 4; and
- spread across own family, own ethnic group and wider population, 5.

While several participants seemed to favour other immigrants, particularly of their own ethnic group, others avoided employing co-immigrants. The reasons varied but the explanation offered by a South African is interesting:
[A real difficulty at the beginning was] finding a Kiwi with the skills that I was looking for.
[Interviewer] Why did you want a Kiwi in particular?
Because I didn’t want to be iced as a South African doing it.
[Case # 23]

Summary

The majority of the participants were relatively recent arrivals who had been approved under the General/General Skills categories. They tended to be highly qualified and proficient in languages other than English. While the small size of New Zealand’s market was described negatively by some participants, for others whose business activities were secondary to the lifestyle decision to live in New Zealand, the small market was not as critical.

The participants operated a wide range of businesses, almost all of which were micro or small in size, with more than one-third engaging in more than one product line and others intending to diversify. Strong links between the participants’ businesses and the home country and/or their own ethnic or compatriot community were evident. These links included markets (export and domestic), sources of employees and sources of supplies (imported). Even so, less than a quarter of the businesses catered mainly or exclusively to a participant’s own ethnic or compatriot community. The majority serviced the general market, and a few participants were ambivalent over having their enterprise identified as an ‘immigrant’ or ‘ethnic’ business. On the other hand, the employee profile strongly reflected a pattern of drawing staff from one’s own ethnic/compatriot community pool, including family members.
REASONS FOR GOING INTO BUSINESS
AND CHOICE OF BUSINESS

Our focus in this section of the report is primarily upon the reasons that immigrants have for venturing into business and self-employment. Is it just a response to mismatches between their skills and labour market opportunities or are there other factors involved? An allied concern is the nature of the factors that influence or determine choices with respect to the type of business they decide to set up, and their business development strategies to meet their particular ambitions or aspirations. Finally, attention is also given to the self-employment and/or business advice that the participants may or do offer other immigrants on the basis of their own experience.

Reasons for Going into Business

The reasons given for entering business were varied and many participants offered more than one reason. The reasons most frequently offered were:

- to achieve greater autonomy and independence;
- financial independence;
- greater certainty of work and income, particularly if redundancy or a reduction of hours of work had been encountered;
- in order to make a living, to survive if unable to find acceptable paid employment;
- lifestyle reasons, including: being semi-retired and the business being an interest (these persons typically worked only a few hours per week); wanting to earn enough now through hard work in order to retire at a young age; and wanting control over hours and amount of work in order to spend more time with their families and to enjoy their leisure;
- to improve opportunities for their children;
- to benefit shareholders, employees and customers; and
- to service one’s own immigrant/ethnic community.

In essence, the above reasons can be grouped into two main categories, with self-employment being either a response to employment barriers or a career choice. It may be noted at this point also that by far the majority of the participants (18 out of 26) had set up or purchased their first business within two years of taking up residence. Five of them had actually intended to be self-employed, and purchased or established businesses soon after arrival (or in 1 case during a visit prior to taking up residence). Among the remainder, 3 had gone into business within three years of their arrival and the rest thereafter, the longest delay being 11 years after arrival.
Self-employment as a response to employment barriers

Among the participants there were those who had un successfully applied for positions, those who had decided against applying in the belief that their application would not succeed, and some who said that their specialised skills and qualifications could not be matched with employment opportunities. For example, a very well qualified participant reported that she had applied for or inquired about ten positions without success:

I came to apply for a job as a lecturer in Communication Art... but there is not that subject here. So I made decision to open... my own business.
[Case # 1]

In another case the lack of success with job applications (despite having a New Zealand qualification) was coupled with a problem of English language competency:

[After completing a diploma in tourism in New Zealand that included work experience] I just send off resumes to some companies... but no response... When I set up [my own business] my idea was to look for easy cost to starting [and] because I work [in]... tourism industry in Taiwan. [Also] at the beginning I found... English was quite hard for me.
[Case # 20]

Somewhat similar were a group of scientists who were disadvantaged by both their level of specialisation and inadequate English language skills. After inquiring without success about work in research institutes and completing a professional English course, they decided to embark on their own business partnership:

[Earning a living] was one side yes... just for one thing. Second one, we have to do something. It's very hard to find a job in New Zealand, especially first job... And we decide to start our business because it was more close for our profession [i.e. closer to our area of professional expertise].
[Case # 8]

Under-employment was another reason for going into self-employment, even when participants were employed in their own field of expertise. Some of these participants had extensive pre-migration experience and seniority but found insufficient scope for their talents and/or faced other barriers to the realisation of their aspirations. For example, one said:

There is a scope [in New Zealand for my talents], but we won't get it. Either [for] one or other reason I will be put aside... But the managerial stuff... leading the team and all that things, I won't get it
... sometimes when you have to work under a person whose age is less than my experience it becomes very hard... Time is short... So if I appoint myself as manager in a business and get the people and then they listen to me, I find that's the cheapest and easiest way.
[Case # 15]

Being required to complete additional training and the prospect of a low remuneration level, as illustrated in the following quote, were also factors that discouraged participants from entering the general labour market:

There are two reasons why I not go to academic, university or something. One is our diploma or degree is not accepted by the system here [additional training needed in his technical field]. I got PhD degree but they don't regard [accountancy] degree from Taiwan [favourably]... And the second, the salary for Professor is not good.
[Case # 14]

An employed man who described himself as 'ambitious' bought a franchise as a platform to further his own ambitions, but did so initially to provide an occupation for his wife:

[The story is] short and brief. Yes the brief is that I want to get my wife employed. She is MSc qualification in mathematics. Post-graduate student in mathematics from Delhi University. And she's also [a] qualified teacher. But she couldn't find any job or work in New Zealand; [teaching] is the main preferred profession. And she was getting bored at home...
[Case # 15]

The above examples, consistent with previous New Zealand research, indicate that discriminatory practices based on a lack of New Zealand qualifications, work experience and/or English language proficiency, left participants with little or no alternative to self-employment. However, it should also be noted that while some participants first tried to find jobs, others decided on self-employment for the same reasons prior to taking up residence:

When we arrived in New Zealand [on a visit] we looked around... [and] found many of our friends who are qualified and they are not getting jobs. So we found our qualifications would be no advantage and also we can't stay at home... just looking for the [unemployment] benefit. So we decided to start a business.
[Case # 3]

Self employment as a career choice

Self-employment was not only a response to employment barriers; it was also a career choice. Indeed, several participants were self-employed prior to migration and resumed a similar business on settling in New Zealand:
The only person I really worked for was my Dad. … At the end of the day most people aspire to run their businesses. I suppose I was in that already and I enjoyed it. To continue in the same line of business was actually one of the reasons I decided to immigrate as well.

[Case #26]

Others had jobs which they left in favour of self-employment not because they were experiencing difficulties, but for reasons such as the satisfaction of working for themselves and/or the better financial returns:

I was working. I work in the beginning nearly two years in gardening… Then I left and came to Auckland to work in a factory. … I just left the job [after five years] and started myself… I just try to be successful businessman you know. I hate working for other people for all my life. It’s okay for some time but you can’t spend your life working in the factory… That’s why I want to do something on my own, [be] my own boss.

[Case # 11]

I did work… I am a chef, but I was [employed as] a cook. Fairly simple job, not too much responsibility. Not too much money. Keep my eyes open… [My ambition is] to retire when I’m 35…[and] to move out of Auckland, [to the] countryside. The land, have some land, quiet, it’s what we like. There is a way to do it [working for yourself].

[Case # 10]

I think it was more to do with getting more satisfaction and reward from self-employment. Also I felt as employee, you don’t really get… the rewards [for one’s work]… I wanted to have enough income to pay off our mortgage.

[Case # 9]

Older semi-retired immigrants with independent means engaged in business to occupy themselves or to augment their retirement income:

Since immigration consultant and accountant advised me to set up business that’s for tax purpose or GST… I’m not rely[ing] on the income from this company. I just managing my property… Some of my friend[s] also they move here. They have prepared enough living expenses… so they just come here to enjoy rest of their life and grow children… And I think it’s nice place for living. And we still not too old, so we must have some work… or if I did not work someone will [be] curious about… why you not working.

[Case # 14]
Finally, while financial independence was an important motive, in some cases family reasons also played a part:

The children were young and my wife could rarely leave them. We wanted something suitable we could all get involved in.... Another one was that I wanted my children to have the best education as possible... I wanted to give them what I missed.
[Case # 9]

...I was quite happy if [I could] make enough money for my living you know, but I did it for independence. I don’t want to spend all my attention and my energy for business... [I want to] have a lot of time for family. Life is very short. I can’t take the money with me when I die.
[Case # 11]

Strategies for Business Development

Having decided on self-employment, participants described their reasons for choosing which kind(s) of business to engage in and strategies for establishing and developing their business, or in some cases a portfolio of businesses. In starting out, the need to earn a living led some to choose a business requiring no previous experience or a low risk venture. One man explained that he and his business partners (two sisters and their husbands) decided to start with a corner dairy as anyone – even those with no prior business experience – could operate a dairy. Others based the decision on a more complex set of criteria, including cultural exchange, and ambitions for using a first business as a stepping stone to other developments:

Our aims [at the beginning] were to learn about the [New Zealand] environment, through the business. To learn about the business [world]. To learn about the New Zealand culture, the new culture for us, and also to try to introduce our culture to the new community. And also to get an income for our families. And after that we were looking [for development opportunities], and we [have] started now to extend, the business for exporting New Zealand products... So my last visit to Saudi Arabia, I got some offers for New Zealand honey. ...At the same time we also got meat export license in order to export meat to the Middle East.... And even in the medical field we’re trying now. I’ve got some offers from Saudi Arabia that some new researchers [want]... to do some research in New Zealand... [on] herbal medicines... So, we started the company... to learn more about the culture, the people, about the business [world]. Then the second step, we went to foreign markets, especially in the Middle East... We are [now] at this stage.
[Case # 3]
The strategy of several participants was to focus on the market created by their own immigrant/ethnic community. These included a video lending library, a travel company and the importing, distribution or local manufacture of foodstuffs from the immigrant’s home country. For example, a young Taiwanese set up a travel company because there was a sufficiently large clientele among his compatriots and other Asian immigrants wishing to visit Asia who preferred to deal with an agent familiar with their background:

At the moment we focus [on]... Chinese niche market here. And most of our customers [are] Chinese [travelling mainly to Taiwan, Hong Kong and South East Asia]... Most of them just looking for their same culture agent to make travel arrangements. [Case # 20]

Opportunities to market a product from their country of origin inspired several participants. These included those opening restaurants, while others saw opportunities in importing or manufacturing products from the country of origin:

So we made this sample and we tried to find someone to manufacture the product for us... Then we came to the 'Y' Company... and she said... 'just fabulous, that's lovely'. She loved the product and then she was very keen to work together... she agreed we would have [a] joint venture. Our intellectual property and our expertise [their production and marketing]. [Case # 16]

The popular view of the go-ahead, ambitious immigrant who starts with nothing and through sheer hard work becomes highly successful (the rags to riches story) was borne out in some, but not all, cases. Two of the longer-established businesses are good examples. Both began small with a corner dairy, and after years of working long hours they had created a portfolio of businesses. Others described their intention to diversify as a way to achieve security, and were putting in long hours in order to do so:

[I am now adding the internet]... now I'm changing to New Zealand made product and my travel focus on internet... health goods, ginseng. Everything like that, so when you shop we try to promote souvenir to overseas... we can deal with the customer overseas. [Case # 20]

A couple with a cleaning franchise discussed diversifying by adding other franchised business lines. Success for them would entail working harder and longer hours:

At this stage we'll stay for awhile in this business. But you know I'm keen on a few other different businesses... You know it's my idea probably to keep my wife on the... cleaning business and [I will] do
something different... probably do courier's business. Courier. Still even manage this part because I did all the manag[ing], and all the clients helping, always 100 per cent, she did all the cleaning job. [I do the] bookkeeping and all that sort of stuff...

[Case # 12]

The ambitions of others were much wider, based on their prior international experience and networks and a vision for improving their own circumstances while contributing to the betterment of New Zealand:

That's how we started that [a franchised retail business]. That's the short story. But the whole mission has not [yet] been achieved I think. We would like to grow the business... Lot of things we can do... By nature I'm a very ambitious person. I've done 28 years in the software industry and I've been in several countries, so my expertise and the area of providing services, of helping business people has been quite wide. So I definitely can use my own knowledge to put into practice and run the business and the services... As I said, that's my stepping stone, my franchise...

[Case # 15]

Overall, the participants' responses were mixed regarding their ambitions for their business. While several outlined ambitious developments and were preparing strategies to achieve their objectives, a large number were content to simply earn sufficient for the family to live comfortably. For many of these immigrants their business development strategies reflected their reasons for self-employment in the first place: namely, the desire for autonomy and self-determination, along with a desire to enjoy the lifestyle New Zealand offered.

Self-employment Advice for Immigrants

Although many participants discussed New Zealand's drawbacks as a business environment, a surprisingly large number reported that they were encouraging or assisting other immigrants to enter business:

- 19 had encouraged or assisted other immigrants (mainly from their own country of origin) to run their own businesses. In general they did this by coaching or offering advice on the types of businesses that could be established and on aspects of New Zealand's regulatory environment;
- 17 had encouraged or assisted potential immigrants to run a business by sending them the information they requested or by sponsoring their residence applications;
- 7 reported they were actively recruiting immigrants from their country of origin to work in their own businesses, and a few others indicated that they would possibly do so in the future; and
• 15 reported that they were mentoring other immigrants who were considering self-employment or who were already running their own businesses.

In addition to a raft of suggestions that may apply to anyone contemplating self-employment (e.g. ensuring that there is a market for the intended product or service, and avoiding too high a debt level), specific advice for immigrants included:

• seeking paid employment first, in order to build networks and become familiar with the environment;
• associating with an established franchise or chain as a way to overcome the disadvantages of unfamiliarity with the new society; and
• self-employment as an option when immigrants face difficulties with either discrimination or under-employment, and when professional registration requires additional study.

These suggestions are evident in the two following quotes:

*I tell them that you should have your own business. Because I think that if you have your good background, like academic background or work experience from your country, and when you come here you can’t find a good job... [it is better that] you run your own business... You can contribute to the country, the city... and good for yourself, good for your family...*
[Case # 1]

*I think that I would tell [other new immigrants] first to have a job at a university or anywhere... to get that experience, to learn how the situation is in New Zealand. And also in [the] beginning you are struggling with the language and all the small things that are different... But then certainly it’s very easy to start your own business, so I would encourage other immigrants to do similar things. I see many opportunities all the time and if they have lots of fire and lots of energy [there are opportunities].*
[Case # 2]

In general, the majority of the participants recommended running one’s own business as a feasible alternative to other employment, but they qualified their advice with cautions regarding the New Zealand business environment. Only one participant said she would actively discourage other immigrants from entering business.

**Summary**

In contrast to previous New Zealand studies (e.g. Boyer, 1996; Department of Internal Affairs, 1996; Henderson et al., 2001; Ho, Goodwin et al., 1997; Ho, Lidgard et al., 1997; Trlin et al., 2004; Lidgard and Yoon, 1998), very few of the
participants in the present study had been unsuccessful in their search for paid employment. Only 4 said they had enquired or applied but were unable to find a job, and cited their English language limitations or no jobs in their field as the main reasons for their lack of success. Twelve had quit jobs in order to be self-employed because they were under-employed, had reduced hours or were threatened with redundancy, were unhappy with their pay and conditions of employment, or simply because they thought they could do better by working for themselves. Finally, aside from those currently in paid employment (2 of whom hoped to leave when the business venture was sufficiently secure), 7 had made no attempt to find other jobs. Some said they decided against seeking employment as they had heard how difficult it was to find jobs or that they would first need to undertake further study to be professionally registered (e.g. as a psychologist). Others considered the expected level of pay too low (e.g. for a university academic), had no need to work as they were supported by their husbands or were semi-retired and/or had been self-employed prior to migration and intended to run their own businesses in New Zealand.

It is clear from the above that a range of both ‘push’ factors (e.g. labour market difficulties) and ‘pull’ factors (e.g. market opportunities and/or pre-migration experiences and networks) motivated the participants to opt for self-employment. It is equally clear that self-employment was not ‘an option of last resort’ (Cameron and Massey, 1999: 151) for most participants. Indeed, the reasons for choosing self-employment were similar to those of the general population.

The majority opted for self-employment within two years of arrival and almost half quit jobs in order to run their own business. While a few described strategies of beginning in a low risk business (e.g. a dairy), in other cases the immigrant had previous business experience before migrating, and was continuing in the same line of business.

Overall, the participants in this study conveyed a desire to provide for their families and also to enjoy the lifestyle New Zealand offered. Indeed, a number stressed that as the environment and lifestyle attracted them to migrate to New Zealand in the first place, the business was subordinate to lifestyle. Ambitions to be wealthy and influential were indicated by only a few. Participants from diverse backgrounds (Asian and European) all indicated that the decision to be self-employed was related to the desire to control their hours and pace of work, which in turn affected their ambitions for business development.
OPERATING THE BUSINESS

Were the participants suitably experienced, qualified or otherwise prepared to set up and run a business in New Zealand? Did the businesses have any distinguishing operational features (e.g. funding sources, business hours, types of remuneration) and what professional services (if any) were used to overcome a lack of familiarity with the New Zealand business environment? With these questions and others in mind, the participants were asked to describe their prior business experience and specific educational preparation, as well as their sources of funding, ongoing support and professional advice.

Experience, Qualifications and Preparation

Personal experience, qualifications and preparation for setting up and running a business varied considerably:

- 8 participants had operated their own businesses prior to migration and of these the majority described a straightforward transition to New Zealand conditions, indicating their prior experience was beneficial. Another two participants (both female) each reported positively on the benefits of personal and technical assistance and/or support received from their spouse who had previous business experience;
- In 12 cases the participant or spouse held formal qualifications in a business-related field (e.g. commerce or accountancy). The relationship of such qualifications to business performance, however, was mixed and didn’t consistently translate into an ability to run a business. For example, a person holding a doctorate in accountancy was struggling, while another with an uncompleted qualification was a millionaire businessman;
- 5 participants had completed ‘Be your own boss’ (BYOB) courses in New Zealand, usually run by development agencies associated with local councils. They were divided in their assessment of the benefits gained from such courses but their comments were generally positive (e.g. for access to consultants connected to the running of the courses);
- 8 reported informal preparation (generally beneficial) ranging from seminars and reading to advice from relatives and friends; and
- 4 participants said they had not undertaken any preparation.

This variation in personal experience and preparation is well illustrated in the three following examples: first, a participant who attended a BYOB course; second, a scientist who had been selected by his country to participate in an international business programme; and finally, a young man, without training or educational preparation, who had built up a successful manufacturing business within five years.
Yes, I have done BYOB. Very useful. I thank all the organisations that provide [such courses] and I think they do a great service for people like myself... There's a lot of immigrants in those courses... others like me....

[Case # 10]

...I finish in America, in Chicago, corporate programme business for Russia. I was selected in Russia for this programme. And yes graduate and got certificate in Russia about international business... And also international patent research I learned. [In New Zealand] I did course for running small business.

[Case # 8]

I think it's maybe natural... nothing to do with study. I think that for successful businessman you don't have to be qualified.

[Case # 11]

Participants were asked if they had prepared a business plan. Surprisingly, 14 had not done so. Among the remaining 12 some indicated that a plan was required as part of a course or in order to receive funding. Less than half of the participants regarded a business plan as helpful and the remainder thought it was useless. Indeed, only a few of those who had prepared a plan intended to revise or update it.

Sources of Funding

Overall, the participants had a low level of indebtedness (11 carried no debt and others avoided borrowing if possible). When asked to indicate all sources of funding for entering business, it was found that: 20 had used personal funds, including the sale of assets overseas; 5 had used family funds; 6 received a bank loan; 2 had accessed venture capital, in both cases from an overseas source; 2 reported other funds, usually a special purpose loan or grant such as an equipment grant; and 3 said that they had not required start-up funds (assets and/or business were not purchased). It should be noted that while 13 of the 26 participants identified one source only, 7 identified two or more sources of funding.

Ongoing operations were funded by:

- business revenue (24);
- a bank loan (5);
- other income (5, including own salary, allowance from spouse, top-up from franchiser or government);
- family funds (2);
- own funds (2, including taking out a mortgage on the family home);
- venture capital (1); and
- cross-subsidisation of business lines (1).
Overall, 13 participants identified only one source of operational funding, while the rest identified two or more sources.

The unqualified owner of a manufacturing business that had grown to 15 employees in five years, expressed caution about debt and rapid expansion. Start-up and ongoing operations in his case were financed by savings from work as a factory hand:

No loans, no overdraft, nothing... I don't want to expand too big you know... I want to [run] something I can control. And I know what's happening here. Not too much that I can't control... Go too much and next night it's all fall down you know.
[Case # 11]

Some were in businesses with low start-up costs (a professional consultant, for example, needed only a computer and telephone), and a few others were not reliant on the business for the family income as they themselves or a spouse were in salaried employment:

I found it amazingly easy to start up, so I don't find any difficulties... I've never been on my own, as my husband has done... And he of course has an income, a good income, so the financial situation was easy for us, and that's the most important [point]... If people have to live from what they are going to do and it's very uncertain, that would be hard for people, but we were not in that situation.
[Case # 2]

**Hours of Operation and Work**

Many participants matched the popular image of hard-working, successful immigrants. For example, one participant reported working:

Maybe twelve [hours each day]. Sometimes we try to have a day off. But not so often. But now we try to do some [work] faster and we try to spend every Sunday for our family.
[Case # 8]

Others, however, were more interested in being able to enjoy the benefits of residing in New Zealand by controlling their work activity. Business hours also varied, and were not consistently related to the owner’s work hours. When participants (including those working in home-based businesses) reported on the *hours they personally worked* for the business(es), for 18 out of 26 the hours generally exceeded the usual business hours. More precisely: 1 participant reported working for over 100 hours per week; 16 worked 50-99 hours; 1 worked 40-49 hours; and 8 worked for less than 40 hours per week. The latter category included: a semi-retired person managing his own investments; the owner of a business not yet operational; those operating community service-type businesses; and those whose hours fluctuated depending on the demand.
On the other hand, the business premises’ daily operating hours generally reflected New Zealand’s usual business hours: 7 were open for more than 8 hours; 11 for only 8 hours; and 1 was open for less than 8 hours each day. Of the remaining 7 businesses, 2 were not yet fully operational and 5 (run from the family home) reported flexible daily operating hours. It should be noted, however, that a number of the businesses operated for six or seven days each week so that 10 were ‘open’ for 50-99 hours and 9 for 40-49 hours per week.

Remuneration Methods

A range of remuneration methods were identified, and in a number of cases more than one arrangement was reported by participants for themselves and their employees or other workers. The majority of the owners paid themselves via a regular salary (8) or took a drawing\(^1\) from the business (8). Three others gained an income through dividends, surplus or profit distribution, while 7 did not take any income from the business. Participants in the latter group earned a salary from other employment or received an allowance (from a spouse or business partner) or were in receipt of a government benefit which they described as a ‘business allowance’. In contrast, most participants paid their employees/workers by salary, wage or hourly rates (21), by commission (3) or through profit distribution or dividend (4). Eight participants did not pay family members for their work in the business: 6 of these unpaid contributions involved accounts and management (usually by a spouse) and 2 involved labour (usually by children, who might receive pocket money). The total number of employee/worker remuneration cases here exceeds the number of participants as in some business operations more than one type of remuneration was used.

Management Support for the Business

In order to support the mostly self-managed operations, 20 participants used computers. A few of these participants reported using accounting software, while others were computerised to maintain customer databases or to support activities such as stock-keeping and marketing. Regarding the day-to-day management of accounts: 16 did the job themselves; 4 had the help of their spouse or business partner; 3 had the help of another family member or friend; and 3 employed a business manager or accountant.

Professional Services Used

The use of professional services was perceived as a means of overcoming the disadvantages that many participants believed they experienced because of their unfamiliarity with the New Zealand business environment and/or their lack of contacts and networks. Advice on accounting and tax returns was the most frequently cited reason for regularly using professional services; 19 used

\[^1\] A salary out of the business is a specific regular payment subject to P.A.Y.E. income tax. A business owner is entitled to draw an income from the business revenue that is exempt from P.A.Y.E. and this can be more flexible.
the services of a public accountant, while 1 consulted IRD staff to check GST calculations. Three operations did not use professional services (they were large enough to employ their own accountant); and 3 said that accounting services were not applicable to their businesses at the time of the interview. Other professional services were consulted occasionally. Among these, legal services were the most commonly used – often for more than one reason. In particular, legal services were used: for the lease or purchase of premises (17); to establish the legal status of a company or trust (12); for the preparation of agreements and contracts (11); for the purchase of a business (7); and for advice on serious complaints (5). Only 4 participants said that they had never consulted a lawyer.

Although very few used management (2) or marketing consultants (1), the free services offered by local development agencies or councils for general management advice had been used by 12 of the 26 participants (including some who consulted public accountants and lawyers). Others used the services offered by their business franchiser (3), the Chamber of Commerce or a security broker (1 each) and 4 sought advice informally from friends and acquaintances (often from within their own ethnic community). Only 9 claimed never to have sought advice from anyone.

Taking all professional and business consultancy services used into account, few were provided by persons from a participant’s own ethnic community. Indeed, 17 identified their lawyer or accountant as a Kiwi. While this choice made sense in terms of negotiating New Zealand’s unfamiliar business environment, it was not a strategy that extended to taking on a New Zealand *business partner*. Although 3 participants reported taking on such a partner, only 2 did so explicitly to deal with an unfamiliar environment while the third chose a New Zealander for reasons related to the type of business.

Finally, it is worth noting that mainly positive relationships with customers and suppliers were reported by all participants with businesses operating at the time of the interview.

**Summary**

Over one-third of the participants (or the spouse) had prior experience in running their own business. One of the few owner/manager features known to be positively related to business growth (see Romano and Ratnatunga, 1992), the advantage of previous experience in the present study was in some cases mitigated by unfamiliarity with New Zealand’s business environment. About half of the participants reported educational preparation relevant to running a business, and a few had completed a ‘Be your own boss’ (BYOB) course since arriving in New Zealand. While prior experience and educational preparation were generally acknowledged to be useful, these features didn’t necessarily translate into business success. There were successful businesses whose owners had neither prior experience nor relevant qualifications, while others who were experienced and highly qualified struggled to make a
success of their business ventures. Less than half of the participants had prepared a business plan and the majority thought such a plan was useless.

Businesses were typically set up using personal funding sources and ongoing operations were usually funded from revenue. In many respects, they were similar to other small and medium enterprises in New Zealand. For example, business hours, the owner’s hours of work and remuneration methods tended to match what are widely regarded as the norm. Some professional advisors – usually New Zealanders – were used regularly (accountants) and others (notably lawyers) were used occasionally as required. In only two cases was a New Zealand business partner taken on to overcome a lack of familiarity with the business environment. In general, the participants identified many of the same factors that Hamilton and English (1997) listed as critical to the successful starting up of a small business.
PERSPECTIVES ON THE NEW ZEALAND BUSINESS ENVIRONMENT

A number of studies (e.g. Boyer, 1996; Friesen and Ip, 1997; Goulter, 1996; Ho et al., 1999) have indicated that self-employed immigrants often encounter difficulties related to their unfamiliarity with the New Zealand business environment and the small size of the market, a finding that also emerged in the present study. In this section the perspectives of the participants on the business environment are described, including regulations and other aspects on which they considered themselves disadvantaged when compared with their Kiwi counterparts. These perspectives are placed in the context of their self-reported business performance and experience.

Business Performance and Experience

Participants’ own judgements on the success of their businesses reflected their expectations, pre-migration experience and reasons for going into business. Several indicated that they were not solely dependent on the business for their financial support. These participants included semi-retired investors and those with a spouse receiving a salary from external employment. Moreover, those for whom the business was a ‘hobby’ viewed their performance somewhat differently than those with ambitions for wealth and influence.

The specific difficulties experienced and described (in order of frequency) were:

- insufficient working capital and difficulties with the banking sector (e.g. having no credit history in New Zealand);
- too much competition;
- local market too small and too distant from overseas markets;
- English language difficulties;
- labour issues – too expensive, low productivity, poor work ethic, too much protection for employees through employment law;
- fledgling businesses facing high taxation and other payments;
- unfamiliarity with New Zealand culture and business environment;
- business encumbered by bureaucratic requirements and compliance costs;
- uncertainties (e.g. regarding sales, supplies, materials, income);
- immigration difficulties, affecting both the participant’s own visa and the ability to recruit workers from overseas;
- disadvantages vis-à-vis non-immigrants (e.g. the lack of networks and local knowledge and a need to work harder to earn respect, acceptance and trust); and
- racial abuse and harassment related to immigrant status.
On the other hand, some positive features of the New Zealand environment were also highlighted. In particular:

- New Zealand was regarded by the South Africans as being similar to 'back home’;
- New Zealand society was uncomplicated and straightforward with a culture of decency and honesty (especially noted by immigrants from Eastern Europe and Asia); and
- the legislative environment was relatively uncomplicated (e.g. when compared with Europe).

Although over half of the participants reported disappointment in business performance (e.g. sales, financial returns and growth were lower than in the country of origin), there were a number of positive features. Some of the participants and their business products received awards in New Zealand and overseas, several participants had encouraged other (actual and potential) immigrants to choose self-employment, and the ratings given by participants to a list of statements conveyed a generally positive view.

We started from scratch. We had a kitchen [then] about this size, and look where we are now! [indicating spacious premises] So that’s progress. And it’s all owned by us, all the equipment here, we did all the work here in the last two weeks, day and night.

[Case # 10]

Personally, I actually feel that New Zealand is so right, in the sense that there are always opportunities for us, for a small guy to make a go of anything he really wants to. I mean I can expand this business to every town in New Zealand if I want to. But I’m quite happy where I am. And I actually feel that (New Zealand being a small economy) I’ll probably be able to weather many of the storms much better as a small operation.

[Case # 26]

Initial poor performance was in some cases turned around, but in others persisted as illustrated in the following examples:

I started the business [one] year ago... It was anniversary couple of weeks ago. And we brought a franchise. We start it with very low income. [We were] actually $10,000 shorter... Because [at first] we got less money than we expect... It’s going so good now... after months and months been improving and business grow, grow, grow... Be prepared, be prepared in the first year to go through them very tired [i.e. hard] times....

[Case # 12]

At the end of the year... I will reluctantly go to [my accountant] because I know what he is going to say, 'Close the doors'. He has advised [me] ‘You should be making a good salary, you deserve to.
Close the doors’ …And my boyfriend, he says ‘Close the doors’ …But at least this way we are employed, people are employed… I feel guilty about my other [immigrant] friends being on a benefit, so it’s really an issue for me.

[Case # 21]

Some participants, particularly those from the huge vibrant markets of Asia, regarded the New Zealand market as small, difficult and unprotected:

In New Zealand to do business it’s pretty hard. It’s a pretty hard country… Small country and the small market. People very, very conservative. Most of the Kiwis are very, very narrow-minded, like your Chinese proverb call[ed] ‘Dog Sitting on the Wall’, they only know sky this big… You have got very good technology, new products, but the Kiwi don’t accept.

[Case # 4.]

…it is too small a country, the population is not [large] enough. And the market is too small… A lot of [manufactured imports] from China. And that’s killing the local market.

[Case # 11]

The small market, the expense of labour and New Zealand’s distance from world markets were all identified as challenges in comparison with pre-migration conditions. A South African participant, for example, noted that:

It’s certainly a lot more difficult to do it in New Zealand than it was over there. [Because of] the small size of the economy. [Also] in South Africa there’s always been a huge number of unskilled Blacks, always been a skill shortage. So you can set up a business… get people really cheap… It’s a totally different thing in New Zealand, where people are much more skilled, much more competitive.

[Case # 24]

Technology-based, innovative enterprises – seeking to introduce and develop technology from the country of origin – experienced particular threats to survival, with delays related to patents, the commercialisation and marketing of product, and specific laws (e.g. the Medicines Act). Participants involved in such businesses each gave long, involved accounts of the particular complex of issues working against the viability and performance of their enterprise, in spite of the potential of the products. An example was a company collecting and analysing bee venom for internal use, an innovation (developed by the company) in which New Zealand was now said to be the world leader. This company was being threatened by competitors importing bee venom whose bioactive properties had not been analysed. In spite of receiving awards for ‘innovativeness’ and ‘best new business’, the company was struggling to remain viable.
A lot of companies try to get cheap venom [from another country] and produce the same product... This venom is different quality... It's quite dangerous for buyers... But if something happens not so good situation for our company. That's why [we are] so concerned about what's happening now... And the price for venom [is] very, very low. We have a lot of expenses and... and tax and so on... That's why we stop some of our [initiatives]... We can not, haven't had opportunity to focus on creating new product, and new methods how to use venom wider. All our force we have to spend in order to survive.

[Case # 8]

Rating Scales Indicating Performance

Participants were asked to rate, on a scale of 1 to 5, the extent to which a list of statements was true for them. Five of these statements concerned financial performance, and the responses are presented in Table 1. The ratings indicate that while most businesses were paying their way and the cash flow was adequate, profitably was less certain and remuneration for the owner less assured than paying bills and wages. Almost half reported no business debt, and most indicated they intentionally avoided extending the business beyond their ability to fund operations.

Four statements explored overall business experience and intentions (Table 2). The finding that almost all intended to continue the business, that 17 planned to expand or diversify, and that business performance had exceeded the expectations of more than half of the participants, indicates that running a business remained a positive option despite the difficulties experienced. Only two participants indicated an intention 'to sell, close or exit the business within the next year' and in both cases the response applied to a single, poorly performing business in their portfolio, and not to an intention to exit business altogether.

Responses to three statements concerning personal aspects are reported in Table 3. Overall, the responses were very positive with almost all feeling that they had made the right decision to enter business and that they were making a positive contribution to New Zealand society. The one participant who was negative about contributing to New Zealand society nevertheless stated that the product had the potential for a positive contribution. Participants had difficulty rating the statement 'My family has better opportunities since I entered business'. Some commented that their family's improved opportunities reflected residence in New Zealand and were unrelated to running the business, others that the business was neutral to family opportunities. Examples of where the business activity benefited the family included: a mother who was able to organise her time flexibly around her children's needs; and a father who involved his teenage children in work and business experience. On the other hand, a few participants saw low incomes and long hours working in the business as eroding potential family opportunities.
Indeed, one participant observed that entering a business had negative consequences for the family, through stress and loss of personal funds.

**Table 1: Participants’ ratings of five statements concerning financial performance**

<table>
<thead>
<tr>
<th>Statements</th>
<th>Definitely True</th>
<th>Mostly true</th>
<th>Mostly false</th>
<th>Definitely false</th>
<th>Not applicable</th>
</tr>
</thead>
<tbody>
<tr>
<td>I am regularly able to pay the business bills on time</td>
<td>19</td>
<td>4</td>
<td>--</td>
<td>2</td>
<td>1 (business not underway)</td>
</tr>
<tr>
<td>I am able to repay debts/loans</td>
<td>15</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>11 (no debts/loans)</td>
</tr>
<tr>
<td>I am able to pay wages on time</td>
<td>18</td>
<td>1</td>
<td>--</td>
<td>2</td>
<td>5 (no employees)</td>
</tr>
<tr>
<td>I am able to earn a regular income from the business</td>
<td>10</td>
<td>8</td>
<td>2</td>
<td>4</td>
<td>2 (no income from the business)</td>
</tr>
<tr>
<td>The business is regularly turning a profit</td>
<td>7</td>
<td>12</td>
<td>3</td>
<td>1</td>
<td>3 (not commercially focused; not yet operational)</td>
</tr>
</tbody>
</table>

Four statements concerned the regulatory environment and culture (Table 4). On the whole participants reported that they understood the regulatory environment, although over half admitted that it had taken them some time to come to grips with the business environment. Less certainty was expressed by participants regarding their understanding of both the business culture and the general culture of New Zealand society.

**Perceptions of the Regulatory Environment**

Participants were asked to indicate the extent to which various regulations and requirements affected their day-to-day business operations (Table 5). Clearly the regulations having the most significant effect were those for accident insurance, fair trading and consumer legislation, occupational safety and health, and especially taxation:

*New Zealand GST [Goods and Services Tax] too high, compared with other countries... And business tax 33%... [Case # 18]*

36
Absolutely just bogs us down with work, GST does... Because at the end of the day, you've got to make a cheque out for $4,000 whatever on the 20th of every month. And to work it out... I've got to that stage that I have to employ somebody to do that work. I haven't got the time. [Case # 23]

Table 2: Participants' ratings of four statements concerning overall experiences and intentions

<table>
<thead>
<tr>
<th>Statements</th>
<th>Definitely true</th>
<th>Mostly true</th>
<th>Mostly false</th>
<th>Definitely false</th>
<th>Not applicable</th>
</tr>
</thead>
<tbody>
<tr>
<td>I am intending to sell, close or exit the business within the next year</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>21</td>
<td>2</td>
</tr>
<tr>
<td>I am intending to expand (including diversify) the business within the next year</td>
<td>12</td>
<td>5</td>
<td>--</td>
<td>7</td>
<td>2</td>
</tr>
<tr>
<td>The business is doing as well as I expected</td>
<td>13</td>
<td>10</td>
<td>1</td>
<td>2</td>
<td>--</td>
</tr>
<tr>
<td>The business is doing better than I expected</td>
<td>8</td>
<td>7</td>
<td>3</td>
<td>8</td>
<td>--</td>
</tr>
</tbody>
</table>

Table 3: Participants' ratings of three statements concerning personal aspects

<table>
<thead>
<tr>
<th>Statements</th>
<th>Definitely true</th>
<th>Mostly true</th>
<th>Mostly false</th>
<th>Definitely false</th>
<th>Not applicable</th>
</tr>
</thead>
<tbody>
<tr>
<td>I made the correct decision to enter business</td>
<td>22</td>
<td>3</td>
<td>--</td>
<td>1</td>
<td>--</td>
</tr>
<tr>
<td>Since entering business I have felt I am making a useful contribution to NZ society</td>
<td>20</td>
<td>4</td>
<td>--</td>
<td>1</td>
<td>1 (business not yet operating)</td>
</tr>
<tr>
<td>My family has better opportunities since I entered business</td>
<td>10</td>
<td>10</td>
<td>2</td>
<td>3</td>
<td>1</td>
</tr>
</tbody>
</table>
Table 4: Participants ratings of four statements concerning the regulatory environment and culture

<table>
<thead>
<tr>
<th>Statements</th>
<th>Definitely true</th>
<th>Mostly true</th>
<th>Mostly false</th>
<th>Definitely false</th>
<th>Not applicable</th>
</tr>
</thead>
<tbody>
<tr>
<td>I understand the conditions and laws of this country that affect business</td>
<td>17</td>
<td>7</td>
<td>--</td>
<td>2</td>
<td>--</td>
</tr>
<tr>
<td>It took me some time to come to grips with the business environment</td>
<td>12</td>
<td>6</td>
<td>6</td>
<td>2</td>
<td>--</td>
</tr>
<tr>
<td>I understand the business culture in NZ society</td>
<td>13</td>
<td>--</td>
<td>9</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td>I understand the general culture of NZ society</td>
<td>11</td>
<td>10</td>
<td>3</td>
<td>2</td>
<td>--</td>
</tr>
</tbody>
</table>

However, some participants regarded such regulations as having a small affect only, because they were simply to be complied with.

[Participant]: What do you mean affect? You just have to pay every month, that’s all. Most people complain that IRD is pretty tough. But they are OK to me... I usually comply nicely...
[Case # 4]

While employment legislation didn’t affect half of the businesses (they didn’t employ workers), the perceived effect among the remainder was a source of concern and criticism, in some cases discouraging expansion as indicated by two of the participants:

Employment Contracts Act – how can I say, [it is] one of the most important contributing factors in deciding whether you’re going to expand or not... Because I mean when you employ people it becomes a totally different ball game.
[Case # 26]

Employment Contracts Act – is something I have a lot of headache [about]. That’s a major trouble in the industry. Slows down business growth. I regard it as a major block of the country’s economic development... Easy to say ‘Come’, difficult to say ‘Go’. That is why sometimes I can’t employ people.
[Case # 4]
Table 5: Participants’ perceptions of the extent to which specified regulations and requirements affected their day-to-day business operations

<table>
<thead>
<tr>
<th>Regulation or requirement</th>
<th>Affected to a large extent</th>
<th>Affected to some or small extent</th>
<th>Affected to no extent</th>
<th>Not applicable</th>
</tr>
</thead>
<tbody>
<tr>
<td>I.R.D. (G.S.T.)</td>
<td>10</td>
<td>12</td>
<td>1*</td>
<td>3*</td>
</tr>
<tr>
<td>I.R.D. (PAYE)</td>
<td>4</td>
<td>12</td>
<td>2*</td>
<td>8*</td>
</tr>
<tr>
<td>MAF and/or Customs</td>
<td>4</td>
<td>5</td>
<td></td>
<td>17</td>
</tr>
<tr>
<td>Local Councils</td>
<td>4</td>
<td>4</td>
<td>4</td>
<td>14</td>
</tr>
<tr>
<td>Food and Liquor regulations</td>
<td>4</td>
<td>4</td>
<td>--</td>
<td>18</td>
</tr>
<tr>
<td>Privacy regulations</td>
<td>4</td>
<td>1</td>
<td>2</td>
<td>19</td>
</tr>
<tr>
<td>Accident insurance</td>
<td>3</td>
<td>12</td>
<td>5</td>
<td>6</td>
</tr>
<tr>
<td>Consumer Guarantee Act</td>
<td>3</td>
<td>7</td>
<td>7</td>
<td>9</td>
</tr>
<tr>
<td>Fair Trading Act</td>
<td>2</td>
<td>10</td>
<td>5</td>
<td>9</td>
</tr>
<tr>
<td>Occupational Safety and Health</td>
<td>2</td>
<td>9</td>
<td>5</td>
<td>10</td>
</tr>
<tr>
<td>Employment legislation</td>
<td>2</td>
<td>8</td>
<td>3</td>
<td>13</td>
</tr>
<tr>
<td>Professional trade registration</td>
<td>2**</td>
<td>2</td>
<td>--</td>
<td>22</td>
</tr>
<tr>
<td>Statistics NZ</td>
<td>--</td>
<td>15</td>
<td>4</td>
<td>7</td>
</tr>
</tbody>
</table>

* These participants reported earning insufficient revenue.
** Related to the travel and finance industries.

Perceptions that pro-worker labour regulations hamper business growth are not unique to immigrants in New Zealand. Schak (1999: 140) described similar perceptions among Taiwanese business migrants in Brisbane, Australia.

The perceived effects of taxation, employment and other regulations were clearly influenced by the nature of the business, but also by the participants comparing the New Zealand environment with their prior experiences. Some participants from countries with less regulated business environments, for example, regarded New Zealand’s regulations and/or requirements as unduly restrictive, demanding or ‘fussy’.

*This paper and that paper, and then you’ve got to comply with this and you’ve got to do that. As a newcomer to New Zealand, no it’s not very helpful, not very user friendly... All the government crap and red
tape... got to such a stage that I was bogged down... [and] losing focus on the business.
[Case # 23]

Statistics New Zealand are a pain in the butt... They keep wanting this information, we don't have that much time to... fill out all the forms.
[Case # 9]

I must say in New Zealand they're much stricter [on safety issues] which is a lot better I must say. New Zealand is a lot better from that point of view.
[Case # 26]

[The City Council is] Number 1 [in having to comply]. Because they [are] very fussy, but I do everything that they... ask me to do. Like you should have a sneeze guard, you should have a vent, you should change the vent... and I do everything. And then he comes to say that your restaurant is a high standard.
[Case # 1]

However, other participants from highly restricted backgrounds found New Zealand relatively unregulated and straightforward. Several expressed their surprise at the simplicity of the regulations and the ease of starting up. A participant from Europe, for example, observed that:

In Europe there is a lot more bookkeeping and administration involved, because the rules are much, much more complicated over there than here. So when you are able to manage your own business [there] you are certainly able to do it here. Here we just... took a week or so to get started, and there it took about two years to get started.
[Case # 2]

It is, of course, possible that some participants were not aware of particular regulations that affected or had the potential to affect their businesses. This was illustrated by a participant engaged in manufacturing who said that Occupational Safety and Health regulations did not affect his business. He was subsequently fined (heavily) after a worker was injured by machinery.

Finally, in addition to those listed in Table 5, there were also a few other regulations and requirements that affected a small number of businesses to a large extent. These included the regulations or requirements of franchisers or co-operatives (3), the New Zealand Immigration Service (2), the Police (1), and regulatory controls specific to particular goods and services including film censorship, medicine and tenancy regulations.
Perceived Barriers and Disadvantages Experienced

In addition to having to familiarise themselves with the web of regulations applying to the business, participants identified a range of other issues that they believed placed them at a disadvantage when compared with Kiwis. These issues included simply being different (in terms of accent, language, ethnicity), unfamiliarity with the commercial and social environments, and one definite report of racial abuse. A hierarchy of barriers emerged, beginning with language, communication and cultural differences, and going on to their lack of contacts and networks, unfamiliarity with regulations, and perceived discrimination.

Language and communication

Barriers related to language and accent could be very subtle. Native English speakers, for example, observed that:

The other difficulty is you are different and people notice these differences pretty readily. You just have to open your mouth.
[Case # 22]

I think of myself actually as a Kiwi with some accent... [I tried unsuccessfully to get Kiwi staff] because I didn’t want to be iconed as a South African company.
[Case # 23]

For speakers of languages other than English, however, language was a barrier and not merely a disadvantage:

Language was [the most difficult issue] Even [with] my background, I have already been studying in United States. Language was very difficult.
[Case # 14]

Main disadvantage [is] the language, in order to discuss [our plans]. Our [New Zealand] friend tries to help us with communications and such things...
[Case # 8]

Taiwanese business immigrants in Brisbane similarly highlighted a limited facility in English as the ‘most daunting barrier’ (Schak, 1999: 141) to both settlement and the establishment of businesses, even when they were well educated and highly skilled.

Related to conversational ability was the issue of communication of culturally embedded concepts, ideas and values – another feature noted by Schak (1999: 142). Comments from the participants indicate the difficulties of subtleties in communication, and the scarcity of professional consultants familiar with both the language and culture of immigrant clients and with New Zealand
matters. The time spent by local consultants on immigrant client matters was believed to be reflected in the professional fees charged.

[A difficulty is] How to communicate with [the medical] professional association. Because we don’t have real professional people to communicate. We do have some [medical] professional people but his English is not good enough. Say too many words... we should provide more professional evidence they say. And then they may review our document. But the other problem is we don’t know how the [medical] association is running, we don’t know its functioning... So we don’t know how to come to question.
[Case # 18]

We need consultant in this field [finances and property]. I think most consultant[s] speak English, and for the [speakers of other languages] they can’t use them. And also the consulting fee quite high. My former accountant, they charge hourly rate. My wife and I have some questions, and... call telephone to accountant. He takes notes and didn’t reply immediately... And then about one week [later] he send a letter, and then he make some research... make four more replies. And then a bill... it was quite high.
[Case # 14]

Where professionals from the participant’s own ethnic community were available and qualified to practice (having retrained and/or registered in New Zealand) the combination of advice and affinity with the immigrant was acknowledged:

[I consult a South African lawyer because] basically you get an honest answer and... he knows, as the Kiwis would say, where I am coming from. And I know where he is coming from. And that just makes it a lot more comfortable. He would know what the differences are to what I expect and so forth.
[Case # 24]

Cultural differences

The participants identified cultural differences as a factor disadvantaging immigrants. These differences concerned both broad cultural differences between the country of origin and New Zealand, and differences in their respective business cultures.

The cultural change between South Africa and New Zealand... the working environment... is like day and night.
[Case # 23]

I think that because we understand the language and it’s a similar culture, if you haven’t been here long enough you might think it was
[just] on the other side. But in fact it isn’t… I advise [new arrivals] to… get any job… just find out how the place works before you jump into anything serious. [Case # 24]

The manager of a business manufacturing refined Chinese fungal medicine (effective, he claimed, against a number of common chronic diseases) described the lack of shared cultural knowledge and values as a barrier to commercialising and marketing new technology:

The… problem is they [Kiwis] don’t have such knowledge. They just say health food: why so expensive? …In view of Chinese it’s definitely medicine. But in Western medical system it’s [not] medicine… They do have clinical trial in China… over 2,000 cases I think. But the problem is in the Western country …they don’t accept that [trial]… We hope we can find some way to have a trial in New Zealand, no matter [if] it’s formal or informal… [Case # 18]

Another participant described inter-country differences in practices (in this case related to intellectual property) as a disadvantage that she had to negotiate:

They were trying their best to find something through the internet, any information about the product. There was a clause that [if] at any time the product had been in the public domain before we approached the company, [they] may not keep confidentiality. So they went and tried their best to find something through the internet, to show us that it is [in the] public domain [overseas]. According to New Zealand law if the product is new… to New Zealand [it need not] be an absolute innovation. [Case # 16]

**Lack of contacts, networks**

A less obvious but major disadvantage was the immigrant’s lack of contacts and networks:

[A New Zealand competitor has] got many friends in that particular area… if they are not her friends, she met them somewhere… So she’s got many contacts, she can just pick up the phone and say, ‘Dear would you please help me out. I’ve got a problem’… I can’t do this and I realise that. And this is very hard. We’re strangers in this country. And we have to be realistic. [Case # 16]
It’s an extremely competitive environment. Being an immigrant doesn’t help of course. You never get to the stage where you really have the network that you would have had if you had grown up here.
[Case # 24]

I suppose the biggest thing is not having a network. That is extremely difficult ...And you have to work extra hard at building relationships in business, because again you don’t have a background. And you have to prove yourself... all the time.
[Case # 22]

Related to their lack of contacts, a number of the participants described difficulties in accessing finance. In some cases this was because they lacked a credit history:

It was quite a rude awakening when I got to the banks here and said ‘I have $150,000 of my own money in this business, I would like to have $20-30,000 just to tide me over’... Eventually it transpired that unless I gave them my house as security it can’t be done. Now I found that quite disappointing. That’s a serious handicap doing business here.
[Case # 24]

Membership in business and/or service organisations offers a means by which to establish contacts and to build networks. Participants were therefore asked about their membership of business and other associations that could assist in networking and familiarisation with the business environment. Although several belonged to more than one organisation, overall the majority of the participants reported no such membership:

- 9 were members of local business associations, such as the Chamber of Commerce and Retailers and Merchants Associations, but 17 had no membership;
- 7 were members of specific professional or ethnic business associations, such as the Taiwan Business Association, but 19 had no such membership; and
- 3 were members of service organisations, such as Rotary, but 23 were not.

Of those who were members of any of the above types of associations, only 5 said that it was helpful in operating the business. A member of the Taiwanese Business Association, for example, found that it helped to promote his travel business as a niche supplier (Case # 20). A few, like another member of the Taiwanese Business Association (Case # 18), said they contributed more than they gained. A higher number (15) indicated membership of or association with their specific ethnic community, and of these 7 found it helpful to the business (e.g. in networking, getting custom), 5 said that it had no relevance to the business and the remainder offered no comment.
Discrimination, prejudice and racial abuse

There is a need for caution with regard to reports of discrimination, prejudice and racial abuse, for as Schak (1999: 144-145) points out:

... it is likely that many of the incidents interpreted as manifestations of racism are not so intended but are the result of culture shock and a clash between the differences in assumptions, rules, procedures, or values between the two cultures. People make certain assumptions about how they should be treated, and when they are not, it is easy to interpret that treatment as prejudicial.

With Schak’s point in mind, the following references to actual or possible discrimination against immigrants seeking membership of an association or in their dealings with banks become somewhat tenuous:

Some commerce association... they don’t really welcome new members from [Asia]. They set up some barriers. New test, new something like that. I heard a story... they have a test... just some skill test...
[Case # 18]

I have some problem with the bank a few years ago. Now I find the bank has travelled [moved on] and there are no more difficulties.
[Case # 9]

On the other hand, there can be no doubt about the nature or seriousness of the incidents and behaviour reported (reluctantly) by a participant from India who was running a liquor store in a low status area with high unemployment:

[Participant]... they just abuse you, without any reason sometimes. They just keep finding out you got the job you know, you have those things you know. And that can ruin you I think... Sometimes they just come in and they grab things, without saying anything you know.
[Interviewer] Do you call the police?
[Participant] Oh we just call the police but how long can you keep calling the police?
[Interviewer] Is any of this abuse racial?
[Participant] Oh a lot of that one... makes it very hard.
[Interviewer] Do they do the same to your brother-cousin [in the next door shop]?
[Participant] Yes, they have trouble as well.
[Interviewer] Have you complained to the Race Relations office about this sort of thing?
[Participant] I didn’t. Some people, we don’t really know who they are... Yes, they just come and they do, then they just go. Because we have that window alright, and a lot of time they go and break the glass... night time that happens... Young people, and some older people as well you know [do this].
[Case # 13]
Suggestions for Immigrant Support

Participants were invited to suggest how immigrants like themselves could be better supported or assisted when entering business in New Zealand. Some were unable to think of suggestions. That said, the suggestions offered tended to focus upon the roles and possible activities of central and local government, the commercial sector and immigrant or ethnic communities. Pre-migration experiences once again appeared to be highly influential.

Central and local government

While 4 participants felt that central government had no role in supporting immigrants, and 2 felt that it was already doing enough, 17 believed that more could be done. Specific suggestions for central government action or support included:

- protecting little businesses against big companies;
- relief from taxation (especially in the first few years);
- having an income support safety net in place until a business was established;
- simplifying the regulatory environment;
- strengthening regulatory protection for certain products and New Zealand brands and technology;
- supporting export initiatives and international marketing;
- relaxing immigration policy (e.g. to allow technicians and tradesmen to immigrate);
- providing better post-arrival services for immigrants;
- relaxing employment laws (e.g. to give an employer greater latitude in hiring and firing);
- providing venture capital and setting up more business incubator schemes; and
- supporting innovations and technology development.

The above suggestions were offered in various combinations, some in more detail than others, and linked in a number of cases (as illustrated in the two following quotes) with ‘complaints’ concerning post-arrival conditions and/or requirements:

_The Government just collect information from us but we have to go and ask the information from them. They don’t feed [back], they don’t respond after getting information from us… The Government can also provide probably funds to grow the business… Loans. Business loans, can’t expect something free…_
[Case # 15]

_On the brochure [about New Zealand from the Immigration Service] it’s the place to be and it all sounds very encouraging, but the moment you arrive you’re [on your own]. [Government could_
assist new immigrants in] getting to understand the way things work [concerning investments, business, and social services].

[Case # 24]

Just as there were differences of opinion concerning the role/activities of central government, there were also different viewpoints with respect to local government bodies. Eleven participants felt that local councils could do more, but 5 said they did not have a role, and 3 felt they were already supportive. Specific suggestions for local council support included:

- welcoming new immigrants;
- providing interpreter services;
- providing information in multiple languages;
- reducing compliance costs; and
- providing low cost advertising and a lower cost for empty office space.

As one participant argued:

Local councils could and should [provide support] because [it’s] for the people in the community. And sometimes it’s misunderstandings, particularly cultural things, and it requires the council and the community to actually assist.

[Case # 22]

The merits of suggestions made for central and local government support are in many cases self evident, and can be readily related to the need for policy developments or amendments to maximise the benefits from New Zealand’s immigration policy changes since the late 1980s. Some of the suggestions have been taken up by central government since the participants were interviewed – notably in changes to immigration policy and the development of a post-arrival settlement policy (see Trlin and Watts, 2004). There is clear evidence also that local government bodies have recognised and responded to some of the needs of immigrant communities (see Watts, and Trlin, 2002).

Commercial sector

Differences of opinion were perhaps most marked in relation to support from the commercial sector. While this sector could do more according to 9 participants, and 2 said it was already supportive, several others pointed out that in a competitive market they (as new entrants to business and potential competitors) would not expect support. Where specific suggestions for improved support were made, these included:

- mentoring for immigrants entering business;
- providing business-related information in other languages, and
- assisting immigrants to establish contacts and networks.

In some cases a distinction was made between the commercial sector and professional associations. For example, one participant said:
As far as the commercial sector’s concerned, I don’t really think so... Professional associations, yes, they can provide [support]... show immigrants how they can actually gain professional status. I think accountants are actually very fair, but some other professions are inefficient and extremely unfair... medicine is a prime example.

[Case # 22]

On the other hand, there were some favourable experiences reported. In the case cited below, active involvement in a businesswomen’s association was helpful in providing shared experiences and contacts for the business and also with the establishment of a network of Kiwi friends that facilitated settlement:

I belong to the Women in Business... We have breakfast every two weeks... It’s fabulous... It’s just nice. You know most of us have got shops [in the town] and it’s just so lovely to breakfast, sit and chat with people...

[Case # 21]

Immigrant or ethnic communities

Finally, 9 participants felt that the immigrant or ethnic communities could do more, while 6 said their respective communities were already supportive, and the remaining 11 were either non-committal or unable to see a role for their communities. Among those who felt that their communities could assist, the suggestions included:

- mentoring fellow immigrants seeking to enter business;
- where applicable, giving custom to fledgling businesses;
- providing seed grants or venture capital; and
- being more pro-active in welcoming new arrivals and assisting them in their initial settling-in period.

Summary

Opinions on the regulatory environment in New Zealand were mixed, and influenced by the kinds of businesses the participants were engaged in as well as by their pre-migration experience of business regulation in the country of origin. In some respects, immigrants who complain that New Zealand is over-regulated are no different from small business operators in general. For example, echoing the now familiar chorus of complaints about bureaucratic regulations and compliance costs, the Dominion newspaper carried a report titled ‘Businesses choked by red tape’ (12 April 2002: 13). It is true, however, that many immigrants are likely to be disadvantaged by their unfamiliarity with the host society’s business regulations, by their limited recourse to professional advisors from their own background, and (among those from non-English speaking backgrounds) by the added challenge of using technical English. In this respect, the self-employed participants in this study are comparable to those described by Schak (1999) in Australia. Boyer (1996) also
reports that Taiwanese business migrants in Auckland commented on their lack of English language proficiency and required information on the business environment. However, a belief that they were relatively disadvantaged vis-à-vis Kiwi counterparts was common even among English language speakers from South Africa who saw many similarities between their country of origin and New Zealand.

In spite of the disadvantages the participants identified, business performance was in most cases adequate for the enterprise to remain viable. Improved access to finance, information, associations, networks and professional advice would probably enhance their business performance by reducing the effect(s) of barriers encountered and the disadvantages experienced. Perceived needs for certain types of support from central and/or local government, the commercial sector and immigrant or ethnic communities were identified but were not perceptions shared by all of the participants. Paradoxically, although often seeing themselves as disadvantaged relative to Kiwi counterparts, their businesses were nonetheless performing satisfactorily and some intended to expand or diversify their activities.
LINKS WITH OWN ETHNIC/COMPATRIOT COMMUNITY AND COUNTRY OF ORIGIN

Links between immigrants in business and their own ethnic/compatriot community in New Zealand, and with networks in their country of origin can offset the disadvantages described in the previous section. Light (1984) refers to numerous studies in North America which have shown that immigrant communities have created social networks and resources on which their members in business can draw. Such networks and their benefits have also been identified among recent Asian immigrants in Australia (Ip, 1999; Lever-Tracy et al., 1999). Attention is therefore focused here upon the nature and importance of the participants’ links with their own immigrant or ethnic community in New Zealand and with their country of origin.

Links With Ethnic/Compatriot Community

As noted earlier in this report there was evidence of the participants using their own ethnic/compatriot community in New Zealand as a pool of employees, and as a market for products and services:

- 6 said that their business market was predominantly or exclusively their own immigrant and/or ethnic community (the rest identified their market as the general population); and
- 17 drew their employees predominantly from their own ethnic group (including family), while a further 5 drew employees from both their own ethnic group and the general population. Only a minority recruited from the general population alone.

In a few cases the existence of the compatriot community was the reason the business was initially developed but 3 participants (engaged in food import and distribution, a video library and personnel recruitment) acknowledged that their respective businesses had another dimension. The importer and distributor of foods from the home country serviced mainly her immigrant community but also identified an important role in providing emotional support to community members:

*Some of it is quite emotional, it really is. I have come to realise [that] when people phone, we talk for about 15 minutes before they place the order... We talk about South Africa, we talk about family, and if they’ve gone back, and if they miss their mother...* [Case # 19]

Another woman operated a video library from her home, not primarily to make a living but as a ‘social service’ catering for the needs of the Indian immigrant community:
[There are] more than a thousand [Indian people locally] but not everybody is watching [Indian videos]... It depends on the family, what homesickness [they experience]... [My] desire is social service; to help the people, that is my main aim. Money is important but there are other things as well. Social service and to preserve our language and the culture and values.
[Case # 7]

Finally, in a similar vein, a participant operating a recruitment agency that focused primarily but not exclusively on placing immigrants from his country of origin said:

... having immigrated we know what it’s like... So there’s a natural empathy to the immigrant. It’s probably one of the most stressful things you ever can do.
[Case # 23]

A few participants took their supportive role somewhat further, assisting or encouraging compatriots with regard to employment or business activities, though the recipient’s experience of such assistance and/or encouragement wasn’t always entirely positive as indicated in the second of the two following examples:

I’ve had a few desperate South Africans who came along and I gave them a bit of work on occasions just to help them along. They haven’t stayed. [If something comes up they move on]... one is a teacher, another one I don’t know what he’s doing, but he’s in [an] office job somewhere.
[Case # 24]

[I first worked in a compatriot’s factory] for four years... I wasn’t working in my [engineering] position. I was actually working a bit operating, a bit mechanical system. Because here to get a position of textile engineer, it’s very hard... As far as I’m concerned the place is there. But the company is not prepared to pay for it... Actually I was like semi-redundant because that guy, he kept cutting down, stuff like that... [However another compatriot encouraged him to start his own business] Well you know how I got into this business, because friend of mine he is in that business, friend of mine and a couple [of others]... And you know they said to us, ‘Well it’s been good for us and it’ll be good for you too’. 
[Case # 12]

The participants were also questioned on less tangible links including supportive relationships, advice and mentoring. Their responses reflected experiences that ranged from relationships which were very positive through to those that were somewhat ambivalent or negative. Among those who described themselves as members of close-knit ethnic communities, some
found their compatriots to be supportive of the business venture, assisting with advice, material help, custom and workers:

[The Jewish community is] very helpful. Providing us work, supporting. Very close [community]. If we need electricity, x can do electrician. If I need hand to do some dishes at a function, they give us a hand. Sometimes the mother takes our son for a walk so [my wife] can make [a dish]... And the same with her [relations], they live next door, so we feel like we are living in a kibbutz.
[Case # 10]

Positive thing that kept me going, I think it was more or less the help from my [Sikh] friends who were already in business.
[Case # 9]

Others, however, were dissatisfied with the lower than hoped for or expected level of support:

Immigrant communities... really need to pull their socks up and help each other... it’s virtually non-existent [among South Africans]... I mean there is a very strong practice amongst Jews and Muslims to be specific, and they gain a huge advantage over the rest of the community because they support one another... There are a lot of South Africans here... [who] are not making a real go of it. They neither give nor receive. The mistakes they make everybody repeats.
[Case # 22]

...we’ve just been through major floods, they haven’t phoned up [to ask] ‘How are you doing?’ ‘Can we do an advert for you guys?’... I would have thought that the [compatriot association] could have done more.
[Case # 21]

Several participants reported that they advised and mentored compatriots, just as they themselves were supported:

[I advise others] I give them advice [so] that they don’t sort of get into problems later on... [For example] how much income would I declare...
[Case # 9]

I encourage them to get a qualification here... Because basically we can know what is the industry environment here... Even doing the Chinese group market, I still need [to understand] everything [about] the environment.
[Case # 20]
I try to help them because [I am] still quite new. So actually my experience can help the new members, how to do research for the New Zealand market.
[Case # 18]

The community links were not always positive, however. A community that provided the market for a product, for example, could equally be the context for direct competition from other members of that community. Moreover, some participants were critical of the lack of support they received from compatriots, a stance often related to personal ambivalence about their national identity. Indeed, several participants from different countries of origin emphasised their desire to be identified as New Zealanders and to mix with New Zealanders, a desire which for some of them was an important reason for migrating to New Zealand in the first place.

Home Country Networks/Support

Seven of the participating businesses imported products or raw material from overseas, usually the country of origin, and 10 were either currently exporting to those markets or preparing to do so in the near future. One-third of the participants also described their intentions to initiate or further develop international ventures, building on existing networks and contacts, including partners, buyers, suppliers and distributors based overseas. These findings illustrate the way in which immigrants may maintain and exploit their networks abroad for business purposes, drawing upon their knowledge of and access to suppliers and markets.

Well, we’ve got a buyer in South Africa... So we just tell him ‘Look, get us better prices for this, and find out why [suppliers make mistakes]’... He does all that... [and] when we want a container ready to leave, he makes sure that all suppliers have their things ready.
[Case # 19]

Well, the wine business basically started with people I still knew in South Africa. [Brand] wines were [previously] sold in New Zealand, but because of supply problems (and I’m not exactly sure what else) the whole thing came to a standstill. [Brand] wanted to re-establish the business in New Zealand. And I got talking to them and I basically got the appointment as their distributor in New Zealand.
[Case # 24]

Home country contacts could also supply specialised technical and scientific support not available in New Zealand, a feature well illustrated by the bee venom business (Case # 8) which drew on contacts and research in Russia.
Business and immigration

The study revealed a multi-faceted relationship between immigrants in business and further migration. For example, one participant was anticipating the arrival of business partners from the home country and he was applying for work visas for unskilled compatriots, not because unskilled workers were unavailable but because he needed staff who could understand the company language. Another participant recounted how he was able to achieve the General Category points threshold (required for a successful immigration residence application) with a job offer from a compatriot:

Actually one of the reasons I decided to immigrate... a friend of mine was here who actually owned the butchery... At the time they were actually looking for a South African butcher to come and work. Because they had tried several local butchers... [who had] never really worked well [because the taste and manufacture of small goods is quite different]. He offered me a job. A job is 5 points.
[Case # 26]

Along similar lines a recruitment company operated by a South African participant was working on behalf of a New Zealand company to fill skilled labour shortages through immigration:

I've got business colts travelling around South Africa. And I haven't been to South Africa for the last few years... [We are conducting] a recruitment exercise for [named company], one of the biggest manufacturers in New Zealand... Because [the company manager has] got such a desperate need of skill, and experience in a certain industry... And we've gone to pick guys out of South Africa actually for him...
[Case # 23]

Skilled labour recruitment, however, was not always easy to achieve. The difficulties presented by New Zealand's immigration policy were illustrated by a participant who had sponsored compatriots entering on temporary work permits but was unable to keep them once their visas expired and they were required to leave the country. He and others expressed frustration with a restrictive immigration policy that impeded the recruitment and retention of workers with scarce skills:

...I imported a couple of workers from overseas... We can't get the labour, we can't get that trade person. Not available here... [or they are] available but not too many [of them and they are] already working somewhere [else]. So we're finding immigration is giving us a very hard time. Really, really hard time... Their work permit expiring very soon, a couple of weeks... And these people here [are] working here now, I already trained them my way, they know how to do [the job], then I have to train another one to go through all the
same thing [again if these workers have to leave]. So I prefer to keep them here.
[Case # 11]

Despite such difficulties the participants differed in their opinions on whether migration to New Zealand should be eased. For example, a wealthy retired Asian (Case # 14) who had invested his savings in property, argued in favour of having immigrants like himself bringing their wealth to invest in New Zealand. An opposing view was that by developing off-shore out-sourcing of low-skilled tasks New Zealand’s desirable physical and social environment could be preserved:

Why should we grow and make this as a concrete place, its assets [are] very beautiful and nice. When you bring the migrants, we’re getting too many hassles here. Not everybody is so clean and honest like we should be... If we are worried about environmental protection of this country, [and] want to keep it green... There is no harm in protecting that.
[Case # 15]

This particular participant had spent much of his recent career working in multi-national companies in several different countries. In contrast to immigrants with little experience outside their country of origin, for whom the idea of a larger compatriot community was attractive, his dependence on and perceived value of the ethnic/compatriot community was weak.

Summary

Large, cohesive immigrant/ethnic communities that provide opportunities and resources for business have not been established in New Zealand on the scale evident in North America or Australia (see Light, 1984; Lever-Tracy et al., 1999). Nevertheless, this study indicated a relationship between the participant’s ethnic or compatriot community and small business operations. Most importantly, this community provided a source of employees and a market (depending on the business) which some participants identified as the raison d’être for their business.

Ip (1999: 153) describes these patterns as ‘network as cultural capital’, and in cases where sources of start-up capital came from family or close friends as ‘network as economic capital’ (Ip, 1999: 156). The present study indicated that such networks were important among the participants, as sources of capital, workers, markets, business-related mentoring and advice shared, as well as affectively in emotional and psychological support.

However, experiences in the level of support from one’s own ethnic or compatriot community were mixed. Where support had been encountered it was reported to be very beneficial. On the other hand, where networks did
not meet expectations, participants expressed disappointment, even anger. Among the South Africans in particular, there was resistance to strengthening and drawing on such networks. Yet the South Africans also referred to their compatriots repeatedly making mistakes because the benefits of experience had not been passed on.

Overall, the findings suggest that ethnic or compatriot communities may usefully facilitate the development of networks as a strategy of mutual support for the self-employed among them. As a strategy, this need not ‘icon’ small and medium enterprises as ‘immigrant’ or ‘ethnic’ businesses, as some participants feared. Indeed, the fact that a majority of businesses in the present study served the general market and/or were engaged in international trade suggests otherwise. The development of such networks may also strengthen and enhance the assistance that New Zealand’s central and local governments and the commercial sector can offer.
CONTRIBUTIONS TO NEW ZEALAND

Immigrant-run businesses support the broader objectives of immigration in a number of ways. First, immigrants in successful businesses contribute broadly to the New Zealand economy by supporting themselves, paying their taxes, creating new job opportunities and by increasing the size of the domestic market. Second, those businesses engaged in exporting may contribute to an improved balance of payments. Third, innovative businesses introducing new products and new technology and/or seeking a synergy between old country technology and New Zealand branding, contribute directly to the strategy of a knowledge-based economy. And finally, by introducing diversity in their approach to conducting business as practised in other countries, innovations and improvements in business policy and practices are supported with potential benefits in both the domestic and export markets. Examples of such contributions and benefits to the economy and society in general are briefly outlined below.

Enriching New Zealand Through Business Activity

The introduction of new foods and products adds colour and choice to the domestic market as well as to the ‘quality’ of social life. Participants engaged in the food business, for example, spoke explicitly of their desire to share their cuisine and the hospitality of their culture:

Also, introduce our taste to New Zealand... And then the quality of food, the people like it, they usually say ‘Thank you’ and these things. Even the quantity... And also our way of talking to the customer, welcoming them and explaining to them about the food, about health, make them feel satisfied.  
[Case # 3]

I want to make the people know Thai food more than they used to have in other restaurants... I open this restaurant, to serve the customer in country style... Thai style. It is a real traditional food.  
[Case # 1]

A Russian woman described a dairy product delicacy widely available back in her home country that she believed had huge potential for the New Zealand market and for export:

It’s just a nice product. It is cottage cheese, mixed with vanilla sugar inside. And coated in chocolate. And it’s... just extremely popular and healthy. So it’s very nice... I always bought it in Russia... I missed [it] here. So I just decided why not try to make it here... we got patents pending.  
[Case # 16]
Supporting a Knowledge-based Economy

There were examples of innovative participants endeavouring to develop and commercialise new technology. They saw the potential of combining the traditional knowledge of the country of origin with the ‘clean green’ image of New Zealand, of exploiting the popular image of New Zealand overseas in marketing a technologically improved product to world markets. Perversely, although their ventures appeared to have a strong potential and directly supported the strategy of building a knowledge-based economy, they were encountering the greatest threats to economic viability.

[Our ambition is] to create health products for people... We have ideas for a whole range [of products], and there is a lot of opportunity to create health products, not only for New Zealanders but for all people in the world. And not only for people, [but also] for animals... We already have got one patent [in New Zealand] and another patent in [progress]
[Case # 8]

I want to be the leading company for such products. We can, because the professor, he [is] a scientist, he know many kind of fungus, medicinal fungus so he has the research ability to create many kind of... fungus product... And... the image of New Zealand quite good [for export]... we think we can be a fungus specialist from New Zealand, even [if we get] raw materials from other country, I think this doesn’t matter... [The] raw material grow[s] in China... Process[ed] here because [the professor has developed specialised] skill... This [fungus] you can find in New Zealand bush. But the medicinal ingredient only one tenth of this [imported] one... Actually the Government... they want the professor to do research for New Zealand fungi... They want [to see] if they can extract... maybe create new business for the Maori people...
[Case # 18]

Supporting Business Innovations and Improvements

Several participants had extensive business experience in their country of origin and, in some cases, internationally. In their accounts they revealed their ambition to enhance New Zealand’s business performance by contributing from their pre-migration experience. For example, one participant (Case # 14) noted his role as a member of an Asian ‘think tank’ in New Zealand. Another (Case # 15), remarking on the limitations of New Zealand’s population size, strongly advocated out-sourcing work to cheaper labour markets abroad.

A more tangible indicator of business innovations and improvements was provided by the awards or nominations reported by 6 of the participants. In 3 cases, the awards recognised technological innovations: 1 received two local
New Zealand awards, ‘Best New Business’ and ‘Best Innovative Business’; 1 received a technical award for the product produced and a patent from a trade fair in the People’s Republic of China; and 1 purchased plant that had received an award for technology innovation from a trade fair in Belgium. All three businesses, however, were encountering serious difficulties in securing markets (and in two cases clinical testing, market protection and promotion) for their patented products. A fourth business reported receiving patents for machinery manufactured. Finally, 2 participants were recognised in their respective business lines; 1 had been nominated as “[Named] Businessperson of the Year”, and the other was a runner-up for a business award.

Summary

The participants in this study bear out the view of Cameron and Massey (1999) that immigrants in business have made an important contribution to New Zealand. Immigrants successfully running their own enterprises contribute to the gross national product and the public purse, and may introduce new products and provide additional employment opportunities. However, as indicated in earlier sections of this report the accounts of a few of the participants suggest that the contribution could be greater. For their potential to be achieved, recent immigrants may need more focused assistance in negotiating the New Zealand business and public policy environments, and sources of capital other than their personal resources to facilitate business development.
CONCLUSION AND RECOMMENDATIONS

An investigation using the comparative case study method and involving mainly recent immigrants and their businesses was conducted to determine why skilled immigrants decide on self-employment and their experiences of doing business in New Zealand. Recruited through a networking process in Auckland and Palmerston North, the study involved 26 participants in mid-career from 12 countries of origin, with about two-thirds from Asia and the Middle East. These immigrants, most of whom gained residence in New Zealand under the General and General Skills categories (introduced as part of major immigration policy changes in 1991 and 1995, respectively), owned and operated a wide range of businesses, principally in the manufacturing, trade and hospitality categories. The great majority of the participants were engaged in micro or small businesses, but a few operated a portfolio of businesses.

Key Findings

Contrary to the conclusion of Cameron and Massey (1999: 151) that many immigrants are self-employed as 'an option of last resort', the results of this study indicate that unemployment and under-employment were reasons for choosing self-employment in less than a quarter of cases. Over half of the participants had jobs and quit, or were currently employed in other jobs as well as running their own business. A few had decided against seeking waged or salaried employment, because they believed they would have difficulty in their professional area, felt remuneration was too low, had no need to work or (having been self-employed prior to migration) wished to continue in self-employment in New Zealand. Overall, their reasons for self-employment were broadly similar to the motivations of other self-employed persons in New Zealand. That is, a desire for autonomy and independence, greater control over working hours and income and for lifestyle reasons, as well as a dislike of constraints such as bureaucracy and paperwork (Hamilton and English, 1997). Cameron and Massey (1999) add that various labour market difficulties may serve as 'push' factors while 'pull' factors reflect market opportunities created by the compatriot community and/or by pre-migration experiences and networks. Both 'push' and 'pull' factors were identified in the study.

An important finding was that the environment and lifestyle of New Zealand (which attracted many of the participants in the first place) played a role in the decision to be self-employed. Some said they wished to control their hours of work in order to enjoy the more relaxed lifestyle, while others indicated that self-employment offered a way to early retirement. Although some were content to simply make an adequate living for their family, there were a few ambitious participants who entered business to establish a launching pad for their grander visions of successful enterprises. The latter wanted to expand
and diversify, to build on opportunities created by their ethnic/compatriot community and links with their country of origin.

Factors identified as important for immigrants to enter and run a business successfully were similar to those for the self-employed in general. Ensuring there was a market, sufficient capital and owner expertise were key factors emphasised. Both prior experience and appropriate qualifications were positively related to business performance: 10 participants reported that either they or their spouse had prior experience in running a business; and two-thirds had business-related qualifications, including completion of ‘Be your own boss’ courses. However, the advantages of previous experience were in some cases mitigated by a lack of familiarity with the New Zealand business environment, a factor noted by other researchers in both New Zealand and Australia (e.g. Boyer, 1996; Schak, 1999). An interesting finding was the low level of indebtedness of many of the businesses; almost all relied on personal savings and a few on family funds to enter business. Less than a quarter reported using a bank loan to enter the business and to fund ongoing operations. A few found their lack of a credit rating in New Zealand had discouraged banks from approving loans.

The participants’ business operations were comparable to those of small businesses in general: three-quarters were registered as private companies; daily operating hours and owners’ working hours reflected those widely regarded as the New Zealand norm; employees were generally paid a wage; and most owners paid themselves from business revenue. Typical of small business operations, with few exceptions the owners worked in and managed the business themselves. Over one-third of the participants were operating more than one business line.

Although measuring financial and other performance was not a primary objective of the study, self-ratings indicated that most businesses were performing satisfactorily. Over two-thirds reported their intentions to expand or diversify in the coming year, in addition to those already operating more than one product line. All were able to meet regular payments, including salaries/wages, bills and loans. However, while most drew an income from the business, a few did not. Reported profitability was also mixed, with one-sixth of the businesses unprofitable. Nevertheless, with only one exception the participants felt they had made the right decision to go into business. Overall, these findings are similar to those reported in Australian research on Taiwanese business immigrants (see Lever-Tracy et al., 1999).

A conclusion of the present study, like other studies (see Ip, 1999; Lever-Tracy et al., 1999), is that ethnicity and the exploitation of networks or links in the ethnic/compatriot community and the country of origin can advantage self-employed immigrants. While the ethnic/compatriot community was the principal market for only about a quarter of the businesses (the remainder served the general population), there were strong links with the ethnic community when it came to recruiting workers. Two-thirds of the workers
were drawn mainly from the ethnic/compatriot community (including family members), and a further fifth were drawn from both the general population and the ethnic/compatriot community. Networks or links were active along various dimensions. In addition to being sources of capital, workers, market information and access to markets, networks were also evident in the participants’ membership of immigrant/ethnic associations, in their business-related mentoring and advice shared, as well as the provision of emotional and psychological support.

Regarding the participants’ perspectives on New Zealand’s business environment and difficulties encountered, many perceptions and difficulties were similar to those experienced by small business operators in general; namely, small remote markets, strong competition, labour costs, capital requirements or availability, high regulatory compliance costs, taxation and market uncertainties. Additional difficulties faced by the participants (as immigrants) included: language problems (in conversation as well as the communication of culturally embedded concepts), unfamiliarity with the business environment and regulations, a lack of mainstream networks and the need to work harder to earn acceptance and trust. In a few cases, prejudice, racial abuse, harassment and possible discrimination were reported. Similar difficulties have been noted by other researchers in New Zealand and Australia (see Boyer, 1996; Schak, 1999). However, the participants didn’t focus only on the difficulties. The benefits of the New Zealand business environment were highlighted, including light regulations relative to some other countries, and the ability to use the country’s ‘clean green’ image in exporting products. Furthermore, the disadvantages or difficulties identified were in some cases offset by the participant’s immigrant status, particularly via the use and benefits of ethnic networks or links in New Zealand and overseas.

Finally, the study was interested in the contribution of immigrant-run businesses to New Zealand. The fact that the participants were earning their own way, paying taxes and not burdening New Zealand’s social security system was in itself an important contribution. The participants also enriched New Zealand with their individual proficiency in two or more languages, their diverse cultural perspectives, and their introduction of new cuisine, forms of hospitality and products from other countries. In doing so they contributed to the preparation of New Zealanders for business in a culturally diverse global economy. Furthermore, with their introduction and/or development of new technology, new and traditional knowledge and innovations in business practice, some of the businesses have received patents and awards that clearly signal their potential to support New Zealand’s strategy of building a knowledge-based economy – that is, an economy based upon ‘human ingenuity and skill and a commitment to innovation through research and development’ (Frederick et al., 1999:1).

Nevertheless it was obvious that the actual and potential contributions of the participants and their businesses were adversely affected by the persistence of
various barriers and difficulties, some of which have already been catalogued above. Add to that list reports from participants that established commercial associations were unreceptive to immigrant business associations or reluctant to engage with immigrants and their ideas, and it becomes more and more evident that major efforts are required to instil in the wider New Zealand business community a basic understanding, acceptance and commitment to the concept and strategy of ‘productive diversity’ (see Cope and Kalantzis, 1997; Watts and Trlin, 2000b). In essence, the strategy is one that entails the recognition, appreciation and use of the diverse language skills, cultural insights and perspectives in an emerging multicultural society in order to increase cross-cultural knowledge and understandings, release creativity and create important synergies. The business community would then be better placed to understand and respond to the complexities of dealing with new members and especially clients (within New Zealand and the global market) from varied cultural and linguistic backgrounds.

**Recommendations**

Recommendations arising from this study fall into three broad areas: those for government and its agencies, for the commercial sector, and for immigrants in general.

**For government and its agencies**

- Information on the New Zealand business environment and relevant legal, advisory and other resources is needed with language suited to people unfamiliar with English and New Zealand culture. Information packs need to be up to date, and their availability linked to other information new immigrants may receive.
- Venture capital and other sources of grants and loans are required for recent immigrants who lack New Zealand-based assets and credit rating.
- GST and other tax relief and/or income support are needed for those innovative, technological and science-based businesses where the required investment is high and returns not immediate. Such support would need to be approved subject to the potential contribution to New Zealand’s strategy for a knowledge-based economy.
- Structured opportunities need to be created to acknowledge the pre-migration business experience and expertise of immigrants, and to learn from them as appropriate where new ideas and practices may be of benefit to the New Zealand business environment.

**For the commercial sector**

- New Zealand commercial and business associations should encourage the membership of immigrants who meet the appropriate criteria, and to establish networks with parallel immigrant/ethnic associations.
For immigrants in general

- Immigrant communities should encourage and/or facilitate support for their compatriots engaged in business via measures such as: free or low cost advertising in community media; and access to acquired knowledge and social networks for mentoring, the recruitment of labour and expertise; and as sources of capital and shareholding.
- Immigrants successfully engaged in business should be encouraged: to establish associations to support new compatriots; to forge links with counterpart New Zealand associations; to develop information and resource packs for compatriots aspiring to self-employment; to publicise both positive contributions to New Zealand, as well as barriers encountered and experiences of discrimination; and to work toward the reduction of identified barriers to participation.
REFERENCES


Henderson, A., Trlin, A. and Watts, N. 2001: Squandered skills? The employment problems of skilled Chinese immigrants in New Zealand,


APPENDIX

IMMIGRANT BUSINESS STUDY QUESTIONNAIRE
A. QUESTIONS ABOUT THE OWNER-OPERATOR

1. What is your country of origin? [previous citizenship] __________________________

2. What is your age? __________________________

3. Are you: Male □ 1   Female □ 2   □ 1

4. List the languages you speak and read/write in order of preferred/best language:

(a) Speak, read and write

☐

☐

☐

(b) Speak Only

☐

☐

☐

Of these: which is your mother tongue [first language]? _________________________

which is now your best language? ___________________________________________

which language(s) is/are now mostly used in your home in New Zealand? ____________
5. Please list your post secondary school qualifications

None [ ]  One only [ ]  Two [ ]  Three or more [ ]

(a) Name of qualification _______________________________
Where gained _______________________________

(b) Name of Qualification _______________________________
Where gained _______________________________

(c) Name of Qualification _______________________________
Where gained _______________________________

(c) Name of Qualification _______________________________
Where gained _______________________________

6. Under which Immigration Category [ provision] did you enter New Zealand?

- General Skills/General Skills Category [ ]
- Business Category/Entrepreneur Category [ ]
- Humanitarian [ ]
- Family Reunification [ ]

7. In which year did you arrive in New Zealand? ______

8. Tell me the story about your going into business:

[Prompt questions: At what point did you decide to enter business? Why? Tell me how you made the key decision to enter business? What are the key dates [nearest month] e.g. when you purchased the business, purchased the franchise, initiated the business, went into partnership/joint venture, etc.]

__________________________________________
__________________________________________
__________________________________________
9. What were your ambitions and hopes for the business?

[Prompts: independence? autonomy? to earn a living? become wealthy? be best in field?]


10. What is your position now in relation to that ambition?


11. What do you think will help you achieve your ambition?


12. What does “business success” mean to you?


13. What is your “business philosophy”, ie the principles and values on which you operate the business?


14. Prior to entering business, did you attempt to find paid employment in New Zealand?

(a) No □ 1

(b) Yes, but unable to find a job □ 2

Please could you tell me about your efforts and experiences in trying to find a job?


71
(c) Yes and had a job

Please could you explain why you left the job and went into business?
15. Prior to entering business did you undertake any study related to running a business?

(a) No  □ 1
(b) Yes informal  □ 2

If yes to (b), tick all that apply:

- read a book, □
- read a journal, □
- attended a seminar, □
- watched a video □
- other (specify) □

(c) Yes formal  □ 3

If ‘yes’, to (c) please state where you undertook this study:

country _______

institution ____________________________

______________________________

Please explain reasons for undertaking study.

______________________________

If ‘yes’ to (b) or (c), how helpful was this study/training?

______________________________

16. Do you require recognition or registration from any professional body in order to operate this business? (eg health professional, tradesman etc)

Yes  □ 1 □ if ‘yes’ specify ____________________________

No  □ 2

Please explain your response

______________________________

73
B. QUESTIONS ABOUT THE BUSINESS

17. What industry are you in? [Tick one.]

- Personal and other services □ 1
- Cultural and recreational services □ 2
- Health and community services □ 3
- Education □ 4
- Property and business services □ 5
- Finance and insurance □ 6
- Communication services □ 7
- Transport and storage □ 8
- Accommodation, cafes and restaurants □ 9
- Retail trade □ 10
- Wholesale trade □ 11
- Construction □ 12
- Manufacturing □ 13
- Agriculture, forestry and fishing □ 14

[Box marked □ 13]

Explain precisely your product or service (eg what do you manufacture, what is the cuisine of your restaurant) ________________________________
18. What is the legal status of the business?

- Individual ownership □ 1
- Partnership □ 2
- Co-operative □ 3
- Registered private company □ 4
- Registered public company □ 5
- Other (please state) _______________ □ 6

19. Is your business franchised? Yes □ 1

No □ 2

20. Is your business related to other businesses? Yes □ 1

No □ 2

if 'yes' tick any model that applies.

- Clusters □ 1
- Network □ 2
- Alliances □ 3
- Partnerships □ 4
- Joint venture (state with whom) □ 5
- Home country connections □ 6
- Ethnic community connections □ 7

Please explain the nature of the relationship:
21. Where is/are your business/businesses located:

One site only  □ 1
More than one site □ 2

If more than one site, please describe

____________________________________

22. What is the scope of your business activity? (eg where your client base is drawn from; where you market your product)

Local only □ 1
Regional # □ 2
National # □ 3
International # □ 4

[If yes to # explain where]

____________________________________

23. What category best describes your market/clientele:

General population of New Zealand □ 1
Predominantly immigrant population □ 2
Predominantly own ethnic group # □ 3
Exclusively own ethnic group # □ 4
Overseas □ 5

[#Please explain what you mean by “own ethnic group”]:

____________________________________

____________________________________

76
24. Please describe the steps you take to:

- attract customers

- retain customers

25. How many persons work in/ for the business, whether paid or unpaid:

- self only □ 1
- 2-5 □ 2
- 6-9 □ 3
- 10-49 □ 4
- 50-99 □ 5
- 100 or more □ 6 □ 2.
26. What is the identity of all your workers? Please state number of persons in each category, and indicate whether they work in the business premises, from home, or other location.

<table>
<thead>
<tr>
<th>Category</th>
<th>(a) Number of persons</th>
<th>(b) Where works</th>
</tr>
</thead>
<tbody>
<tr>
<td>Owner only (no other workers)</td>
<td>1</td>
<td>1 at home</td>
</tr>
<tr>
<td>Spouse/partner</td>
<td>2</td>
<td>1 at home</td>
</tr>
<tr>
<td>Other family members</td>
<td>3</td>
<td>1 at home</td>
</tr>
<tr>
<td>Unrelated friends (same ethnic group)</td>
<td>4</td>
<td>1 at home</td>
</tr>
<tr>
<td>Unrelated friends (other ethnic group)</td>
<td>5</td>
<td>1 at home</td>
</tr>
<tr>
<td>Paid employee (same ethnic group)</td>
<td>6</td>
<td>1 at home</td>
</tr>
<tr>
<td>Paid employee (other ethnic group)</td>
<td>7</td>
<td>1 at home</td>
</tr>
<tr>
<td>Other (specify)</td>
<td>8</td>
<td>1 at home</td>
</tr>
</tbody>
</table>

Just to check, please state the total number of workers: paid:

  

unpaid:

  

Just to check, please indicate whether:

- the owner works in the business? Yes [ ] No [ ] 2

- the owner manages the business? Yes [ ] 1 No [ ] 2
27. Are these workers: [tick all that apply]

- Paid an income (salary or wage) □ 1
- Unpaid family members □ 2
- Unpaid friends □ 3
- Receive a drawer □ 4
- Other remuneration arrangement □ 5

Please explain the “other arrangement”

__________________________________________________________________________ □

(a) If you have ticked more than one, which category applies to most workers?

(b) How does/do the owner/owners pay themselves?

28. What are the average hours worked per week?

(a) by the owner/manager[s] ___________________________

(b) by paid workers _______________________________

(c) by unpaid workers ______________________________

29. What are the business hours?

[a] average daily hours the business is open? __________

[b] average weekly hours the business is open? __________

Is your business supported with computerisation? Yes □ 1 No □ 2 □

Did you develop a business plan when you started out in business?

Yes □ 1 No □ 2
Please describe how/what measures you use to:

(a) identify your competitors

(b) overcome competition

(c) doesn’t apply to my business

Please describe the means you use to assess/evaluate/review your business practices.

Have you and/or your business won any awards or credentials since entering business in New Zealand?

No  □ 1

Yes  □ 2

If ‘yes’ please specify:

__________________________________________________________________________

__________________________________________________________________________
C. QUESTIONS ABOUT SUPPORT AND SOURCES OF ASSISTANCE AND EXPERTISE FOR THE BUSINESS

Indicate the source[s] of funding for entering business [tick all that apply]:

- Own savings [ ]
- Sale of personal assets [ ]
- Family loan [ ]
- Bank loan [ ]
- Loan from voluntary or community source [ ]
- Venture capital [ ]

(a) If you ticked more than one, indicate the most important

(b) Did you have any difficulties in raising finance?

Indicate the source[s] of funding for ongoing operations [tick all that apply]

- Not applicable [only just begun] [ ]
- Business income/Profits [ ]
- Personal/family funds/savings [ ]
- Own Income from another job [ ]
- Income from job of other family member [ ]
- Bank loan –NZ [ ]
- Bank loan –Overseas [ ]
- Other [please state] [ ]

If you ticked more than one, indicate the most important
Who manages your accounts [tick all that apply]:

Self # □ 1
Spouse/partner # □ 2
Other family member # □ 3
Friend # □ 4
Public accountant □ 5
Paid other [specify] □ 6

(a) If you ticked more than one, indicate the most important: □

(b) If you ticked # please explain expertise:

If you utilise public accountancy services, describe all advisory and other services provided:

[Probes: compliance, key accounting ratios, management practices, marketing, charges/fees]

To what extent do the following affect your day to day business operations?

*Please circle appropriate number:*

1. To a large extent;  2. To some extent; 3. To a small extent; 4. No affect at all.

5. Does not apply to my business.

For each item, explain:

- *What is the reason for your ranking?*
- *What is/are the source[s] of your advice on this issue?*

<table>
<thead>
<tr>
<th>Source</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. Inland Revenue Department - PAYE</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>b. Inland Revenue Department – GST</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>c. Employment Contracts Act</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>d. Occupational Safety and Health</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>e. Accident insurance</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>f. Fair Trading Act</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>g. Consumer Guarantee Act</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>h. Human Rights Commission</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>i. Privacy Commission</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>j. MAF/Customs</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>k. Local council</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>l. Food/liquor standards</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>m. Statistics New Zealand</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>n. Professional registration body [if applicable]</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>o. Other (please specify)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Did/do you engage legal services for any of the following? [tick *all* that apply]:

- Please elaborate on each:

(a) purchase/lease of business                                          ☐ 1
(b) Purchase/lease of premises                                          ☐ 2
(c) Establishing legal status                                            ☐ 3
(d) Preparing contracts

(e) Advice on serious complaints [eg with customers, neighbours, competitors, suppliers]

(f) Other [state]

If legal advice was sought, was the advisor of own ethnic background?

Yes □
No □

Did/do you engage the services /consult any of the following?;

(a) Please indicate if any were of own ethnic group,

(b) Please explain response for each.

<table>
<thead>
<tr>
<th>Business/Management consultant</th>
<th>Yes</th>
<th>No</th>
<th>N/A</th>
<th>(a)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>3</td>
<td>2</td>
<td>1</td>
<td>76</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Marketing consultant</th>
<th>Yes</th>
<th>No</th>
<th>N/A</th>
<th>(a)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>3</td>
<td>2</td>
<td>1</td>
<td>78</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Local enterprise development agency [eg Bus Dev Bd, Bus Dev Service Provider, Chamber of Commerce]</th>
<th>Yes</th>
<th>No</th>
<th>N/A</th>
<th>(a)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>3</td>
<td>2</td>
<td>1</td>
<td>80</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Local council</th>
<th>Yes</th>
<th>No</th>
<th>N/A</th>
<th>(a)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>3</td>
<td>2</td>
<td>1</td>
<td>82</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Ethnic council</th>
<th>Yes</th>
<th>No</th>
<th>N/A</th>
<th>(a)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>3</td>
<td>2</td>
<td>1</td>
<td>84</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Own ethnic community</th>
<th>Yes</th>
<th>No</th>
<th>N/A</th>
<th>(a)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>3</td>
<td>2</td>
<td>1</td>
<td>86</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Other [state]</th>
<th>Yes</th>
<th>No</th>
<th>N/A</th>
<th>(a)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>3</td>
<td>2</td>
<td>1</td>
<td>88</td>
</tr>
</tbody>
</table>
Are you involved in any of the following [eg as a member, associate, office holder]

a. Business-related organisation [eg Chamber of Commerce]  No □  Yes □

   [specify] __________________________________________________________________________

   Please describe the nature and level of your involvement ________________________________

   __________________________________________________________________________

   How helpful has this involvement been to you in business?

   __________________________________________________________________________

b. Business related professional

   No □  Yes □  

   [specify] __________________________________________________________________________

   Please describe the nature and level of your involvement ________________________________

   __________________________________________________________________________

   How helpful has this involvement been to you in business? ________________________________

   __________________________________________________________________________

c. Businessmen’s [women’s] organisation [eg Rotary]  No □  Yes □

   [specify] __________________________________________________________________________

   Please describe the nature and level of your involvement ________________________________

   __________________________________________________________________________

   How helpful has this involvement been to you in business? ________________________________

   __________________________________________________________________________

d. Ethnic business association or cultural  No □  Yes □  [specify] ________________

   Please describe the nature and level of your involvement ________________________________

   __________________________________________________________________________

   How helpful has this involvement been to you in business?
D. SOME QUESTIONS ABOUT YOUR EXPERIENCES IN BUSINESS

Are you currently encouraging or assisting skilled immigrants to enter business:

(a) immigrants already living in New Zealand  
   Yes □ 1  No □ 2

(b) persons thinking of immigrating to New Zealand  
   Yes □ 1  No □ 2

(c) actively recruiting persons to emigrate to New Zealand to work in your business  
   Yes □ 1  No □ 2

(d) Have you done any of the above in the past?  
   Yes □ 1  No □ 2

If “yes”, to any of the above, please describe the kind of encouragement or assistance you have/are providing:

Are you currently mentoring (supporting and advising) any immigrants who are seeking to enter business?

   Yes □ 1  No □ 2

Have you done so in the past?

   Yes □ 1  No □ 2

If yes, please describe the mentoring you are providing/have provided:

All things considered, what for you, have been:

a. the most difficult things (up to three) you encountered when entering or starting up business in New Zealand:

   1

   2
b. the most difficult things (up to three) encountered when endeavouring to continue to run/develop your business in New Zealand:

1

2

3

c. the most positive things (up to three) that helped you in entering business in New Zealand:

1

2

3

d. the most positive things (up to three) that helped you continue to run/develop your business in New Zealand:

1

2

3

All things considered, what advice would you give to another immigrant like yourself who is considering going into business in New Zealand?
All things considered, in what ways do you think the following could better support/assist immigrants seeking to enter business in New Zealand:

(a) Government

(b) Local councils

(c) The commercial sector

(d) Immigrant communities

(e) Professional associations

(f) Other (specify)
To what extent is each of the following statements true or false for you:
Please circle the appropriate number: Rate on 5 point scale 1 Definitely true 2 Mostly true. 3 Mostly false 4 Definitely false. 5 Not applicable.

- Please explain each response

  I am regularly able to pay the bills on time in relation to the business
  1 2 3 4 5 □ 100

  I am able to repay debt/loans
  1 2 3 4 5 □ 101

I am able to pay the wages on time
  1 2 3 4 5 □ 102

I am able to earn a regular income from the business
  1 2 3 4 5 □ 103

The business is regularly turning a profit
  1 2 3 4 5 □ 104

I am intending to expand the business within the next year
  1 2 3 4 5 □ 105

I am intending to sell/close/exit the business within the next Year
  1 2 3 4 5 □ 107

I intend continuing to run the business at the present level
  1 2 3 4 5 □ 108

I understand the conditions and laws of this country that affect the business
  1 2 3 4 5 □ 109

It took me some time to come to grips with (understand/learn about) the business environment in New Zealand
  1 2 3 4 5 □ 110

I understand the business culture in New Zealand
  1 2 3 4 5 □ 111

I understand the general culture of New Zealand society
  1 2 3 4 5 □ 112

I have a good relationship with my customers
  1 2 3 4 5 □ 113

I have a good relationship with my suppliers
  1 2 3 4 5 □ 114

I made the correct decision to enter business
  1 2 3 4 5 □ 115

The business is doing as well as I expected
  1 2 3 4 5 □ 116

The business is doing better than I expected
  1 2 3 4 5 □ 117

Since I entered business I have felt I am making a useful
  1 2 3 4 5 □ 118

89
contribution to New Zealand society. My family has better opportunities since I entered business

50. Is there anything else you would like to say about doing business in New Zealand?
AUTHORS

Nicola North

A former Senior Lecturer in the Department of Management Systems, Massey University, Palmerston North, Nicola is now an Associate Professor in the School of Nursing, University of Auckland. A founding member of the New Settlers Programme, Nicola has led data collection for the Indian panel in the New Settlers Programme longitudinal study and conducted supplementary projects on: the impact of immigration on primary health services; employers' perspectives on and practices regarding immigrant workers; and case studies of immigrant practitioners of Chinese and Indian medicine. Nicola completed a PhD thesis on aspects of the health and settlement of Cambodian refugees in New Zealand. Her current research interests include diversity in health workforces, transcultural health care and the health of peoples of Asian descent in New Zealand. Nicola entered academia in mid-career, after more than a decade engaged in community health development in Nepal. She has more recently carried out some consultancy work in the South Pacific in the area of strengthening health services through management development.

Andrew Trlin

Programme Leader for the New Settlers Programme, Andrew is a Research Fellow in the School of Sociology, Social Policy and Social Work, Massey University, Palmerston North. His main research interests are in the areas of social demography, social policy and programme evaluation, but he is best known for his work on immigration policy and immigrant settlement. Publications on aspects of international migration include: (as author) Now Respected, Once Despised: Yugoslavs in New Zealand (Dunmore Press, 1979); (as co-author) the nine previous reports in the New Settlers Programme Occasional Publication series (see ‘Selected New Settlers Programme Publications’ at the end of this report); and (as co-editor) Immigrants in New Zealand (Massey University Press, 1970) and the series New Zealand and International Migration: A Digest and Bibliography (Department of Sociology, Social Policy and Social Work, Massey University, 1986, 1992, 1997). Andrew also served on the Ministerial Committee that produced the report Drawing on the Evidence: Social Science Research and Government Policy (Ministry of Research, Science and Technology, 1996).


Watts, N., White, C. and Trlin, A. 2001: *English Language Provision for Adults and/or Refugees from Non-English Speaking Backgrounds in Educational Institutions and Training Establishments in New Zealand*, New Settlers Programme Occasional Publication Number 4, New Settlers Programme, Massey University, Palmerston North.


