Bamboo Networks:
Chinese Businesses, Enclave Economics and the Transformation of Auckland

Paul Spoonley and Carina Meares
Integration of Immigrants Programme 2007-2012

Objective 2 (Paul Spoonley)

• What are the experiences of immigrant families and households in relation to labour market participation and business activity?
• What strategies do they adopt in relation to paid/unpaid work, entrepreneurship, saving behaviour, investment?
• How significant/important are ethnic sub-economies/networks/precincts or transnational linkages?
• What is the nature/size of ethnic economic networks/enclaves and what are the spill-over effects?

(Team: P. Spoonley, R. Bedford, E. Ho, R. Peace, C. Meares)

• 2001-2006 Census
• LisNZ data
• Surveys
• Case studies
Settlement and Economic Outcomes

• Skill selection vs skill utilisation
• Convergence of economic outcomes with host population
• Immigrants – a special case in terms of policy?

Mixed embeddedness:
• Key factors include market conditions and access to ownership

Social networks:
• Networks instrumental in acquiring knowledge, recruiting labour and capital

J. Rath, Unravelling the Rag Trade
Social Embeddedness

Immigrant entrepreneurs participate in ethnic networks that contribute to business operations

- Reduce transaction costs
- Gain privileged access to certain resources
- Less governed by external incentives/practices/regulation

J. Rath, 2007
## Chinese Businesses

<table>
<thead>
<tr>
<th>Industries</th>
<th>Number of Participants’ Businesses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Professional, Scientific and Technical</td>
<td>11</td>
</tr>
<tr>
<td>Retail Trade</td>
<td>17</td>
</tr>
<tr>
<td>Agriculture, Forestry and Fishing</td>
<td>3</td>
</tr>
<tr>
<td>Accommodation and Food Services</td>
<td>20</td>
</tr>
<tr>
<td>Wholesale Trade</td>
<td>3</td>
</tr>
<tr>
<td>Rental, Hiring and Real Estate</td>
<td>3</td>
</tr>
<tr>
<td>Construction</td>
<td>1</td>
</tr>
</tbody>
</table>
Employees, Suppliers and Customers

• Significant reliance on Chinese employees, suppliers and customers

• Employees
  ➢ Language

• Suppliers
  ➢ Products

• Customers
  ➢ Services and products
Contacts and Networks

• Chinese networks important

➢ In New Zealand
  • Email, phone, personal visits

➢ Overseas
  • Email, phone, personal visits

• Local networks also critical
Ethnic Precincts

• The location of small and medium Chinese businesses in particular locations
  ➢ Small inner-city pockets
  ➢ Strip developments
    • Dominion Road
  ➢ Malls
  ➢ Suburban
    • Purpose built: Meadowlands
    • Conversion: Northcote
Developing Ethnic Precincts

- Level site near Chinese residential areas
- Shops built facing each other
- Shops of different sizes
- Mixture of shops
- ‘Kiwi’ businesses
Research and Policy Questions

Ethnic Precincts

- Are they evidence of parallel communities that might inhibit social integration?
- Are they evidence of low quality outcomes and poor economic incorporation?
INTEGRATION OF IMMIGRANTS PROGRAMME 2007 – 2012