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**Establishing a business in Aotearoa New Zealand:
Cultural, human and social capital resources of intentional
immigrant entrepreneurs**

A thesis presented in partial fulfilment of the requirements for
the degree of

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Abstract

There is a well-established literature on immigrant entrepreneurs and this thesis seeks to add to this understanding by focussing on the strategies and pathways of a particular group of business immigrants. This thesis contends that intentional well-resourced (IWR) immigrants be understood as a distinct category within immigrant scholarship. Their distinctiveness is directly linked to their intentions to start a business immediately on arrival, and the adequacy and utilisation of their human, cultural and social capital which is critical to their success.

This thesis contributes to, and extends, the knowledge of the particular dimensions of human, cultural and social capital significant to IWR immigrant entrepreneurs' success. IWR immigrant entrepreneurs are associated here with New Zealand's conditional Long Term Business Visa (LTBV) which leads to residence as an entrepreneur. Semi-structured interviews captured the business establishment experiences and trajectories of a regionally scattered sample of LTBV holders. Notwithstanding the participants' diverse cultural backgrounds, geographical locations or types of business, the iterative analytical process revealed distinct patterns of human, cultural and social capital usage at each stage of the LTBV. The time constrained requirements of the LTBV intensified the focused application of IWR immigrants' resources, which in turn provided an opportunity to examine the functions and dimensions of human, cultural and social capital which proved essential for entrepreneurial success.

The development and effects of migration policies are complex and enduring. This thesis informs immigration policy makers of the effectiveness of the LTBV in achieving the government's business recruitment and policy aspirations. The focus here is on a relatively small but distinctive group of skilled immigrants who provide a case study of immigrant entrepreneurship.

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Chapter 1 Introduction

1.1 Overview

Nation-states are challenged to develop appropriate immigration policies to enhance their economies while managing the increasing numbers of immigrants seeking entry (Castles & Miller, 2009). Yet there is a distinctive group of skilled, well-resourced immigrants that nations compete to attract. New Zealand, in common with other nation-states, seeks immigration solutions which balance internal and external political, economic and social pressures. As one of the classic immigration countries, along with the USA, Australia and Canada, settlers predominantly from the United Kingdom, have shaped New Zealand's society and developed its trading economy (Spoonley & Bedford, 2012). In the late 1980s, the government's neo-liberal policies sought to internationalise New Zealand's trade, which was reflected in its tentative trade links and immigration with Asian countries. Asian immigration was facilitated by New Zealand's significantly diversified immigration policy which removed national barriers. Increasingly complex and nuanced immigration policy development and immigrant selection continue into the twentieth-first century. New Zealand selects immigrants who can potentially enhance New Zealand's economy and trading opportunities, without drawing on its social welfare resources. Therefore, skilled, highly-resourced immigrants are highly desirable.

One option that emerged were visa categories which explicitly targeted appropriately resourced immigrants who could contribute new business ventures to the New Zealand economy. The eventual development of New Zealand business visas included options

for investors, entrepreneurs and skilled migrants. However, to develop successful business immigration policies which facilitate the settlement and contribution of immigrants requires an understanding of the resources they require. My purpose in this thesis is to examine the experiences of intentional well-resourced (IWR) immigrant entrepreneurs to identify the forms and adequacy of the symbolic capital necessary to establish sustainable businesses. Symbolic capital in this thesis represents human, cultural and social capital as initially defined by Bourdieu (1986) which, in certain circumstances, may be converted into economic capital. Intentional immigrant entrepreneurs migrate with the goal of establishing a business upon arrival, in contrast to migrants who first enter employment and later become self-employed. Self-resourced, self-sustaining IWR immigrant entrepreneurs are attractive to welfare-nations as they establish businesses offering potential employment without drawing upon state resources. IWR immigrant entrepreneurs form a distinctive but minimally studied niche group within the immigrant entrepreneurial spectrum. One end of this spectrum is represented by immigrant business activities which return low profits under difficult labour conditions (Rath, 2000a) and the other end by highly skilled IWR immigrant entrepreneurs (Marger, 2001a; Saxenian, 2002). The latter bring a range of experience, skills and financial capital in order to establish new business ventures. To craft policies which attract IWR entrepreneurial immigrants, knowledge of the symbolic capital resource requirements for success is necessary. Although definitions of “success” are equivocal, I apply it to immigrants who become financially self-sustaining, succeed personally and achieve policy aspirations.

In some cases, as Waldinger, Aldrich, & Ward (2006) and others have identified, immigrant entrepreneurship may be a strategic survival response to the lack of employment opportunities in difficult economic environments. Immigrant

entrepreneurs across the spectrum create their own enterprises and employment initially for themselves and potentially for others (Kloosterman & Rath, 2003). IWR immigrant entrepreneurs are distinguished by how quickly they establish their businesses. Self-employed immigrant entrepreneurs have a vested interest in contributing to the social and economic prosperity of their adopted communities according to Kloosterman and Rath (2003).

The majority of international studies on ethnic and immigrant entrepreneurs focus upon those who tend to be reliant upon ethnic communities for their market, labour and economic resources to establish their enterprises soon after settlement. Such studies highlight both the positive economic and innovative contributions of immigrant entrepreneurs, although Castles & Miller (2009) noted that there are often struggles when they operate in ethnic-specific worlds. In spite of this, Rath (2000a) recognised that immigrant entrepreneurs embedded within ethnic communities, benefit from the social capital and cultural practices of co-ethnic networks

Fewer studies have analysed the behaviour of IWR immigrant entrepreneurs who migrate with the explicit intention of establishing a business outside ethnic communities (Collins, 2008; Ley, 2003; Marger, 2001a). Ley (2003) and Marger (2001b) both identified how IWR immigrant entrepreneurs, often business owners prior to migration, eschew an initial period of employment in the host country to focus on establishing their own businesses. Their independent behaviour and strategies contrast with those of ethnically embedded immigrants who principally feature in immigrant entrepreneurship literature. Despite Sumption's (2012) assertion of the attractiveness of IWR immigrant entrepreneurs to a range of nations, comparatively little is known about the factors which lead to their success (Collins, 2008; Ley, 2003;

Marger, 2001c). One purpose of my thesis is to identify more precisely which dimensions of cultural, human and social capital are significant to the success of IWR immigrant entrepreneurs' business establishment.

Since European colonisation, the New Zealand economy has benefitted from the contribution of entrepreneurial immigrants and transnational connections (Hunter, 2007; Spoonley & Bedford, 2012). International political and economic cycles have influenced New Zealand's economic and immigration needs and policies. First as a British colony, then as a Commonwealth country, New Zealand attracted British immigrants for much of its colonial history. However, New Zealand's immigration policy reflects shifts in its international trading patterns and was part of neo-liberal re-adjustment of a range of policies. From the late 1980s, New Zealand refocused on developing Asian markets (Spoonley & Bedford, 2012) and new immigration policy contributed to these new links. Since 1987, New Zealand's visa and quota requirements have been filled by immigrants irrespective of their country of origin, which has resulted in ethnic population diversity and substantial connections with the Asia-Pacific region. New Zealand has specifically sought skilled immigrants to contribute their knowledge and expertise to the fiscal growth of the economy (Slack, Wu, & Nana, 2007). In the 1990s, when immigration policies designed to attract skilled and investor immigrants failed to boost the economy as anticipated, New Zealand expanded its business visa options to attract immigrant entrepreneurs. In 1999, New Zealand introduced the Long Term Business Visa (LTBV) to accommodate IWR immigrant entrepreneurs. It is within these international and national contexts that I chose to study the symbolic capital resources of intentional immigrant entrepreneurs as the topic of my doctoral thesis.

1.2 The research aims

Aspiring IWR immigrant entrepreneurs require adequate financial and symbolic capital in order to successfully overcome the considerable barriers encountered post-arrival. Consequently, a major theme explored in this thesis is to identify the dimensions of human, cultural and social capital required to facilitate the success of IWR immigrant entrepreneurs by using Bourdieu's (1986) integrated concept of symbolic capital which captured the value of human social interactions, experience and behaviour. Although the value of social capital in an ethnic entrepreneurial context has been methodically explored (Portes & Sensenbrenner, 1993; Sequeira & Rasheed, 2004; Woolcock, 2001), less examined is the contribution of human and cultural capital (Marger, 2001a; Nee & Sanders, 2001; Sequeira & Rasheed, 2004).

In order to contribute to the broader global scholarship regarding immigrant entrepreneurial theory, the aims of this research are:

First, to delineate the distinctiveness of intentional well-resourced (IWR) immigrant entrepreneurship within the conceptualisation of immigrant entrepreneurship scholarship;

Second, to identify and demarcate the dimensions of cultural, human and social symbolic capital essential to the successful outcomes of immigrant entrepreneurs;

Third, to ascertain whether the LTBV participants' fulfilled the government's business policy aspirations.

To capture the IWR immigrant entrepreneurs' business establishment experience, a sociological, qualitative interpretive-constructivist approach was applied, using

semi-structured interviews to gather the data. However, the first major methodological challenge to overcome was to identify appropriate intentional immigrant entrepreneurs. This was resolved through the identification of the LTBV which imposed resource and progress conditions upon its issuance and renewal. Following the resolution of participant recruitment and interviewing issues, an iterative analytical process was used to reveal the functions and dimensions of each form of capital.

1.3 Terminology

It is important to define the significant terms *immigrant*, *entrepreneur* and *ethnic* at the outset. An *immigrant* in this study is defined as a person born outside New Zealand, who is currently residing in New Zealand for more than 12 months (i.e. as a Permanent and Long Term resident following the official definition of a PALT migrant (Slack, et al., 2007; Residence, 2008)). Residence can be temporary, as part of circular ongoing migration patterns or permanent, which adds complexity to the definition of an immigrant (Spoonley & Bedford, 2012).

Entrepreneurship is a much debated concept (de Bruin & Dupuis, 2003). The derivation is from the French *entreprendre* meaning to undertake, which has been variously interpreted to mean a risk taker, an innovator, a business founder or an exploiter of profitable opportunities. The difficulty is that no single definition is commonly accepted as concluded by de Bruin and Dupuis (2003) and Kuratko (2014). Instead, de Bruin and Dupuis (2003) have proposed a spectrum of definitions. An entrepreneur might be associated with risk which is reflected in Cantillon's (1725) definition of an entrepreneur as someone who uses business judgement to exchange for profit in the face of uncertainty. Whereas a management view of entrepreneurship

is evident in Say's (1803) definition, when economic resources are shifted from a lower into a higher area of productivity and yield, without involving innovation or risk. By contrast, Schumpeter (1934, p. 78) defined an *entrepreneur* as someone enacting new combinations of already existing materials, or exploiting an invention, new technology, a new product, process, service, opening a new market, sourcing a new supply or developing a new organisation or industry. In this thesis, I use Schumpeter's (1934) 'entrepreneur as innovator' definition, which implies that once innovation ceases and operations become routine, the person ceases to function as an entrepreneur. These innovation criteria distinguish entrepreneurs from small-business owners who do not innovate (Kuratko, 2014). However, as entrepreneurs are difficult to identify for research purposes, very often small-business ownership, or start-ups, have been used as a default option for research on entrepreneurs or entrepreneurial activity (Statistics New Zealand, 2003, 2005).

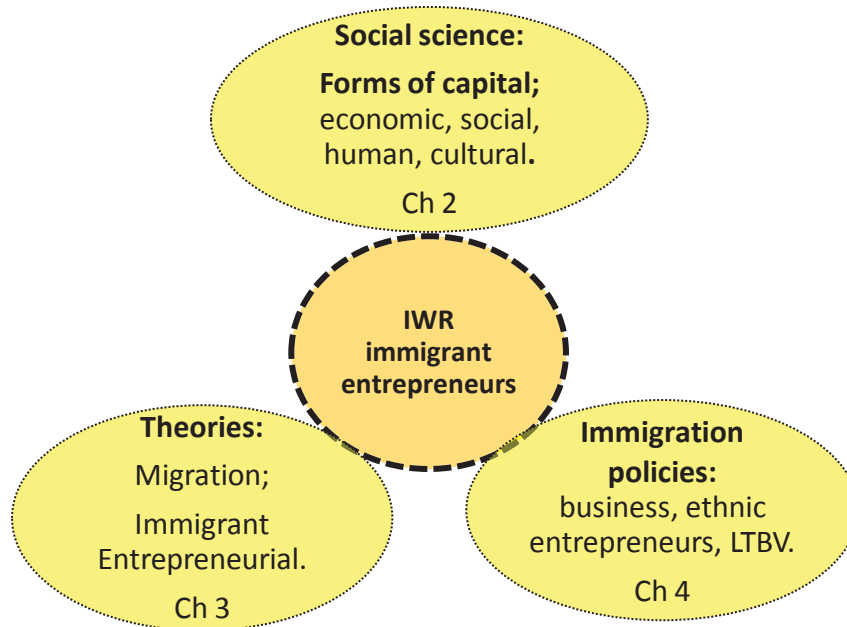
My rationale for aligning with Schumpeter's innovation definition for an entrepreneur in this study is that a level of innovation is a requirement of the LTBV holder to achieve residence. To gain residence under the Entrepreneur category LTBV holders must actively operate a business they have established, purchased or substantially invested in for three years (New Zealand Immigration Service, 2006, s 51-1). As the LTBV specifies that the business must benefit New Zealand by introducing new technologies, skills, products, services, export markets, creating employment or revitalising an existing business (New Zealand Immigration Service, 2006, s 51-1), innovation is both implied and required. I therefore define an immigrant entrepreneur as an immigrant who identifies and exploits a market opportunity which involves an aspect of innovation.

As both *ethnic* entrepreneurship and *ethnic* communities feature in immigrant entrepreneurship literature, I both define the term and indicate how I apply it in this study. According to Roosens (2006), ethnic describes the cultural, religious and other shared characteristics of people which might arise from a common descent, culture or religious traditions. Ethnic applies to any self-defined membership of a group. In the context of this study, neither the majority European ethnic group (Pakeha) nor the indigenous ethnic group (Maori) are a prime focus, but minority ethnic groups are. Ethnic entrepreneurship relates to entrepreneurship conducted within ethnic communities to service specialised ethnic needs, which may include food, religious or clothing requirements. Ethnic community members self-identify. Sometimes ethnic association is indicated by physical proximity to or participation in, the activities of a recognised ethnic community. Ethnic communities are often graphically signified by signage, shops and restaurants selling ethnic items or services for example (Friesen, Murphy, & Kearns, 2005; Spoonley & Bedford, 2012). Ethnicity is further explored in Chapter Three.

1.4 Structure of the thesis

Before outlining the purpose, principal focus and content of each of the chapters that comprise the thesis, I locate this study of IWR immigrant entrepreneurs within the three associated fields of literature identified in Figure 1, namely the social science perspective of entrepreneurship, Bourdieu's (1986) concept of symbolic capital, and immigration policy development. This locates my thesis within the social science immigrant and ethnic entrepreneurial literature relating to aspects of agency and indicates the relationship of the next three chapters.

Figure 1 **Locating IWR immigrant entrepreneur research**



As indicated in Figure 1, Chapter Two examines cultural, human and social capital forms of symbolic capital to identify their potential significance at each of the three stages of the LTBV business establishment process. This enables their distinctive functions during the IWR immigrant entrepreneurial process to be identified and refined in the later data analysis chapters. In Chapter Two I also discuss the convertibility and transferability of the various forms of capital during the entrepreneurial process. Although strongly imbued by cultural capital, I distinguish human from cultural capital as each plays distinctively critical roles in the entrepreneurial process.

In Chapter Three, I examine migration and immigrant entrepreneurial theories, before exploring the potential influence of structural factors on the individual decision-making of IWR immigrant entrepreneurs. This study of the niche group of

intentional immigrant entrepreneurs is positioned within the broader immigrant entrepreneurial literature. Significantly, I differentiate the literature regarding IWR immigrant entrepreneurs embedded outside ethnic communities, from that of immigrant entrepreneurs embedded within ethnic networks. This focus contrasts with much of the immigration entrepreneurship literature which has focused predominantly upon embedded ethnic entrepreneurship. Located on the boundary of studies examining the entrepreneurship process and immigrant entrepreneurship, this study may have as much in common with the former as it does with the latter.

As Castles and Miller (2009) commented, complex, dynamic immigration impacts irrevocably on both immigrants and the receiving society, as immigration policies influence both immigration and settlement consequences. Hence, Chapter Four focuses on the social, economic and comparative international contexts which influenced the development and implementation of the LTBV. In this chapter, I describe the rationale and origins of the LTBV policy, outline its requirements, before examining its effectiveness in competing globally to attract desirable immigrants. Initially, I provide a context for the introduction of the LTBV then briefly trace the effects of neo-liberal policies on immigrants to New Zealand during the 1990s. I next offer insights into the structural dimensions of immigrant entrepreneurship by describing the challenges and effects of attracting LTBV entrepreneurs to New Zealand. I provide international comparisons with Australian and Canadian policies, followed by an evaluation of the LTBV's effectiveness in meeting New Zealand's business immigration policy objectives. The chapter concludes by indicating the success of the policy, including identifying the information gaps beyond the statistical data available.

In Chapter Five, I outline the philosophy and methodology underpinning this study of intentional immigrant entrepreneurs, elaborating on the qualitative methodological approach used. I implemented an adaptive and resolution seeking research planning process to capture the research data. To refine the data, my iterative analytical process used frameworks to identify the boundaries and functions of human, cultural and social capital at each business establishment stage.

I examine the LTBV participants' preparation, implementation and expansion stages of their businesses by analysing the data at each stage in Chapters Six, Seven and Eight respectively. Chapter Six reveals the strategies and resources employed by the participants during their preparation experiences to meet LTBV requirements. In the second half of Chapter Six, I refine the data using the entrepreneurial frameworks heuristically to identify the significant dimensions critical capital during the stage.

Chapter Seven focuses on the most distinctive and demanding period of the LTBV, implementing the business plan post-arrival. The first section describes the strategies, resourced by human capital, which overcome obstacles and minimise risk. The second section examines the utilisation of social capital through networking strategies employed to simultaneously build a reputation and market the product or service. The third section explores the influence of cultural capital, while the fourth describes the role of financial capital underpinning the enterprise. In addition to the conclusions drawn on the specific significance of each form of capital, as not all participants could renew their visas after nine months, the final section discusses the adequacy of the participants' levels of capital resources to achieve successful outcomes.

Chapter Eight offers insights into the participants' strategic activities and use of the forms of capital to create economic sustainability and expand their businesses. It

reveals how the LTBV participants employed their various capital resources during the remaining 27 months of their LTBV to expand their businesses and become eligible for residency. It particularly reveals the role of other business interests.

Finally, in Chapter Nine I consider how effectively the original aims have been achieved and identify the main contribution of this thesis. I include implications for further research and policy development both in New Zealand and internationally arising from this study.

Chapter 2 Forms of capital

2.1 Introduction

Immigrant entrepreneurs require adequate economic and symbolic capital to resource the establishment of their enterprises. In this chapter, I examine the various forms of symbolic capital, namely cultural, human and social capital used by immigrant entrepreneurs by discussing how the immigrants' deploy these forms of capital. Theoretically I draw on Pierre Bourdieu's (1986) theory of "symbolic goods and symbolic practices" (Brubaker, 1985, p. 747). Although Bourdieu developed his symbolic capital theory to help explain the reproduction of the class system within educational institutions, his concept of symbolic capital offers considerable insights into the transferability of immigrants' resources and those they require to become established within the structures of a new national society.

Devising an effective immigration policy to attract and retain highly desirable intentional immigrant entrepreneurs is challenging to policy makers (Sumption, 2012). An examination of the resources required by successful intentional well-resourced (IWR) immigrant entrepreneurs can inform policy outcomes, conditions, immigrant selection or policy frameworks to enhance settlement outcomes and success. In this study, "success" is defined as meeting visa goals. The goals of the Long Term Business Visa (LTBV) participants in this study were to meet visa requirements at each of the three stages to qualify for residency in New Zealand. Success also occurs

when the participants achieved the government's aspirations for the LTBV. Most significantly, success occurs when immigrants believe they have been successful.

My purpose in Chapter Two is twofold: first, to describe the significance of cultural, human and social forms of symbolic capital in the resourcing of immigrant entrepreneurs, and second, to identify the characteristics and boundaries of each form of capital as indicated in the literature. I first explore the concepts and dimensions of symbolic capital, before delineating each form. I also examine the convertibility and transferability of symbolic capital as these processes can pose significant challenges to immigrant entrepreneurs. This chapter concludes by examining the significance of symbolic capital in facilitating access of business immigrants to relevant ethnic or mainstream markets and communities in New Zealand.

2.2 Forms of capital

Both economic and symbolic forms of capital are essential in different ways to immigrant entrepreneurs. In this thesis, I focus on symbolic capital which comprises complementary forms of non-economic capital, specifically human, cultural and social. This study is initially predicated on the work of the French social theorist Pierre Bourdieu's (1986) concept of symbolic capital. Bourdieu (1986) recognised the limitation of objective economic assessments to capture the value implicit in class determined transactions in society. According to Brubaker (1985, p.747, Bourdieu integrated symbolic and material capital and power, representing the subjective and objective perspectives of social life. Brubaker (1985) affirmed that all of Bourdieu's work was focused on creating an integrative theory to incorporate the opposing structural perspectives with the creativity and freedom of agency. Bourdieu's dilemma

reflects a similar challenge, initially addressed by Waldinger, Aldrich and Ward's (1988), to reconcile the effects of structure and agency in immigrant entrepreneurial literature integrative theory, which is discussed in Chapter Three. Bourdieu's (1986) concept of symbolic capital was seen as effectively capturing the whole value of human social interactions, experience and behaviour.

Capital, whether financial, human, cultural or social, represents a resource created by an investment of time and energy by agents and is regarded as essential to many forms of success in society. Economic capital represents labour accumulated over time which, when aggregated, can be appropriated to potentially create profits and reproduce itself (Bourdieu, 1986, p. 241). Economic capital can be used, or be available for use, in the production of more wealth, usually in conjunction with other forms of capital (Bourdieu, 1986, p. 248). The distribution of economic capital reflects and is reflected by, the structure of society, as capital is reproduced in social structures (Bourdieu, 1986). Bourdieu challenged the prevailing narrow economic perspective of capital which focused on self-interested profit maximisation, by arguing that capital in all its forms, including non-economic, is necessary for the proper functioning of society. Bourdieu's general symbolic capital theory of the "economy of symbolic goods" incorporated:

the production and consumption of symbolic goods, the pursuit of symbolic profit, the accumulation of symbolic capital and the modes of conversion of symbolic capital or power into other forms of power (Brubaker, 1985, p. 747).

In constructing his general symbolic theory Bourdieu recognised that the physical, material world is perceived through a cultural lens (Brubaker, 1985). This concept is pertinent to this study as immigrants are materially affected by perceptions of the

value of their symbolic capital resources. Adaptations to newcomers and residents are influenced by subjective cultural and symbolic understandings. On a spectrum of congruence, immigrant perceptions might be very similar to, or vary considerably from, those of local communities. The perception of residents of the value of symbolic capital introduced by new arrivals is significant to immigrant entrepreneurs in general and intentional immigrant entrepreneurs in particular. The welcome extended to new arrivals and their community inclusion might strongly relate to a perception, conscious or unconscious, relating to the value of their symbolic capital.

Bourdieu's (1986) analysis of class inequalities through power differentials in the acquisition and distribution of different forms of capital was developed in the context of the structures and divisions of post-war Europe. Yet, his analysis of the forms, functions, conversion, acquisition, objectivity and subjectivity of capital evident in his underpinning theories, are substantially appropriate to analyse the resourcing of immigrants' entrepreneurial businesses. In his analysis of the transference of economic wealth between generations, Bourdieu (1986) described the complementary forms of capital required to achieve a successful economic transfer. The value of this insight to this study is that these forms of symbolic capital enable immigrant entrepreneurs to successfully engage in a capital transfer process, to facilitate their start-up business and integration within their new environment. Before I examine cultural, human and social forms of capital in turn, I discuss the significance to immigrants of capital conversion and value transferability.

2.2.1 Capital conversions and transferability

Two significant issues for immigrant entrepreneurs are the conversion of symbolic capital into financial capital, and the value transference of symbolic capital

particularly human capital, from one country to another. Capital conversion relates to the conversion of symbolic capital (cultural, human or social) into economic or financial capital. Bourdieu (1986) recognised that the symbolic forms of capital might, under certain conditions, be converted into financial capital. For example, the value of social capital derived from personal connections might provide access to people with resources, but not directly convert into financial capital. Initially, adequate trust must be established to enable ethnic resources embedded within ethnic communities to become available to ethnic entrepreneurs (Portes & Sensenbrenner, 1993). Potential resources might include significant information, access to premises, technology, labour, partnerships, or finance (Portes & Sensenbrenner, 1993). The ability of the individual to convert network access and trust into economic capital in the form of a loan, for example, is highly conditional upon the individual and the context. Symbolic capital might not convert to economic capital directly, or value might be lost in the conversion. For example, in ethnic communities, higher interest rates than the average might be applied (Portes & Sensenbrenner, 1993). Therefore, although ethnic communities might provide economic resources for start-up entrepreneurs, this could come at a high cost to ethnic entrepreneurs.

Value transference occurs when educational qualifications are equally recognised in new countries as in their originating countries. However, migration might result in qualifications being only partially recognised, if at all, outside their countries of acquisition. Bourdieu (1986) categorised educational qualifications as part of institutionalised cultural capital. He noted that the qualifications conferred arose from culturally circumscribed institutions, which were influenced in turn by the societies in which they were situated. In an immigration context, the transferability and depreciation of symbolic capital might prevent the approval of business plans which

depend upon the recognition of qualifications and professional skills (McGrath, Butcher, Pickering, & Smith, 2005; New Zealand Immigration Service, 2006). The New Zealand Qualifications Authority (NZQA) is responsible for assessing overseas educational qualifications and professional practice. In some instances, relevant professional organisations might be delegated the responsibility for assessing immigrant practitioners' professional standards. Ostensibly, this practice would seem to be appropriate, however the possibility of gate-keeping could serve to limit the numbers and diversity of immigrant practitioners while maintaining current service prices.

2.3 Financial capital

Entrepreneurs require adequate finance to underwrite their enterprise (Boissevan, et al., 2006). The availability and use of finance represents one of several key considerations when analysing the outcomes of entrepreneurial activity (Frederick, Kuratko, & Hodgetts, 2007). Finding funding to establish and expand enterprises is the focus of the entrepreneurship capital perspective. Financial capital enables immigrant entrepreneurs to acquire premises, stock and provides a cash-flow until the business becomes financially sustainable (Frederick, et al., 2007). To fund new businesses, entrepreneurs usually obtain financial capital from their savings, family, or less often, through financial partners, investors, stockholders, or via a bank loan (Frederick, et al., 2007). Those immigrants who are embedded in co-ethnic communities and who rely on these connections often struggle to generate adequate capital. They seek to accrue savings by working long hours, in multiple jobs and living frugally (Boissevan, et al., 2006) or by obtaining loans from within the ethnic community.

In contrast with these embedded ethnic entrepreneurs, IWR immigrant entrepreneurs are adequately funded. Marger's (2001a), Canadian study revealed that, in order to meet their visa obligations to start a business within two years, intentional immigrant entrepreneurs brought funds into Canada. In New Zealand in 2002, the minimum financial capital required by the LTBV was estimated at a minimum of \$500,000 (New Zealand Immigration Service, 2002). However, it should be noted that no exact financial sum is stipulated by the LTBV. Instead, "adequate" funds are required to establish the approved business plan submitted with the visa application which must also sustain the applicant (and the family) until the business becomes financially self-sufficient. Any demands on state resources for support could jeopardise later residency applications (New Zealand Immigration Service, 2002).

2.4 Cultural Capital

I next examine the definitions, roles, dimensions and characteristics of cultural capital developed initially by Bourdieu (1986). Cultural capital comprises the dispositions acquired through an evaluative cultivation process (Brubaker, 1986). Cultural capital represents a person's internalised system of values which function as a perceptual filter (Brubaker, 1985, p. 757). According to Bourdieu (1986, p. 243), cultural capital exists in three states: *objectified*, *institutionalised* and *embodied*¹. As *objectified* cultural capital features less prominently in this study, I will describe it first before examining *institutionalised* and *embodied* cultural capital in more detail. According to

¹Bourdieu's italics

Bourdieu (1986), the *objectified* state of cultural capital produces cultural goods, including distinctive political, cultural or religious artifacts. *Objectified* cultural goods, such as ethnically distinctive food, clothing, music and services, are important to ethnic entrepreneurs planning to provide an ethnic product or service to co-ethnic communities. In Europe and New Zealand ethnic interpretations of religious requirements have introduced specialised halal butcheries, groceries, restaurants, clothing shops, tailors and hairdressers, to name only a few (Friesen, et al., 2005; Rath & Kloosterman, 2003).

2.4.1 Institutionalised cultural capital

Institutionalised cultural capital incorporates objectified cultural capital such as qualifications bestowed by institutions which are recognised separately from their bearer (Bourdieu, 1986). Bourdieu (1986) categorised educational qualifications, laws and regulations as part of *institutionalised* cultural capital. Qualifications convert into financial capital in the form of wages if the credentials of the originating institution and qualifications are validated by institutions authorised to assess credentials. The qualifications must also be recognised by key labour market gate-keepers such as recruitment agencies or employers. The value of the conversion rate may vary however, from country to country. Other examples of *institutionalised* cultural capital include laws and law enforcement, professional training and accreditation processes.

The cultural dimensions of qualifications become evident when skilled immigrants seek validation of their overseas qualifications from a national regulatory body, such as the New Zealand Qualifications Agency (NZQA) (Benson-Rea, Haworth, & Rawlinson, 1998; Fletcher, 1999; Statistics New Zealand, 2004). As a consequence of the validation process, IWR immigrant entrepreneurs might be required to be

re-examined, retrained, receive supplementary training, or be mentored in order to acquire local cultural approaches, such as an understanding of *tikanga*². Such requirements demonstrate *institutionalised* cultural practices underpinning professional practices. For example, in New Zealand a significant proportion of specialised health workers were born and trained overseas. While the human body and relevant technology may be identical, the hospital and district health board structures, cultures and operating systems are likely to be unfamiliar to immigrants recruited overseas (Shockly-Zalabak, 2009).

Where the qualifications approval body, such as the NZQA, delegate the approval of professional qualifications in fields such as health, accounting and engineering to the relevant New Zealand professional registration authority (University of Auckland Business School, 1998), these bodies could potentially play a gate keeping role. They could moderate both the quality and numbers in their profession, affecting the transferability of capital to a new environment (University of Auckland Business School, 1998).

2.4.2 Embodied cultural capital

The *embodied* state of cultural capital provides individuals with enduring intrinsic characteristics influencing the mind (Bourdieu, 1993, p. 243). Embodied cultural capital is potentially significant to intentional immigrant entrepreneurs because the intrinsic values acquired through *habitus* include entrepreneurial attitudinal characteristics (Frederick, et al., 2007). Bourdieu (1986) ascribed the acquisition of

²Tikanga – The appropriate or right way to behave from a Maori cultural perspective.

embodied cultural capital to three influences of *habitus*: the structural or home environment in which an individual is raised; the environment beyond the home; and how these environments modify the development of their personal dispositions (Brubaker, 1985). These ongoing interactions influence the development of the internalised dispositions, which subsequently affect the response of individuals to current and future environments.

In his theoretical concept of *habitus*, Bourdieu integrated the material and the symbolic, leading to an integrated conceptual framework of structure and agency (Brubaker, 1985). This conceptual framework is significant to this study of IWR immigrant entrepreneurs, as immigrants' apply their dispositional responses formed under different conditions to their adopted environment. In times of change or when in unfamiliar environments, it is the powerful, intangible aspects of embodied dispositions of cultural capital which frame an individual's perspective of, and response to, a situation (Brubaker, 1985; Drori, Honig, & Ginsberg, 2010; Marger, 2005). The dynamics at the interface of structure and behaviour either reproduce or modify social life. This interface has implications for immigrants who, when faced with interpreting an appropriate response to unfamiliar structures, employ their schema of dispositions honed to respond to different structural challenges. Therefore, the embodied values, beliefs and dispositions of newly arrived immigrant entrepreneurs significantly influence their communication interactions, problem solving and decision making strategies.

I next explore the dimensions of embodied cultural capital and their potential influence on immigrants' success. *Embodied* cultural capital permeates the subconscious, influencing the thoughts and actions of immigrants. Bourdieu (1986) recognised that

embodied cultural capital reflects the cultural assumptions and values influencing behaviour and daily decision making. These invisible dispositions only become manifest in the language and behaviour of IWR immigrant entrepreneurs. As a researcher, I was challenged to identify the manifestation, function, boundaries, appropriateness and efficacy of these dispositions in order to describe their influence on the thinking and behaviour of immigrant entrepreneurs.

Not only ethnic, but religious, professional (such as nursing, accounting and engineering) and interest groups (for example, sporting, cultural, or hobby related), might develop formal or informal behavioural codes. Individuals' values and dispositions are signified by people's language and behaviour. Each of these dimensions of cultural capital provides potential access through affiliation to differentiated networks. Affiliate embodied cultural capital is a potentially valuable resource to newly arrived immigrants who need to quickly establish trust and credibility.

A person's cultural upbringing shapes attitudinal and personal characteristics. Successful entrepreneurial dispositions include determination, self-confidence, optimism and resilience which have been identified as essential requirements of immigrant entrepreneurs (Luthans, Norman, & Jensen, 2007, p. 166). Resilience enables entrepreneurs to cope with significant change, adversity or risk, constantly encountered by immigrant entrepreneurs in unfamiliar contexts (Luthans, et al., 2007). Other entrepreneurial attributes include an openness and willingness to quickly adapt to new environments, as anything which inhibits adaptation might stifle business survival or ultimate success. Even immigrants embedded within their own cultural ethnic communities need to adapt quickly to their new environment, especially if it has

limited market opportunities. Although decision-making, problem-solving, prioritising and strategising skills are attributed to human capital, the processes are influenced by embodied cultural capital dispositions acquired through the influence of *habitus*.

Cultural capital also influences the social skills involved in developing social capital which mediate the success of entrepreneurs (Baron & Markman, 2000). The ability to create a favourable first impression, understand acquaintances accurately, adapt to a wide range of social situations and to be persuasive, are all culturally influenced social skills (Baron & Markman, 2000). Cultural styles of communicating and doing business might not always successfully transfer to the new country without adaptations. Embodied dispositions, evident in verbal and non verbal communication, influence the first impressions created by immigrants in their new environment. Positive first impressions are particularly significant for time constrained IWR immigrant entrepreneurs who must favourably impress potential customers and suppliers very quickly in order to establish their businesses.

Immigrant entrepreneurs entering a new country must respond appropriately to new institutional rules and regulations, norms and behaviours. Attitudes, shaped by their original *habitus*, guide the on-going interactions between agency and structure in their adopted environment. Attitudes towards people will be signalled through both non-verbal and verbal communication and subsequently interpreted by those around them, influencing the level of assistance offered (Baron & Markman, 2000). To settle and function effectively in a new country, immigrant entrepreneurs need to accurately interpret language and symbols, while concurrently interacting in their new environment. This ability enables them to quickly adjust to socially shared perceptions

which harmonise with the local norms. Dispositions such as openness, adaptability and flexibility are likely to enhance the immigrant entrepreneurs' cultural adaptability. Dispositions acquired in multicultural or multilingual environment might enable immigrants to function more effectively and adjust more quickly to an unfamiliar environment (Luthans, et al., 2007; Drori, et al., 2010). As immigrant entrepreneurs explore their new environment, resolving the structural and other issues they encounter, they are subconsciously guided by embodied dispositions of cultural capital (Light, 2010).

2.5 Human capital

As cultural capital motivates the entrepreneurial process, human capital enables it. Becker's (1975) benchmark definitions of human capital focused on measureable skills and capabilities to increase productivity. The measurable dimensions of human capital include the costs associated with educational qualifications and training and the projected economic returns of this investment (Coleman, 1988a). Although Becker's (1975) economic perception of human capital enabled it to be financially quantified by costing the investment of time and resources, it excluded attributing a value to attitudes, innovation, creativity and experience. Bourdieu (1986, p. 244) challenged Becker's (1975) narrow economic perspective of human capital which excluded the value acquired through the domestic transmission of capital and the value of different roles and contexts (Coleman, 1988a). A broad definition of human capital is:

[the] changes in individuals that enhance skills and capabilities that make them able to act in new ways (Sequeira & Rasheed, 2004, p. 87).

Sequeira and Rasheed's (2004) definition recognises the value of experiential learning to enhance capabilities and knowledge, in addition to educational qualifications, formal training and experience.

While dispositional cultural capital provides motivation, determination and self-belief to embark on immigrant entrepreneurship (Casson cited in Hunter, 2007; Luthans, et al., 2007), considerable knowledge and capabilities at an expert level of human capital are also necessary for entrepreneurial success. Immigrants require human capital to research migration options in order to discover and evaluate which country and which visa is most appropriate for their needs. However, it would be possible for immigrants to avoid a critical evaluative destination selection process by following and copying those who migrated before them. However, that is an unlikely option for entrepreneurs who are characterised by high levels of autonomy and control (Frederick, 2013). Human capital is necessary to prepare a business plan, but this task could be delegated to an agent or a professional.

Studies of intentional immigrant entrepreneurs increasingly recognise the importance of human capital in the settlement of intentional immigrant entrepreneurs (Collins, 2004; Kloosterman & Rath, 2001; Ley, 2006; Marger, 2001b). Appropriate human capital enables immigrant entrepreneurs to research and strategically network to access mainstream markets, thereby avoiding the intense competition of ethnic markets (Marger, 2001a). Confident intentional entrepreneurs with adequate human capital can establish networks in mainstream markets, even when English is not their first language (Ley, 2006; Marger, 2001a, 2001c; Sequeira & Rasheed, 2004).

Evidence of human capital is essential to immigrant entrepreneurs in New Zealand as business experience must be demonstrated in order to obtain a LTBV. Immigrants

require both expertise and business acumen, or in Volery's (2007) terms, cognitive heuristics. Business acumen incorporates a quickness and accuracy of judgement, a keenness of insight and intellectual acuity, all essential to quickly analyse unfamiliar business situations and make effective decisions. Significant human capital is a crucial resource for intentional immigrant entrepreneurs who function with limited time and resources to research and strategise. Casson (2007) suggested that it was through imperfect information that astute immigrant entrepreneurs have an advantage, by exploiting opportunities that others might not recognise or exploit for commercial benefit.

Appropriate, but less easily identified dimensions of human capital, might include immigrant entrepreneurs' levels of resourcefulness, their nuanced understanding of business interactions and an ability to adapt to new situations. It must be recognised that the unpredictability of an unfamiliar environment, imperfect knowledge of the context, compounded by the time pressure of visa requirements, are highly challenging to IWR immigrant entrepreneurs. Where human capital or business acumen is inadequate, immigrant entrepreneurs are likely to suffer as will be revealed in the data analysis chapters.

Adequate human capital is required for effective networking, problem-solving and negotiating to overcome the obstacles encountered during the business establishment stage of any business (Bolton & Thompson, 2004; Frederick, et al., 2007). Evidence of human capital is required in the LTBV application (2002) in the form of *curriculum vitae*, identifying applicants' qualifications and work experience, which must be deemed adequate to implement the business. More difficult for immigration officers to

assess is the level of business acumen. However, the thoroughness and detail of business plans provide an indicator if prepared by the applicants themselves.

Immigrant entrepreneurs must be able to exploit communication technology to access resources and communicate with local, national and international customers, suppliers, distributors and regulatory agents (Meares, Ho, Peace, & Spoonley, 2010a). Although information regarding policies, rules, regulations and market statistics is available through judicious on-line research, the immigrant must be cognisant of local requirements. Supplementary information relating to the enforcement or evasion of rules, regulations or policies, could be acquired through informed people willing to divulge such sensitive information. The IWR immigrant entrepreneur's social networks might provide access to such information to enhance their decision-making. Judicious questioning of relevant people could reveal critical market information. Considerable expertise is required to identify potential key informants, achieve access then persuade them to share significant market information with a virtual stranger.

2.5.1 Language fluency

Fluency in the host language is a significant aspect of human capital in the immigrant adaptation process (Badkar, 2006; McGrath, et al., 2005; Meares, et al., 2010a). In New Zealand, English speaking immigrants can culturally adapt more easily if they are from a similar cultural background, with a similar regulatory environment than non-English speaking immigrants from different cultural backgrounds (Fletcher, 1999; Watson, et al., 2011). However, accents can also create misunderstandings between those whose first language is English. Although immigrants from countries such as India and Malaysia may be educated in English, cultural and linguistic adjustments may be required to enable effective communication in New Zealand's

mainstream environment. Both elsewhere and in New Zealand, it has been shown that immigrants from completely different cultural and linguistic backgrounds find the linguistic adaptation requirements a considerable challenge and respond either by determining to master the language and adapt (Ley, 2006), or remain within their ethnic immigrant communities reliant upon others to communicate in English on their behalf (Badkar, 2006; Fletcher, 1999; Forsyte, 1998). Language competence and an ability to communicate beyond co-ethnic linguistic networks is a significant issue in terms of business establishment and success, especially if the purpose is to seek non co-ethnics as customers or clients.

In summary, although cultural and human forms of capital are intrinsically linked, each has distinctive characteristics and each performs a different critical role in the LTBV holders' establishment process. Unlike the measurability of financial capital, the markers of human and cultural capital are more challenging to quantify. The data analysis chapters will provide evidence to support these claims.

2.6 Social capital

Bourdieu (1986) perceived social capital as the value an individual could obtain through networked family, professional and social relations. He recognised that individuals' active participation in relevant networked groups could provide access to finance, investment possibilities, innovations, information or new markets. Examining the networks of elite individuals, he identified how personal social capital is enhanced by social networks. Bourdieu defined social capital as:

the aggregate of the actual or potential resources which are linked to possession of durable networks of more or less institutionalized relationships of mutual

acquaintance or recognition. It is a personal asset that provides tangible advantages to those individuals, families or groups that are better connected (Bourdieu 1986, p 248).

Immigrant entrepreneurs with family, personal or professional contacts in the host country can benefit from these contacts as a personal asset. In contrast to this individualised perspective of social capital, some theorists (Coleman, 1988a; Loury, 1977, 1981; Putnam, 1995, 2000) expanded the notion of social capital networked resources beyond the individual to the broader community to recognise networks as a collective resource. This broader concept of social capital extended the notion of social capital derived from the individualised, privatised family or social group, to communities such as a physical neighbourhood, professional, sporting or school communities. Ethnic entrepreneurial literature recognises the significance of social networks to the success of individual immigrant entrepreneurs and the communities they join (Aldrich & Waldinger, 1990; Kloosterman, van der Leun, & Rath, 1999; Perreault, Brenner, Menzies, Filion, & Ramangalahy, 2003). Sharing access to networks may mutually benefit both immigrant entrepreneurs and the non co-ethnic networked community. As IWR immigrant entrepreneurs seek access to their receiving communities' networks, they could contribute internationally-networked social capital to the community to assist, for example, tourism ventures. Concurrently, the receiving communities evaluate the immigrants' potential to the community. For time pressured LTBV holders this is a critical mutual evaluation process.

Networked social capital has both positive and negative dimensions. Putnam (2000) identified the dimensions of *norms*, *trust* and *solidarity*³ arising from community networks when coordinated for mutual benefit. Comparisons of neighbourhoods which enjoyed high levels of social capital, with localities with lower levels of trust, revealed that social capital in higher-trust communities enjoyed enhanced social amenities. For example, parents felt comfortable with their children walking to school or playing in local playgrounds in localities with perceived high levels of social capital, reflecting a high level of trust. However, it is possible that immigrants, who do not engage with their neighbourhoods for various reasons, could be excluded from the benefits (Putnam, 1995, 2000).

The value of a community's collective social capital reflects both its human capital and its rates of positive social interaction. Where Bourdieu (1986) described the knowledge gained by socially advantaged individuals through networked relationships which could be transmuted into wealth, Loury (1977, 1981) examined socially deprived communities lacking such social connections. Minorities and immigrant communities studied by Loury (1977, 1981) experienced reduced access to opportunities, reflecting their lack of appropriately valuable connections. Analysing the citizen participation rates in regions of Italy, Putnam (2000) noted that in areas of robust citizenry, community participation produced higher levels of trust, civic engagement and participation indicating the value of strongly networked communities. Therefore, Putnam (2000) concluded, that high levels of social capital were a "precondition for financial development, as well as for effective government"

³ Putnam's italics

(Putnam, 2000, p. 37). Trust based social capital fosters financial development as more trusting communities have lower transactions costs and faster new information transfer which can lead to innovation (Putnam, 2000). Where IWR immigrant entrepreneurs are both accepted into New Zealand communities and seek to actively participate, the potential exists for higher levels of innovation. In some instances, collective social capital might require certain conditions or factors to be developed such as perceived external threats or challenging conditions which act as a catalyst to develop networked social capital (Boissevan, et al., 2006).

2.6.1 Embeddedness and social capital

Although the concept of embeddedness is first attributed to Karl Polanyi and colleagues (Polanyi, Arensberg & Pearson 1957, cited in Portes & Sensenbrenner, 1993), it was Granovetter's examination of embeddedness within economic, political-institutional and social environments that revealed the theoretical potential of social capital (Granovetter, 1973, 1985). The dimensions of embeddedness have been identified by Portes and Sensenbrenner (1993) and subsequently applied to the social capital of immigrant entrepreneurs (Sequeira & Rasheed, 2004). Embeddedness occurs when an individual is able to fully participate in either or both ethnic and non-ethnic community networks. Granovetter recognised that individual choices are constrained as individuals make decisions within a social context:

attempts at purposive action are instead embedded in concrete, ongoing systems of social relations (Granovetter, 1985, p. 487)

This recognition resonates with Bourdieu's (1986) integrative concept reconciling the effects of structure and agency. Networks might comprise religious, cultural or

co-ethnic values and beliefs or be linked within the mainstream culture (Portes, 1998; Portes & Landolt, 1996; Portes & Sensenbrenner, 1993). Individuals' access to structural networks is facilitated by having the appropriate cultural capital, which initiates a level of trust within the networked system of social relations, reducing the time otherwise needed to develop it. Evidence of embeddedness occurs when individuals are actively using networks to deliberately create social capital (Granovetter, 1985; Portes, 1995).

Densely networked social ties reinforce community norms but create redundant connections when an individual's networks are comprised of the same members (Granovetter, 1973). Strong redundant network ties provide considerable moral support, but might limit business opportunities because of the redundancy of connections. Embedded ethnic immigrants might be forced to compete in the same market.

By contrast, weak network ties, typifying less closely bound mainstream networks, might enable immigrant entrepreneurs to access new information and business opportunities without competing with their ethnic colleagues (Burt, 1997, 2003; Granovetter, 1973). IWR immigrant entrepreneurs who can access mixed co-ethnic and mainstream networks might identify business opportunities, described as 'structural holes' by Burt (1997, 2003), which present an entrepreneurial market gap. A 'structural hole' is an identified gap in a network pattern which entrepreneurs might perceive as offering a business opportunity. Such gaps may not be apparent to all but might be more obvious to newly arrived entrepreneurs with different market perceptions. Korean business immigrants demonstrated this ability in Canada where, despite linguistic challenges, they dispersed throughout mainstream communities to

establish their businesses (Ley, 2006). Immigrant entrepreneurs who remain embedded within their ethnic communities limit their access to new sources of knowledge and resources, potentially retarding both their integration into the mainstream non-ethnic business community and business growth.

Higher education, language proficiency and professional contacts contribute human capital which enables entrepreneurs to cultivate a wider set of weak ties or connections outside their own networks to benefit business growth (Burt, 1997, 2003; Coleman, 1988a; Sequeira & Rasheed, 2004). Further network diversification can occur by developing professional and interest group networks, accessed through cultural capital. Most effective for IWR immigrant entrepreneurs is a mixed network which includes co-ethnic networks, as well as networks bridging into the mainstream, enabling the exploitation of weak ties (Burt, 2003; Granovetter, 1985; Kloosterman & Rath, 2003; Ley, 2006).

Social capital is revealed in verbal and non-verbal behaviour when information is gained from networked sources or an invitation is offered to participate in a network. Ephemeral social capital arises from the level of trust between the participants but requires on-going relationship maintenance. However, the value of these relationships is difficult to define or value. An outsider seeking network access or inclusion might need to conform to network norms to gain acceptance, but conformation is more difficult if the cultural rules are not explained or apparent. Astute, culturally aware immigrants recognise there are cultural rules and seek information regarding them, or subtly check that their behaviour is appropriate as they enter new social circles.

2.6.2 Network dimensions

When certain conditions are met, networks potentially benefit immigrant entrepreneurs by extending credibility, promoting goods and services and providing information regarding market opportunities (Boissevan, et al., 2006). However, networked relationships demand time and energy to establish and maintain (Portes & Sensenbrenner, 1993) expending limited resources for those who have newly arrived on time-constrained visas. In addition, networked relationships impose obligations on the participants which immigrant entrepreneurs might initially find too onerous to support. According to Portes and Sensenbrenner (1993), networked social capital relies on the development of *trust, shared norms and values, reciprocity*⁴ and the influences of social exclusion on a network's *social cohesion*.

Trust is a necessary condition for the development of social capital as the basis of co-operation between people who share norms and values (Fukuyama, 2001). Trusting, networked relationships provide individual and collective access to both information and resources through coordination and cooperation for mutual benefit (Putnam, 1995). The level of trust enables complex services to be more efficiently controlled through internalised professional standards rather than contracts, as trust lubricates cooperation and collaboration. Conversely, a lack of trust results in higher financial transaction costs incurred by monitoring, negotiating, litigating and enforcing formal agreements (Fukuyama, 2001; Putnam, 2000). Fukuyama (2001) coined the term 'radius of trust' to define and confine the extent of reciprocal dealings within families, tribes, clans, villages or religious groups based on shared norms and

⁴ Italics indicated by Portes & Sensenbrenner, 1993.

co-operative behaviour. Immigrants without connections must rely on the residual trust in networks while they establish their own credentials. Later, in the data analysis chapters, I examine how immigrant entrepreneurs use not only ethnic, but professional and hobby affiliate cultural capital, to quickly establish trust. In small ethnic and regional markets, if trust was perceived to have been broken, negative perceptions could circulate through local community networks constraining an immigrant's ability to establish a business for lack of customers. Passive community exclusion might naturally occur until community members are sufficiently confident of the integrity of the person they are doing business with.

This section considers Portes and Sensenbrenner's (1993) expanded concept of social embeddedness by introducing three network dimensions of *value introjection*, *reciprocity* and *bounded solidarity* or *social cohesion*. The first network dimension, *value introjection* describes the norms and values, such as ethnic, professional and religious factors, underpinning a network initiation process. Newly arrived immigrants and network members need time to embark on the development of social capital by exploring the compatibility of value sets during the process of socialisation (Portes & Sensenbrenner, 1993, p. 1323). The desire to network might be driven by survival requirements, selfishness, greed, or a desire to contribute to the development of the community's social capital resource appropriable by others. Where value sets align, there is a greater opportunity for access to existing networks. Immigrants often rely on affiliated ethnic value sets but less well explored are the value sets offered by professional training and hobby backgrounds. In networked relation situations, individuals forego their immediate interests for a longer term return for the group good. This contrasts with formal transactions based on norms of open exchange where the investor's intended financial return is based on a short term sacrifice, rather than on

the strength of their values (Portes & Sensenbrenner, 1993). IWR immigrant entrepreneurs might develop such relations in order to undertake business transactions. New entrants who do not initially share the same norms and values as the network they wish to access, might over time become acculturated and accepted, as both individuals and networks modify their cultural perspectives. The strength of the values held might influence the outcome, or language difficulties impede the understanding of shared norms and processes.

Reciprocity, a second network dimension, relies on trust and the power of exclusion as it is not enforceable in law. Existing network members evaluate the new member's potential to bring new skills, knowledge, contacts, connections or markets to the network. Potential exclusion from a network promotes reciprocity, reflecting the expectations of network members (Bourdieu, 1986; Portes & Sensenbrenner, 1993). Reciprocal transactions guided by altruistic values might directly benefit the networked community and only indirectly the person involved (Putnam, 2000), such as fund-raising for schools and communities. Reciprocal transactions mirror the value of financial transactions but trade in intangible assets (Fukuyama, 1983). Networks of organised social interaction, such as co-operatives and neighbourhood associations, reflect an underlying value of deferred reciprocity (Putnam, 2000). Deferred reciprocity, or gratification, occurs when neighbours provide support in the belief that similar reciprocity would occur if the need arose. In this way, reciprocity builds networks, which might link co-ethnic and non-ethnic communities (Ley, 2006). Chinese urban enclaves in the United States and the Russian Jewish community in New York illustrated the social and financial value of ethnic networks incorporating high levels of trust and reciprocity (Zhou, 1992).

Obligatory reciprocity however, might negatively strain start-up enterprises by imposing unsustainable donation or employment requests. Such obligations to provide community, religious or family donations might undermine reinvestment in the enterprise (Portes & Landolt, 1996). Therefore, ventures operating in small New Zealand markets might need to rationalise donation requests or similar impositions in order to become or remain viable.

Bounded solidarity, the third dimension of Portes and Sensenbrenner's (1993) networked social capital, occurs when a group of immigrants is excluded or discriminated against based on a distinctive religious, ethnic or a physical appearance. The stronger the exclusion, the stronger the *bounded solidarity* of those excluded such as occurred in Chinatown in San Francisco (Portes & Landolt, 1996). The social cohesion resulting from the strength of dense ethnic networks provides moral support and a sense of belonging which can help to reduce stress (Meares, Ho, Peace, & Spoonley, 2010b). The more physically distinctive the group, the more difficult it is to exit from this situation. To compensate, the sentiments of in-group solidarity among its members become stronger, increasing the appropriable social capital (Portes & Sensenbrenner, 1993, p. 1329). *Bounded solidarity* refers to the level of closeness and commitment within the community. Individuals use their cultural capital to integrate through developing personal networks and social capital. Such communities offer embedded immigrant entrepreneurs an emerging market, potential access to start-up capital and low wage labour (Portes & Sensenbrenner, 1993). This is particularly significant to under-resourced immigrants but is less relevant to IWR immigrant entrepreneurs.

The majority of literature on ethnic entrepreneurs assumes a capital deficit which compels immigrants to become embedded within ethnic communities. Tightly knit immigrant communities with social networks regulating participants' norms and behaviour, might provide supplementary loan finance for start-up ventures (Nee & Sanders, 2001; Portes & Landolt, 1996). The threat of exclusion from the benefits of such communities is usually a sufficient enforcement of loan repayments. However, adequately resourced IWR immigrant entrepreneurs may avoid involvement in ethnic communities in order to integrate directly into larger, less densely networked, mainstream markets.

2.7 Mainstreaming entrepreneurial immigrants

North American research reveals the importance of embedded social capital within migrant communities to certain under-resourced immigrant entrepreneurs (Menzies, Perreault, Brenner, Filion, & Ramangalahy, 2003; Portes & Sensenbrenner, 1993; Waldinger, Aldrich, Ward, & Associates, 1990). In contrast, better resourced intentional immigrant entrepreneurs display different settlement patterns. Canadian research indicates that adequately resourced intentional immigrant entrepreneurs could bypass ethnic communities to become embedded in mainstream markets (Ley, 2006; Marger, 2001c).

This mainstream settlement pattern raises questions regarding intentional immigrant entrepreneurs' development and use of social capital. Networked social capital enabled immigrant entrepreneurs embedded within co-ethnic communities to establish their reputation, promote their business, draw moral support from colleagues and access critical information which augmented their available business resources.

However, newly arrived immigrant entrepreneurs must balance their investment of time and energy developing new networks, with the need to retain pre-immigration networks. Strategies might be substituted to compensate for the lack of social capital in the early business establishment stages until networked social capital can be established. The frustration of not being able to communicate effectively in the host language might also lead to loneliness and isolation (Meares, et al., 2010b), which could undermine immigrants' effectiveness.

2.7.1 Settlement social capital

This section outlines the importance of educational facilities, supportive networks, links within the community, promoting the valuable contribution of immigrants to enhance the interactions between immigrants and their communities. Immigrants often cite enjoyment of the New Zealand lifestyle, or opportunities for their children as their motivations for immigrating so their settlement strategies need to consider how to achieve these goals (Meares, et al., 2010a). The process of settling often includes finding appropriate housing and schools for the children. Significant issues for parents are school zoning and registering children for schools which require appropriate knowledge of local options (Johnston, Trlin, Henderson, North, & Skinner, 2005) which local social networks can provide.

A study of New Zealand immigrants' settlement needs identified the importance of supportive connections both within and outside the migrants' ethnic communities as one of the four most important factors leading to successful settlement (Ho, Cheung, Bedford, & Leung, 2000). Ethnic and religious communities play active roles providing information to immigrants which help maintain cultural values through events such as ethnic festivals (Ho, et al., 2000). Approximately a third of Chinese and

South African, 45 percent of Indian and nearly 50 percent of British respondents in the *Integration of Immigrants Programme* (Spoonley & Chapman, 2010) had family or friends already in New Zealand before immigrating. Networks important to the British immigrants included their immediate and extended families and friends, their friends at work and those made through business contacts, neighbours, clubs and children's contacts (Watson, et al., 2011). Chinese immigrants agreed with the importance of family and friends, workmates, classmates and fellow church members, but some said that they had few or no friends in New Zealand compared with their networks of friends in China (Meares, et al., 2010a). Similarly, the Indian respondents valued their family connections in New Zealand, but missed their family and friends in India (Lewin, et al., 2011). South Africans valued friends and family in New Zealand, they socialised at the Returned Servicemen Association, church and sports clubs and shared experiences with South Africans from different cultural backgrounds and regions. Considerable effort was made by some South Africans to socially maintain and develop cultural ties within New Zealand (Meares, Lewin, Cain, Spoonley, & Ho, 2011).

Developing trust and understanding between immigrants and their receiving community requires mutual goodwill and open communication to understand each other's cultural perspectives. Creating an appreciation of other's cultures is part of the gradual settlement process with the goal of having immigrants participate fully in society through democratic processes. Immigrant interactions at neighbourhood educational and business interfaces, media stories and ethnic visual representations, all influence perceptions. Business migrants need to interact effectively with New Zealand institutions such as schools, city and regional councils, relevant business

organisations and the communities in which they are involved (Badkar, 2006; B. Hong & Allen, 2008; Meares, et al., 2010b).

Social capital development benefits from certain pre-requisites. Not only do immigrants need to be informed about their host country, but also the receiving communities need to recognise the value of the immigrants' contribution to the community and be sensitive to their needs (Ip, 2000; Spoonley, Peace, Butcher, & O'Neill, 2005). The unpreparedness of the New Zealand public for the large numbers of Asian immigrants during the late 1990s and early 2000's resulted in Asian immigrants and students sometimes receiving a hostile reception. This reaction made it more difficult for newly arrived immigrants to develop New Zealand networks outside their own ethnic communities. Ip (2000, p.3) strongly criticised the New Zealand government for the lack of a "basic settlement programme" and "the total absence of any induction assistance into the local business environment". As earlier immigrants from European backgrounds had integrated without inductions or settlement programmes, the need for such programmes might not have been recognised.

Asian immigrants also found getting access to local business networks was difficult if they lacked fluency in English which made it difficult to follow or contribute to discussions (Fletcher, 1999; Forsyte, 1998; Ip, 2000). Different cultural expectations regarding the levels of government assistance might also exist. Interestingly, a study of housing and settlement experience of recently arrived skilled Chinese, Indian and South African immigrants revealed few had close connections in New Zealand before they arrived and relied predominantly on their own resources (Johnston, et al., 2005). While the immigrants in the above housing study were not immigrant entrepreneurs,

they reflect the experiences of intentional immigrants to Canada studied by Marger (2006).

2.8 Conclusion

This chapter focused on the significance of symbolic capital as a resource for immigrant entrepreneurs to overcome obstacles when establishing their businesses and to achieve positive settlement outcomes. The dimensions of cultural, human, social and financial capital have been described to better enable their identification and application in the data analysis Chapters Six, Seven and Eight. The significance of capital conversion and transferability has been discussed in terms of their potential effects on the success of IWR immigrant entrepreneurs. Immigrants are disadvantaged when pre-existing cultural or human capital does not fully transfer to, or is devalued when transferred to a new environment.

Much of the existing literature tends to highlight those immigrants who are to varying degrees, embedded within co-ethnic communities and whose initial settlement is defined by these networks. This initial (post-arrival) reliance on co-ethnics provides employment from which potential immigrant entrepreneurs can acquire adequate resources to start their own business. However, comparatively few studies have focused on IWR immigrant entrepreneurs who appear to adopt alternative business establishment strategies (Ley, 2006; Marger, 2001c; Saxenian, 1999, 2002) which often involve by-passing ethnic communities.

Issues of adequacy and appropriateness of capital have been raised in this chapter. Immigrant entrepreneurs with inadequate, insufficient or inappropriate human, social or cultural capital are unlikely to succeed. Entrepreneurial immigrants must adapt very

quickly in order to succeed, therefore in New Zealand fluency in English is a significant human capital requirement (Meares, et al., 2010a, 2010b).

Whilst the focus of this thesis has been on identifying individuals' resources and resourcefulness, it has also illustrated that immigrants' individual actions occur within the structures of social relations. This chapter, in examining the IWR immigrant entrepreneurs' symbolic capital agency resources, has referred to both Bourdieu's (1986) and Granovetter's (1973) theoretical concepts incorporating the actions of individuals, functioning within structures which moderate their success.

Chapter 3 Immigration theories

3.1 Introduction

In this chapter, I explore the potential influence of structural factors on the individual decision-making of intentional well-resourced (IWR) immigrant entrepreneurs. I examine four migration theories to identify the effects of migration patterns on immigrant destination selection, before discussing the effects of migration policies. I then locate this study of IWR immigrant entrepreneurs within the immigrant literature, briefly comparing immigrant entrepreneurs with fewer capital resources with IWR immigrant entrepreneurs, which leads to a discussion of ethnic entrepreneurial theories. This discussion includes the concepts of ethnicity and ethnic embedded entrepreneurship which returns to concepts of agency and structure in relation to Waldinger et al.'s (1988) *interactive model of ethnic entrepreneurship* and Kloosterman and Rath's (2001) *mixed embeddedness* models. The focus then shifts to reviewing New Zealand's entrepreneurial immigrant literature to provide a specific background for this study. The chapter concludes by examining the role of theory in understanding the structural dimensions of migration and business establishment decision making, which influence the resources employed by IWR immigrant entrepreneurs.

3.2 Migration theories

In order to consider the insights migration theories provide on the structural influences on the participants in this study, I discuss four types of theories. Firstly, the *neoclassical theory* is a dominant theoretical paradigm in migration studies which emphasises rational, individualistic migration decision-making as migrants purposefully select their destination country (Castles & Miller, 2009). IWR immigrant entrepreneurs fit this description as they carefully select their destination country to improve their future quality of life for themselves and their families. Using the internet, IWR immigrant entrepreneurs research their settlement destination options by accessing on-line blogs, websites and immigrant networks to inform themselves, particularly if fluent in the host language. Comprehensive preparatory research to inform migration and business planning decisions is a Long Term Business Visa (LTBV) requirement. However, criticisms of *neoclassical theory* include its inability to explain or predict migratory movements or historical migratory patterns (Castles & Miller, 2009) and its overly optimistic perception of a balanced allocation of resources to both the sending and receiving countries (de Haas, 2010).

The *segmented labour market theory* addresses migration pattern predictions by identifying the institutional factors creating a structural demand for both skilled and unskilled immigrants within advanced economies (Castles & Miller, 2009). Current examples of this occurring in New Zealand include the health sector's recruitment of specialist staff and the construction sector's recruitment of skilled workers to rebuild earthquake-damaged Christchurch. Regional labour market recruitment initiatives have also been developed in New Zealand (Spoonley & Bedford, 2008). Historically, during the 1950s, New Zealand's unskilled and semi skilled labour needs were

partially met by immigrants from the Pacific region (Spoonley & Bedford, 2012). The *segmented labour market theory* recognises that the forces attracting immigrants, including the role of governments and employers, can still function even after the decline of comparative wage differentials which originally attracted immigrants (Castles & Miller, 2009). When migration patterns continue, despite a lesser financial return than initially offered, it indicates that non-financial factors are attracting migrants. As IWR immigrant entrepreneurs do not seek employment, the *segmented labour market theory* is not an appropriate explanatory theory for their situation. Although it is feasible that targeted, skilled immigrant recruits might, after a period of employment, become entrepreneurs, this is not the pathway of LTBV immigrant entrepreneurs.

The third theory, *new economics of labour migration* (Castles & Miller, 2009) focuses on the family or a group, where one member strategically migrates in order to diversify the family's income, reduce risk or obtain resources. In times of impending political change, such as occurred during the return of the government of Hong Kong by Britain to China, some members of Hong Kong business families sought to establish themselves in other countries to diversify their family business and settlement options while maintaining close family business links (Ho, 2003). Such migration implies a risk management strategy undertaken by the family. Examples of strategic migration may well have occurred during the 1990s and early 2000s as migrants from Taiwan and Hong Kong explored their global options (Ley, 2003). However, it was not a factor explored nor which emerged in this study of LTBV holders.

The need to recognise historical trends and patterns led to the development of the *migration systems theory* (Castles & Miller, 2009) which involves two or more

countries in on-going historical migration relations such as New Zealand and Great Britain. Colonisation or trade links could evolve into a form of temporary return migration or “overseas experience” by the offspring of the earlier migrants (Gamlen, 2010). In fact, all the participants in this study came from countries that New Zealand has had historical relations with: the United Kingdom, South Africa, the United States, China and Korea. The *migration systems theory* incorporates both macro and micro-structures. Macro-structures include international political economies, state relations, migration laws and practices. Micro-structures comprise immigrants’ social networks, including chain migration networks and ethnic community networks (Castles & Miller, 2009). In addition to the social capital available through family and community networks, information is gained through ethnic media including newspapers, radio, television, blogs and websites. The *migration systems theory* incorporates the individualist selection processes typical of the participants in this study, while incorporating macro-structural dimensions such as national immigration policies, including the LTBV option.

All these theories offer insights into the structural influences on migration destination selection processes. While IWR immigrant entrepreneurs purposefully select their destination to meet their migration goals reflecting *neoclassical* behaviour, it becomes apparent that their choices are considerably influenced by the patterns of migration indicated by the *migration systems theory*. Historical relationships between nations, including chain migration networks, significantly influence destination selection.

3.3 Migration policy development

It is estimated that migrants comprise two to three percent of the world's population (Castles & Miller, 2009) and continue to increase in proportion to global population growth. Immigration policy development is critical to nation-states to enable them to select appropriate immigrants while managing their numbers. Social, political, economic and cultural factors influence immigration policy and regulatory decisions at national and regional levels (Castles & Miller, 2009; Rath, 2000a). Migration flows represent dynamic forces which might be managed, but not necessarily controlled. Nation-states have the recognised authority to regulate migration across their borders "based on a constitution, laws and citizenship that can admit newcomers" (Castles & Miller, 2009, p. 45). Migrants might travel unbidden to the borders of nation-states to seek either legal or illegal access. Arrivals at the border can challenge the control of the nation-states which attempt to regulate the numbers entering their country. While entry points may filter the migrant flow, illegal border crossings such as those highlighted in media reportage of the United States' border with Mexico, affect the dynamics of migration. Unlike contiguous, continental nation-states, where immigrants can cross borders both legally and illegally, New Zealand's geography, its distance from major populations and its island status, assist in the management of its immigrants.

Immigration creates enduring but unpredictable effects on the receiving nation-state's economy, society, demographics, culture and politics. Through societal modification, migration irrevocably affects the 97 percent of people who themselves do not migrate (Castles & Miller, 2009). Consequently, the migration process attracts interdisciplinary researchers seeking explanations for the complex dimensions of

migration. The implications, international trends and pressures of migration flows have attracted researchers from diverse disciplines, revealing the range of effects on the migrants themselves, their receiving communities and communities of origin (Castles & Miller, 2009). The varied pathways of individuals, families, groups, or communities who uproot from familiar environments to relocate to improve future opportunities are reflected in migration complexity (Meares, et al., 2010a). This study of the various forms of symbolic capital essential to the success of intentional entrepreneurial immigrants, should contribute new knowledge to immigrant entrepreneurial research.

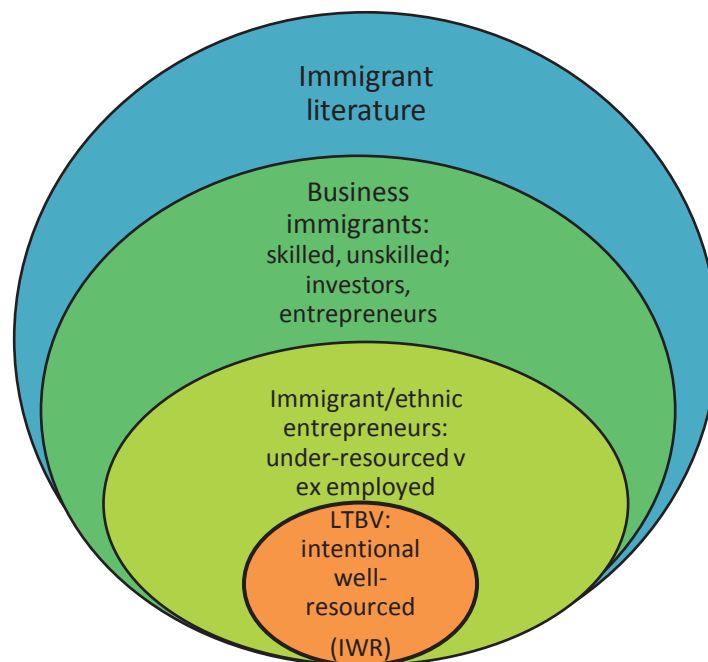
3.4 Immigration research

The multi-dimensioned nature of migration attracts researchers from a range of disciplines as migration affects the communities and economies of both host and countries of origin. The resulting diverse migration literature is drawn from analyses of the complex elements of migration and their effects over time. Studies reveal influential global, national and economic factors affecting migration regulations, patterns and policies (Castles & Miller, 2009).

Figure 2 *Location of LTBV holders within business immigrant studies* indicates the location of this study of a niche group of IWR immigrant entrepreneurs in relation to business immigrant studies within the broader immigration literature. Business immigration literature forms a significant segment within migration studies, incorporating economic and regulatory perspectives of immigrant business investors and entrepreneurs, including the employment of skilled and unskilled labour (Rath, 2000b). Within the immigrant or ethnic entrepreneurial literature are two contrasting

categories of entrepreneurs, the less-resourced or unintentional and IWR entrepreneurs. The non IWR immigrants may be skilled and seeking employment as a first option. Only if this option is blocked might some unintentional entrepreneurs be pushed reluctantly into entrepreneurship by a lack of employment opportunities.

Figure 2 Location of LTBV holders within business immigrant studies



In contrast, the two distinctive features of IWR immigrant entrepreneurs are their intention to establish a business upon arrival without seeking employment and being adequately resourced to achieve this goal. The requirements of the LTBV application may filter out potential applicants inadequately resourced. This study of New Zealand’s LTBV holders is located within this distinctive niche group of IWR immigrant entrepreneurs as indicated in Figure 2. In this study I describe IWR immigrant entrepreneurs as being “strength-based”. The term “strength-based” is used

in social work practice theory to emphasise the value of self determination and strengths drawn upon to empower lower socio-economic communities (Saleeby, 1992).

3.5 Immigrant entrepreneurship studies

After the Second World War, United States researchers led immigrant research which reflected that country's economic and regulatory environment including its institutional national conceptions and assumptions (Aldrich & Waldinger, 1990; Aldrich & Zimmer, 1986; Portes, 1998; Waldinger, et al., 1990). Increasingly, immigrant entrepreneurship research has diversified geographically as it moved into the 21st century (Collins, 2008; Dana & Morris, 2007; Kloosterman & Rath, 2003; Ramangalahy, et al., 2002), providing a broader range of cultural and national perspectives. Immigrant or ethnic entrepreneurship studies can represent either a structural perspective (Kloosterman, 2000), an agency approach (Light, 2004; Perreault, et al., 2003; Portes & Sensenbrenner, 1993) or attempt to include both in an integrated theory (Kloosterman, 2000; Waldinger, et al., 1988).

But first, I clarify the term *immigrant* entrepreneur. In Europe, the term *immigrant* entrepreneur refers not only to an immigrant but also the adult children of immigrant parents born in the host country, such as guest workers recruited to meet a labour demand but not offered citizenship (Freeman & Ogelman, 2000). However, in New Zealand the term *immigrant* entrepreneur relates only to those born outside the host country who are now resident within New Zealand. Immigrants by definition, come from another nation so are likely to be ethnically different, although the differences may range from minimal to considerable.

3.5.1 Unintentional v IWR immigrant entrepreneurs

Early studies of immigrant entrepreneurship focused on the resources and strategies of unskilled migrants driven from poorer to richer countries for economic reasons. Predominantly, the literature indicated that when immigrants were unable to find employment, they survived by starting enterprises both formal and informal (Rath, et al., 2002). A considerable portion of immigration literature is devoted to the efforts of ethnic minority, but not necessarily unskilled, employees, who contribute to their host country often through ethnic enterprises (Basu, 2004; Collins, 2008; Kloosterman & Rath, 2003; Kloosterman, et al., 1999; Light, 2004a; Ramangalahy, et al., 2002). These enterprises are both formal and informal, so might not always comply with national or local regulations. Studies of waves of ethnic entrepreneurs in Canada, Europe and Australia described the establishment of ethnic communities and businesses which helped revitalise metropolitan areas (Kloosterman & Rath, 2003; Wilpert, 2003). The term *ethnic entrepreneurship* has been defined as:

a set of connections and regular patterns of interaction among people sharing a common national background or migration experience (Waldinger, et al., 1990, p. 3).

These studies focused mainly on unskilled workers “pushed” into self-employment within their ethnic communities to provide an ethnic service or product as an alternative strategy to scarce employment opportunities. However, intense business competition within ethnic communities keeps their economic returns low (Portes & Sensenbrenner, 1993; Volery, 2007).

Attention has also turned to the contribution made by those skilled immigrants who have become self-employed by starting their own companies, such as the Chinese and

Indian entrepreneurs in Silicon Valley (Saxenian, 1999, 2002). However, many of these entrepreneurs were originally employees in Silicon Valley prior to starting their own businesses, enabling them to create their own networks and assess the market before venturing to establish their own businesses. Such intentional immigrant entrepreneurs represent a settlement experience not well represented in the literature (Collins, 2008; Ley, 2006; Marger, 2001c). Strength-based IWR immigrant entrepreneurs provide a contrasting experience to unintentional immigrant entrepreneurs. While IWR immigrant entrepreneurs can embed themselves within their ethnic communities, many choose to bypass ethnic communities and function within the mainstream market. While the conditions of the LTBV stipulate certain levels of economic and symbolic capital, the adequacy or appropriateness of this capital has not yet been well explored, representing a gap in the literature which this study seeks to close.

3.5.2 Ethnic and ethnic embeddedness implications

The term *ethnic* is a term used to differentiate between categories of people, often visible minorities, who have similar backgrounds, characteristics or migratory experiences (Aldrich & Waldinger, 1990). The term *ethnic identity* is a social construct used to describe a collective, bonded by a location “in time and space, in history, memory and territory” (Rattansi & Westwood, 1994, p. 58). Ethnic groups may self-identify or be identified by others, by combinations of distinctive cultural markers, such as history, language, religion and culture, which originate in their roots to create an affinity within the group (Aldrich & Waldinger, 1990; Hall, 1992; Marger, 2005). Ethnic groups comprise a minority within the general population. How a person perceives their own *ethnicity*, a fundamental factor of self-identity, can exert a

powerful influence over a person's thinking, behaviour and treatment by others (Marger, 2005). Significantly, the impact of ethnicity is highly variable within ethnic groups and societies. Ethnicity is seen and practiced in different ways by members of a particular ethnic group. Therefore consciously or unconsciously, ethnicity becomes a dominant force in people's lives, especially if their status is degraded as a consequence of their ethnicity (Marger, 2005).

Roosens (2006) suggests that multiple forms of ethnicity results from the dynamic social forces of urban living which modify national behaviours occurring over time as immigrants adjust to their new environments. In New Zealand, for example, the children and grandchildren of early Chinese and Indian immigrants are culturally distinctive from recent immigrants from China and India. Gradually, immigrants' ethnic identification tends to diminish as a source of identity, modified by acculturation within the current mainstream (Volery, 2007).

Much of the business immigration literature relates to visibly different ethnic minorities who represent minority ethnic linguistic and cultural backgrounds dissimilar from those of a mainstream or host culture (Dana & Morris, 2007; Portes & Sensenbrenner, 1993; Waldinger, Aldrich, & Ward, 2006). However, less is known about those immigrants who are visibly indistinguishable from the dominant culture, such as European immigrants to New Zealand, who might not have had their experiences identified, recorded and analysed. They might share the same language and a similar culture as the host population, distinguished only by their accents signalling their overseas origins. Entrepreneurial immigrant literature has focused on the strategies of immigrants arriving in their host country with few, or inadequate resources and often an inability to speak the host language fluently. The settlement

issues of physically, culturally and linguistically “blended” immigrants appear to have drawn less attention (Watson, et al., 2011).

Embeddedness within either co-ethnic or mainstream networked communities offers immigrants access to critical market information, potential economic and human resources and moral support in the establishment of their businesses. Immigrants may choose to become embedded within ethnic or non-ethnic networks, or use a combination. Literature on immigrant entrepreneurs mainly focuses on embedded ethnic entrepreneurs who rely on their ethnic community’s networks of social relations to obtain employment or start a business. Immigrants must balance trust and malfeasance within networked social relations (Portes & Sensenbrenner, 1993). This balance is especially challenging to newly arrived immigrant entrepreneurs still learning to recognise the expectations and obligations of their new cultural milieu.

Regarding the trustworthiness of potential information sources:

We settle for generalised information when nothing better is available, but ordinarily we seek better information. ... Better ... is information from a trusted informant ... Even better is information from one’s own past dealings with that person [because] it is cheap; one trusts one’s own information best – it is richer, more detailed and known to be accurate; individuals with whom one has a continuing relation have an economic motivation to be trustworthy; continuing economic relations often become overlaid with social content that carries strong expectations of trust and abstention from opportunism (Granovetter, 1985, p. 490).

Confidence in information acquired through networks is significant to newly arrived immigrant entrepreneurs. Immigrants who arrive in a new country, inadequately resourced to initiate business ventures or who discover their skill sets are not

recognised in the job market, might gravitate to work within their ethnic communities (Aldrich & Waldinger, 1990; Greene & Chaganti, 2004; Hiebert, 2002; Light, 2004; Perreault, et al., 2003). Cultural capital enables immigrants to become embedded within their ethnic networks, over time accumulating adequate financial and human capital to establish their own businesses. Immigrants might serve an ‘apprenticeship’ within their networked community, working longer hours for lower wages than workers in the mainstream. The considerable body of literature on ethnic networks is premised on this context (Kloosterman & Rath, 2001; Menzies, et al., 2003).

3.6 Immigrant entrepreneurship theoretical approaches

Cultural theory and *middleman minority theory* are two theories which have been used to examine ethnic entrepreneurial immigrants. *Cultural theory* suggests that some cultures have characteristics which predispose them to entrepreneurialism. Characteristics of being hard-working, risk-taking, loyal to their values, oriented towards self-employment and prepared to live economically, were considered to predispose certain ethnic cultural groups towards self-employment (Masurel, Nijkamp & Vindigni, 2004, cited in Volery, 2007). However, *cultural theory* has been criticised for not taking into consideration the structural barriers facing such cultural groups. For example, if immigrants did not speak the host language, or had inadequate skills to compete for employment, then some ethnic cultural groups might be ‘pushed’ into self-employment where they needed these characteristics to survive. Where the structural barriers were higher, the attributes identified by *cultural theorists* might become more apparent.

A structural factor moderating the development of ethnic businesses is the size and economic status of the relevant ethnic community market, indicating its potential to sustain ethnic enterprises (Volery, 2007). More recently, physical proximity to markets has been expanded by technology's facilitated access to internet markets. Literature regarding ethnic entrepreneurs embedded within ethnic communities assumes the ethnic communities are large enough to provide adequate business opportunities, markets and material resources to sustain a business. Whether ethnic communities in New Zealand are sufficiently large to provide these resources to potential ethnic entrepreneurs is debatable. An ethnic enterprise could be developed initially catering for the ethnic community, then might expand into mainstream markets (Fregetto, W., 2004, cited in Volery, 2007). *Cultural theory* explanations need to be considered in tandem with the structural conditions which apply.

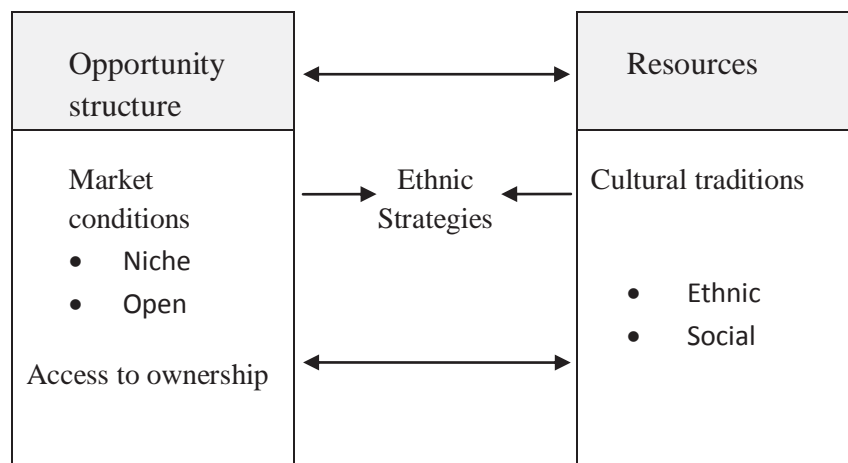
The *middleman minority theory* identifies the function of middlemen at the interface of the majority and minority culture, or cultures (Waldinger, McEvoy & Aldrich, 2006). Historically, some ethnicities specialised in middlemen trading such as the Armenians controlling the trade between Europe and the Middle East (Waldinger, McEvoy et al., 2006). Middlemen often service a different sector than mainstream businesses cater for. Commonly, middlemen are linguistically adept, able to converse in a relevant range of languages in order to meet their customers' needs. Middlemen would appear to flourish at the confluence of trading routes where they can provide a valuable service, but New Zealand does not fit this description. Neither the *cultural theory* nor the *middleman theory* offer insights into this study of IWR immigrants who immediately start to establish a business on their arrival.

A third entrepreneurial theoretical approach is *transnational entrepreneurial theory* which describes entrepreneurs who migrate to a new country while concurrently maintaining businesses in their countries of origin (Castles & Miller, 2009). This extends the *new economics of labour migration theory* if the impetus to migrate arises not from an individual, but is undertaken in the strategic interests of a family business. Transnational operations are facilitated by developments in communication technology and might include circular or temporary migration (Castles & Miller, 2009). Transnational entrepreneurship has been associated with leading, or participating in, important start-ups and high technology ventures (Drori, et al., 2010). Drori et al's (2010) *transnational theoretical framework* incorporates cross-cultural actor relationships and multiple contextual fields which guide entrepreneurial action. The *transnational theoretical framework* captures the dynamic nature of transnational entrepreneurship as it negotiates individual and collective meanings, perceptions and experiences practised in multiple contexts. For those intentional immigrant entrepreneurs who continue to function as transnational entrepreneurs, the *transnational theoretical framework* depicts the complexity of immigrant entrepreneurs' relationship to international business, economic development, institutional and regulatory structural implications of globalisation. Transnational LTBV holders were not specifically targeted in this study, but emerged from amongst the participants.

A fourth theory, Waldinger, Aldrich and Ward's *interactive model of ethnic entrepreneurship* (1988) depicted in Figure 3, has been recognised by Peters (2002) amongst others, as a benchmark study for its integration of structure and agency. Waldinger, Aldrich and Ward (1988) are credited with being the first to conceptually integrate agency and structure on the self-employment patterns of immigrants (Peters,

2002). Waldinger, Aldrich and Ward's *interactive ethnic entrepreneurial* model identified the interaction between opportunity structures and group resources (Waldinger, et al., 1988). Their model recognised that access of ethnic entrepreneurs to either open or niche markets could be blocked by high entry barriers such as finance, professional qualifications or regulatory requirements. Access to business ownership is also influenced by job market conditions and regulatory frameworks which moderate the openness of the opportunity structure to ethnic entrepreneurs. In response to the conditions, ethnic entrepreneurs might employ specific cultural strategies to access their ethnic community networks. Waldinger et al. (1988) focused on analysing the strategies and processes of under-capitalised immigrants.

Figure 3 **Interactive theory of ethnic entrepreneurship** (Waldinger, Aldrich & Ward, 1988)



The *interactive theory of ethnic business development* (Waldinger, et al., 1988; Waldinger, et al., 1990) illustrated in Figure 3, recognises that opportunity structures which exist in the market could be exploited by motivated ethnic entrepreneurs who can mobilise sufficient resources. This model depicts the interaction between structure and agency processes but assumes that ethnic entrepreneurs are limited to the

resources of their ethnic community. Significantly, this model highlights the importance of analysing market conditions and opportunities, the prevalence of and competition for, business vacancies, and the structural or regulatory conditions which influence access to ownership. However, it has been criticised for its lack of attention to gender, political and economic contexts (Rath, 2000). It also excludes the strategies of immigrants who arrive sufficiently resourced to bypass their ethnic communities to establish businesses in the open market.

In contrast to the thinking behind *cultural theory*, Waldinger et al (1988) recognised that the levels of business success in different ethnic cultures varied, but attributed these variations to immigrants' pre-migration, migration and post-migration characteristics and how these interacted with one another and with the local opportunity structure. Pre-migration characteristic human capital included the educational qualifications of immigrants and their relevant business skills. Characteristic post-migration resources included being highly motivated, being informed regarding business opportunities, having the relevant business experience and adequate host language skills (Waldinger, et al., 1988). Immigrants constrained by low levels of capital or non-transferable capital, such as unrecognised qualifications or inadequacy in the host language, would find it more difficult to establish a new business.

Waldinger et al.'s (1988) *interactive* theory identified not only the structural complexity confronting newly arrived immigrant entrepreneurs, but also the agency factors. However, it less well described the stages of the entrepreneurial process and the forms of capital required to resource them. Neither did it provide a framework for making local, regional, national and international ethnic business comparisons, which

is what Kloosterman and Rath's (2001) *mixed embeddedness* framework sought to do. Kloosterman and Rath (2001) extended the interactive concepts to evaluate and compare the impact of immigrant businesses at national, regional and local levels. Their *mixed embeddedness* framework (Kloosterman & Rath, 2001, 2003; Kloosterman, et al., 1999) considers supply and demand, agency and structural dimensions. It is predicated on three assumptions: one that entry barriers do not prevent immigrant entrepreneurs from accessing the market; two that the opportunities identified provide adequate financial returns; and three, that ethnic entrepreneurs are able to exploit the opportunities (Kloosterman & Rath, 2001).

Although the *mixed embeddedness* framework reveals the capital resource disparities (social, human, cultural and financial capital) between resident entrepreneurs and immigrant entrepreneurs whose resource levels on arrival influence their entrepreneurial options and strategies, it does not capture the dynamic development of the business establishment process, nor the resources and strategies required at the different stages of development. Peters (2002) criticised the *mixed embeddedness* framework for not explaining ethnic entrepreneurial variations, nor revealing the development of group enterprises over time. It particularly focussed on businesses, sometimes informal, at the lower end of the economy. However, these criticisms, although valid in their own right, were not the purpose of the model which focused on enabling regional, national and international comparisons (Kloosterman & Rath, 2001). However, making international comparisons is fraught by the challenges posed by the diversity of definitions of an immigrant and an immigrant entrepreneur, which influence international statistical information gathering and analyses. As this study focuses on understanding the application of the forms of capital within the immigrant's business establishment phenomenon, international comparisons are

outside its scope. From considering approaches explaining international immigrant entrepreneurial theories, I move to studies of New Zealand immigrant entrepreneurship.

3.7 New Zealand immigrant entrepreneurial literature

This section outlines the scale and scope of entrepreneurial immigrant studies undertaken in New Zealand. Immigrant entrepreneurs are not an easy group to research for a number of reasons. They are visibly indistinguishable from the diversity within the general population. To date LTBV holders have been disproportionately unresponsive and consequently under-represented in immigrant surveys seeking information on their settlement outcomes (Badkar, 2006; Wallis, 2006) which challenges assessments of their progress and success. For these reasons, knowledge of the social capital of immigrant entrepreneurs has been gleaned from general settlement studies not specifically focused on immigrant entrepreneurs.

To further illustrate the challenge, at the commencement of this research, the New Zealand Longitudinal Immigrant Survey (LisNZ) was in progress, which included a small number of LTBV immigrants in its three waves of surveys. However, when the reports were released, the LTBV holders' data had been subsumed within the experience of all business immigrants, masking any distinctiveness which might have emerged (Dunstan, Boyd, & Crichton, 2004). This was disappointing given the level of government resources applied to this project but exemplifies the difficulties experienced by researchers (Badkar, 2006; Wallis, 2006) to gain a proportional representation of LTBV immigrants in their surveys. Immigrant entrepreneurs pose challenges to identify and survey which will be detailed in Chapter Five.

Recent studies of Chinese and Korean immigrants (Meares, et al., 2010a, 2010b) combine the experiences of both immigrant employers and employees, so distinctive information relating to intentional immigrant entrepreneurs' use of capital resources is not distinguishable. However, a majority of Korean and Chinese employers indicated that their local ethnic community provided over three-quarters of their local contacts (Meares, et al., 2010a, 2010b). General surveys of immigrants to New Zealand have revealed the positive role of ethnic networks, particularly in the early stages of settlement (Dunstan, et al., 2004; Henderson, 2004; D. Hong, 2001; Trlin, Henderson, North, & Skinner, 2001). As time is not such a critical factor in the settlement process of business immigrants who did not enter New Zealand on a LTBV, their use of their capital resources might differ from what is described in this study.

A historical study of 107 predominantly English speaking pioneering New Zealand entrepreneurs revealed their considerable levels of human capital which existed prior to starting their enterprises (Hunter, 2007). Their human capital was measured by their years in apprenticeships then the workplace, including managerial or foreman experience, which gained them qualifications, skills and business acumen. These entrepreneurs gained competitive advantages from human and social capital, product innovations, national distribution networks or financial partners (Hunter, 2007, p. 127). During an historical period of immigrant settlement, skilled British immigrants were welcomed to New Zealand to provide the skills, resources and services required by the increasing population of the steadily developing colony. Structural conditions were highly conducive to entrepreneurialism due to rapid population growth, burgeoning regional markets, significant government investment in infrastructure and particularly the introduction of technological innovations (Hunter, 2007). Importantly, entrepreneurs with adequate knowledge and skills were prepared to invest in new

technologies despite the risks. The openness of newly developing regional markets encouraged many new businesses, of which only the most successful were assessed by Hunter (2007).

There is a paucity of studies undertaken on New Zealand's intentional immigrant entrepreneurs despite the increase in ethnic studies including Chinese, Indian and Thai entrepreneurs (Friesen & Ip, 1997; Friesen, et al., 2005; Pio, 2005b; Thechatakerng, 2012). Research identifying immigrant entrepreneurs is generally subsumed within New Zealand business immigration literature which mainly focuses on three outcomes: the fiscal benefits of immigrants (Nana, Sanderson, & Goodchild, 2003); settlement challenges and successes (Boyd, 2003; Department of Labour, 2006c; Fletcher, 1999; Ho, 2002a); and the employment outcomes for immigrants (Benson-Rea, et al., 1998; Department of Labour, 2006a; New Zealand Immigration Service, 2004).

Few studies have entrepreneurial immigrants as their major focus (Hunter, 2007). When employment options are constrained, immigrants might seek to establish their own enterprises as Pio describes in her studies of Indian women (Pio, 2005a, 2005b). However, as these immigrants did not enter New Zealand with the intention of establishing a business at the outset, they are not necessarily representative of intentional immigrants. While they might demonstrate similar levels of human capital as LTBV holders, they might have less access to economic capital.

The *Integration of Immigrants Programme* published studies of immigrant employers' and employees' experiences from a number of cultural perspectives: Chinese (Meares, et al., 2010a), Korean (Meares, et al., 2010b), South African (Meares, et al., 2011), Indian (Lewin, et al., 2011) and British (Watson, et al., 2011). These studies focus on

businesses and cultural precincts mainly in Auckland, highlighting the difficulties facing immigrant employers and employees. Despite most of their interviewees gaining New Zealand work experience prior to starting a business, the comparative isolation from local business support networks is evident for those from non-English speaking backgrounds (Meares, et al., 2010b).

A comprehensive evaluation of the LTBV was undertaken in 2002. This thorough study accessed a range of information sources and provided valuable, focused information (New Zealand Immigration Service, 2002). Its major constraint was its limited longitudinal data as it monitored the implementation of a policy only three years old, but which required a minimum of four to five years to reveal its effectiveness. The LTBV policy required the holders to have two years to establish their businesses, which they then had to operate sustainably for two (after 2002, three) years, before becoming eligible to apply for residence. The policy cycle was only about half completed at the time of its evaluation. As only a few immigrants already living in New Zealand on other visas could quickly switch to the LTBV when it became available, the researchers were constrained from commenting on the efficacy of the policy. They usefully predicted that if a large proportion of LTBV holders applied for residence when they became eligible, then the policy could be considered a success.

This brief review of New Zealand's immigrant entrepreneurial literature reveals a gap in studies of intentional immigrant entrepreneurs beyond the study of LTBV holders undertaken in 2002. Significantly, the low response rate of LTBV holders within more generalised surveys of immigrants has resulted in the subsuming of their particular

results within the larger business visa sector, masking any differentiation in their responses.

3.8 Conclusion

In this chapter I have explored migration theories and frameworks which provide both a structural and integrated context in which to analyse the use of symbolic capital by IWR immigrant entrepreneurs. A recurring theme from Chapter Two is the integrative concepts of the dimensions of agency and structure in the business establishment processes of immigrant entrepreneurs. This is reflected in the interactive model of ethnic entrepreneurship (Waldinger et al, 1988) and the mixed embeddedness model of Kloosterman and Rath (2000).

The theories discussed in this chapter indicate that historical patterns of migration influence individual destination choice and that prevailing structural conditions and opportunities significantly influence business selection and planning. Economic and regulatory conditions, market size and access are structural factors which moderate the preparation, planning and strategising of immigrant entrepreneurs. The integrated immigrant entrepreneurial theories indicate that individual immigrant entrepreneurial decision-making processes are embedded in concrete structural considerations. How successfully IWR immigrant entrepreneurs contend with the structural conditions they encounter, will depend on the adequacy and appropriateness of their symbolic capital resources.

Although comparatively little is known about the niche group of IWR immigrant entrepreneurs, these self-resourced immigrant entrepreneurs are considered significant to many destination countries. The review of New Zealand's immigrant

entrepreneurial literature reveals that there are few studies of IWR immigrant entrepreneurs amongst increasing studies of ethnic entrepreneurs.

Chapter 4

Business immigration policies

4.1 Introduction

Immigration is a complex, dynamic global phenomenon which impacts on both immigrants and the receiving society. Immigration policies, reflecting governments' political and economic intentions, significantly influence immigration and settlement success. Immigrant success is also moderated by the political, economic, regulatory and social conditions of the host society. Therefore, strategies to attract potentially successful immigrant entrepreneurs should be cognisant of global, national and local contexts. Ideally, immigration policy makers devise policies which attract immigrants appropriate to their nation's needs and who can as a minimum, settle sustainably in equilibrium with the state's resources. By that is meant for example, that state educational or health resources consumed are replenished through taxes paid. Management of immigrant consumption and replenishment is challenging. New Zealand can more easily manage its immigrant flows due to its island status and distance from large populations than North American and Western European countries which are challenged by the presence of significant numbers of undocumented immigrants (Staring, 2000, s 10-1).

In previous chapters, I focused on theoretical aspects of symbolic capital and migration theories in relation to intentional well-resourced (IWR) immigrant entrepreneurs. In this chapter I explain the rationale for the introduction of the Long

Term Business Visa (LTBV) by outlining the economic, regulatory and social background prior to its introduction. To provide a context, I describe effects on the economy and society of neo-liberal policies introduced in the late 1980s. Next, as precursors of the LTBV, I examine Australian and Canadian entrepreneurial immigration policies to gauge their effectiveness. In addition, I explore two Canadian studies of transnational immigrant entrepreneurs in order to recognise transnational characteristics amongst the participants in this study. Finally, after detailing the conditions of the LTBV, I assess the policy's effectiveness in achieving New Zealand's business immigration policy objectives.

4.2 Economic and social context 1980s - 1990s

Significant policy and regulatory changes were introduced to New Zealand in the 1980s which had immediate and longer-term societal ramifications. The 1984 Labour Government promulgated neo-liberal reforms without electoral debate or a mandate (Jesson, 1999; Kelsey, 1997). The pervasive neo-liberal ethos of individual responsibility and the "ethos of the market" (Kelsey, 1999, p.4) initiated the state's divestment of state-run enterprises, deregulation, market liberalisation, government restructuring and privatisation of government corporations. Bourdieu (1998, p.1) described the essence of neo-liberalism as the "utopia of endless exploitation," where neo-liberals reduced controls which might reduce the profits of economic efficiency. Neo-liberalism leads to "the general privatisation of public services and the reduction of public and social expenses" (Bourdieu, 1998, p.5). Ongoing restructuring systematically weakened public institutions, effectively masking the effects of an imperceptible transition to "neo-liberalism".

Critics of neo-liberalism were discredited by accusations of self-interest or inflexibility (Bourdieu, 1998). For example, if the unions involved predicted the potential consequences of the neo-liberal policies, their criticisms were discounted on the basis of self-interest. In New Zealand, unemployment greatly increased resulting from the privatisation of the state service sector including state-owned assets, combined with local government restructuring and subsequent layoffs (Kelsey, 1999). The sales of state-owned assets raised further significant issues including the rights of Maori under the Treaty of Waitangi.

Critics of the neo-liberal reforms like Kelsey (1993, 1999) and Jesson (1999) claimed that New Zealanders felt alienated by a democratic system implementing neo-liberal reforms which had neither been declared nor debated during the election process. The neo-liberal reforms contrasted sharply with the pre-existing welfare state philosophy which provided a safety-net of benefits to support those in dire need which largely evolved from the 1930s depression era. Not only were public institutions weakened as Bourdieu (1998) predicted but also community social cohesion from the resulting unemployment tensions.

Despite the rhetoric, the neo-liberal reforms did not deliver the anticipated positive economic results (Kelsey, 1999). Instead, New Zealand's foreign debt quadrupled, interest rates increased and the New Zealand economy contracted by one percent between 1985 and 1992. This compared badly with the average of 20 percent growth of OECD economies occurring at the same time (Kelsey, 1999).

4.3 New Zealand immigration policies 1987-1998

In 1987, shortly after introducing the neo-liberal reforms, the government radically changed the immigration policy with enduring effects on New Zealand's demographics. To enable New Zealand to participate in the global market, its borders were opened to immigrants of all nationalities, reflecting the neo-liberal philosophy of market liberalisation through deregulated markets and free trade (Kelsey, 1999). "Economic" migrants were identified as a potential stimulant to New Zealand's business and economic growth (Ho, 2002a; Ho, Bedford, & Goodwin, 1999), which led to the development of the LTBV. By dramatically modifying immigration law, the Labour government turned to skilled and investor immigrants to help revitalise the weakened economy. New Zealand sought to emulate the apparent success of Canada's immigration policies (Bauder, 2008). Despite the economic turmoil in New Zealand, including protests and strikes against the Employment Contracts Act involving half a million people (Boraman, 2006), immigrants were not deterred. The government sought skilled immigrants and investors to fulfil specific skilled occupational shortages by implementing a points system in the 1991 *Immigration Amendment Act* (Spoonley & Bedford, 2008). The effects of recruiting "economic" migrants will next be considered, from the government's, society's and the immigrants' different perspectives.

4.3.1 Business Investment Policies 1987, 1991, 1995, 1999

Until 1987, an immigrant's country of origin had excluded many potential immigrants. Previously, immigrants from the UK and Ireland had been able to migrate as part of New Zealand's colonial inspired nation building (Spoonley & Bedford, 2012). This immigration pattern was also reflected in New Zealand's trading patterns with the UK

and Europe. New Zealand's trading re-alignment resulted in immigration policy re-alignment with geo-political trading interests in Asia (Spoonley & Bedford, 2008), by removing preferred countries of origin under the *1987 Immigration Act*. The *Business Investment Programme* (BIP) was intended to "encourage migrants with business ideas, business experience and investment capital" (Merwood, 2008, p. 4). To achieve this goal, immigration policy changes to the investment category were made in 1987, 1991, 1995 and 1999. It was anticipated that the Skilled Migrant and Business Investment categories would provide 60 percent or about 45,000 new immigrants a year (Beaglehole, 2005). BIP investors required a minimum investment of NZ\$150,000, plus their business ideas and experience in order to develop innovative competitive industries and markets (Ip, 2000, 2001; Merwood, 2008). English proficiency levels were initially determined at an interview by an immigration official. However, the BIP did not offer an entrepreneurial category as did Australia and Canada.

In 1991, the *Business Investor Category* (BIC) replaced the BIP in a further attempt to bolster the economy using immigrant funding and experience. The BIC increased the investment sums required to a minimum passive investment of \$750,000, or an active investment of \$625,000 in Auckland or Wellington, or \$500,000 for an active investment outside Auckland or Wellington. However, somewhat naively, New Zealand did not require immigrant investors to retain their funds in New Zealand after the initial investment. A minimum, but undefined level of English was stipulated (Merwood, 2008). In 1995, the BIC was further refined to focus on active investment and the applicant's "personal attributes" (Merwood, 2008). In addition, an IELTS (International English Language Test Score) score of five was introduced for both the principal and secondary applicants. However, even this level of language proficiency

would constrain an immigrant if isolated from language support, in conversations in English with clients, suppliers, staff or regulatory officers.

Initially, the effects of the 1987 BIP then BIC were encouraging as the immigration targets were nearly met (Beaglehole, 2005). Numbers of Asians sought to emigrate as a result of the socio-political changes occurring in China, Taiwan and Hong Kong. During the 1990s, Chinese, especially from Hong Kong and Taiwan, were attracted to New Zealand by their familiarity with Western business processes and English which assisted their settlement (Ip, 2001). Consequently, New Zealand's immigration strategies purported to increase diversity and vitality, while maintaining society's high level of social cohesion (Ip, 2001).

Critical to social cohesion and the success of the immigration policy, was the contentious level of English proficiency as measured by IELTS. If set too low immigrants could not integrate into mainstream networks nor interact effectively in business, education or health conversations. However, if set at a level where this could be achieved it incurred allegations of racism (Ip, 2000) and excluded potential, wealthy Asian immigrant investors targeted by the New Zealand government. The move to a minimum level of IELTS five was perceived by some to signal a more rigid entry requirement than any other Pacific Rim country, specifically Australia, Canada and the United States (Ip, 2000). The requirement for immigrant investors to invest in productive enterprises was criticised for its restrictions in comparison with the existing Australian and Canadian business policies (Trlin & Kang, 1992) as it was asserted that there were few appropriate investment options (Ho & Bedford, 1998; Ip, 2000).

4.3.2 Effects of changes

The visual impact of the re-aligned immigration policy was becoming manifest. Asians, mainly Chinese from mainland China, Taiwan and Hong Kong, plus South Koreans, entered New Zealand on a range of Student, Skilled Labour and Investor visas. Many of these new immigrants clustered in particular Auckland suburbs (Lewin, et al., 2011; Meares, et al., 2010a, 2010b), where their presence was indicated by the proliferation of signs in Chinese and Korean scripts signalling a significant Asian presence. At the same time, the numbers of Asian international full fee-paying students increased. Their families invested in a New Zealand education by sending their children to New Zealand high schools, language schools and tertiary establishments where they paid the full cost of their educational fees and contributed to New Zealand's economy through "export education". Export education income has continued to contribute substantially to the government's resourcing of the educational sector (Spoonley & Bedford, 2012). The concentration of Asian students attending educational institutions in Auckland's Central Business District was evident in the predominance of Asian faces on Auckland's Queen Street. The burgeoning of ethnic eating places and the growth of inner city minimum-sized apartments in Auckland created the effect of living in a multicultural city with a strong Asian presence.

Overseas tertiary students provide a transient population, as after graduating, students mainly returned to their home countries. While studying however, the public might mistakenly perceive the students as permanent residents. Export education funds were sought by a range of educational institutions which recruited fully-funded foreign students to supplement inadequate basic government funding, while providing for the English learning needs of the children of permanent immigrants. It was difficult for

New Zealand parents to distinguish between immigrants who required resources and international students who contributed resources⁵. Consequently, the public might have concluded that there were too many immigrants, when in fact, a proportion of international students would return to their home countries. A survey of New Zealanders' attitudes toward immigrants and immigration conducted at this time confirmed that over 70 percent of those surveyed, perceived that immigrants were either not contributing to, or straining scarce New Zealand resources (Spoonley & Bedford, 2012; Spoonley, Gendall, & Trlin, 2007). This reflected the print media's mainly one-sided immigration policy debate, framed by Winston Peter's New Zealand First Party, which was seldom counterbalanced by the promotion of the considerable financial contribution of immigrants.

During the 1987-1999 period, the government sought to attract two types of skilled immigrants: those with flexible, transferable skill sets to compete in the open job market, plus those with particular skills, for example, specialists required in the health sector. In the latter case, immigrants' skills were matched to employment skill shortages so positions were mainly found for health professionals. However, in the open job market, highly skilled immigrants from non-English speaking backgrounds were considerably disadvantaged by having to compete in an unfamiliar, highly competitive market (Bauder, 2008).

During this period, Ho and other researchers initiated a number of studies of Asian immigrant business people and investors which identified the considerable structural difficulties they encountered and the drastic strategies required to survive (Ho, 2002a,

⁵ Author served on a Board of Trustees during this period.

2002b, 2003; Ho & Bedford, 1998; Ho, Bedford, & Goodwin, 1999; Pio, 2005a). These strategies included fathers returning to work in their home countries, leaving behind wives and children to cope in New Zealand, or sometimes leaving older teenage children to cope alone in New Zealand. These families were described as 'astronaut families', 'cosmonaut couples' and 'parachute kids' (Ip, 2000; New Zealand Immigration Service, 2000). However, little media coverage was given to the difficulties faced by immigrants (Ho & Bedford, 1998; Ip, 2001). Many skilled and investor immigrants, unprepared for the realities of the New Zealand market and with limited fluency in English, became demoralised. During this challenging period of economic and social change, they were unable to find appropriate investments, businesses or employment to support their families in New Zealand.

4.3.3 Immigration public policy debates 1987-1998

Immigrants affect the social cohesion of the receiving society by challenging the values of the inhabitants of the settler country who are forced to share collective assets with the newcomers (Cockerham, 1995; Cunliffe, 2006; Poot & Cochrane, 2004). In addition, immigrants increase social complexity through their interactions at different levels of society, introducing different cultural values (Cockerham, 1995). Consequently, immigrants' ambitions, customs and habits effectively test the infrastructure, resources and the attitudes of the host people. The confluence of immigration and neo-liberal changes finally ignited public debate. Public demoralisation resulting from the effects of neo-liberal policies was compounded by the visible diversification of immigrants who appeared to compete for scarce resources (Spoonley & Trlin, 2004). At a time when redundant, unemployed and under-employed New Zealanders endured benefit reductions and the imposition of

charges for state services, immigrants who received any form of state welfare or subsidised services, such as health, education or welfare benefits were perceived as competing for scarce resources (Spoonley & Trlin, 2004). Increasing concern with the immigration policies was voiced from a number of communities, although as the economy has improved over the last decade, this negative attitude has been modified (Spoonley & Gendall, 2010).

New Zealanders were focused on coping with the changing neo-liberal regulatory environment. The combined effects of the relentless restructuring of state assets during the 1980s and 1990s which led to high unemployment and benefit cuts (Boraman, 2006), alienated numbers of New Zealanders suffering from the effects of and unable to identify with neo-liberal values. The perception and reality of incessant change stretched the fabric of society. New Zealanders' apprehension regarding identity, sovereignty and foreign control re-emerged (Jesson, 1999; Kelsey, 1999). A fear of 'losing control and losing a 'New Zealand identity' was revealed in two surveys conducted by the *Asia 2000 Foundation* in 1994 and 1995 (Ip, 2001, p. 3). In addition, unresolved Treaty of Waitangi issues, although not directly linked with immigration, continued to simmer beneath the surface of the society immigrants entered.

During this time, a population engrossed in the implications of ongoing restructuring was not consulted, informed or educated by the government. The population had not debated the reforms (Kelsey, 1999), nor were educated regarding the benefits of increased immigration, nor the plight of recent immigrants (Ip, 2001). Communities already distracted by the effects of reforms, afforded the sizeable influx of Asian immigrants a muted or sometimes hostile reception (Spoonley & Trlin, 2004). The lack of a basic settlement programme or inductions into local business environments,

hampered immigrant establishment which, according to Ip (2001, p.3), “betrayed an over optimistic and a naïve faith in the legendary Asian entrepreneurship”. Instead, the government relied upon the informal assistance of ethnic communities and church groups to provide support to new immigrants whose numbers inevitably overwhelmed the resources available.

The public had difficulty distinguishing between offshore Asian investors and new Asian immigrant investment, creating the perception that immigrants moved their profits offshore, thereby limiting the benefits to New Zealand from immigrant investment (National Research Bureau 1994 cited in Ip, 2001). Media reports on topics such as Asian immigrants’ frequent trips to Asia, passive funds deposited in banks without investing in the New Zealand economy, ‘home alone kids’, ‘astronaut spouses’ and ‘parachute kids’ with absent parents especially in Auckland, created a negative perception of Asian immigrants (Ip, 2001). According to Ip (2001, p. 4), Asian immigrant investors were “envied, resented and regarded with considerable suspicion” contributing to anti-Asian sentiments expressed in opinion polls in the 1990s.

4.3.4 Settlement challenges

Fostering more positive attitudes towards immigrants involved immigrants actively learning about their new environment, the labour market, business, banking and commerce, laws, social practices and customs (Fletcher, 1999). During the 1990s, a critical factor which affected the settlement of migrants was proficiency in English. Migrants’ level of English fluency moderated their research of New Zealand’s market reality as did New Zealand’s constant immigration policy changes. A lack of English

fluency constrained work, business and investment opportunities. It restricted both access to New Zealand business networks, which provided a broader spectrum of business information, and also access to community, education, health and local government information (Fletcher, 1999).

A further immigrant frustration, were the regular changes to immigration targets and policies (Merwood, 2008) which irritated prospective immigrants who needed certainty to sell houses or businesses to provide the economic capital for an immigration application (Ip, 2000). Uncertainty regarding the outcome of the immigration application made selling more difficult. Prior to the development of the 1999 policy, immigrant feedback had indicated a high level of ignorance regarding the range of assistance and information available to immigrants (Fletcher, 1999). The lack of settlement advice and assistance had negatively affected particularly Asian immigrants' decisions regarding business location and industry investment (Ip, 2000). Immigrants suggested a pro-active business visitor programme should be developed which focused on business information and orientation to inform the decision making of potential business migrants (Forsythe, 1998). In response to this need, the Department of Labour's *Business Development Liaison Unit* (BDLU) was developed in 1998 to enable business migrants to thoroughly research the New Zealand business environment and policy requirements before migrating in order to improve their settlement outcomes (Forsythe, 1998, p.94).

During the 1990s, the government reviewed the levels of human capital required by immigrant investors to settle successfully. Those involved in community organisations were perceived as making a contribution to the country in addition to investing their skills, innovation and economic capital (Duncan, Bollard, & Yeabsley, 1997).

Despite the barriers, the 1987 immigration policies successfully attracted wealthy, skilled Asian immigrants, partly due to the political changes occurring in Asia at that time. Immigrants applied for a range of visas including Student, Skilled immigrant and Investor however, neither the public nor the government were prepared for the numbers who migrated to New Zealand. The considerable financial investments made by the immigrants, whether in export education, business or housing, remained under-reported in the European-Pakeha dominated media. Without factual and informed media coverage of the issues, the public was broadly unaware of the financial contributions of new immigrants. Asians, including those on student visas, noticeably changed the demographic characteristics of Auckland. Yet, despite their numbers, skilled business immigrants had not boosted the New Zealand economy as the government had anticipated. In searching for other immigration options, New Zealand policy makers considered the positive immigration experiences of Australia and Canada in attracting immigrant entrepreneurs.

4.4 Alternative models

During the late 20th century, the Canadian, Australian and New Zealand governments shared similar historical immigration experiences, each using immigration policies to resource the cyclical growth of their economies (Spoonley & Bedford, 2012). In times of economic expansion certain immigrant quotas could rise, but during economic recessions they were lowered in order to reduce competition with the local unemployed (Bauder, 2008). In contrast to these cyclical trends, well-resourced immigrant entrepreneurs are always perceived as highly desirable immigrants, even during economic recessions, as they create businesses and potentially employment for

others. The Australian and Canadian entrepreneurial models are examined respectively to identify their influences on the development of the LTBV.

4.4.1 Australian immigrant entrepreneurial policy

As early as 1976, Australia introduced an *Entrepreneurial Migration Category*, renamed the *Business Migration Programme* (BMP) in 1981, which required immigrant entrepreneurs to furnish detailed, fully funded business proposals to enter as a migrant settler. Applicants required a successful business record, economic assets of A\$300,000-\$850,000 transferred to Australia, plus a commitment to establish a business and to permanently settle in Australia (Borowski and Nash, 1994 cited in Collins, 2008).

Despite the success of the BMP policy, confirmed in a 36 month longitudinal survey of those who arrived within the business category from 1993, Australia stopped offering a specific entrepreneur category to business people. It recognised that immigrant entrepreneurs enter using various visa pathways and need not be constrained to one “entrepreneurial” pathway (Collins, 2008). Australia offers *Business Development* visas, either provisional or permanent, through the *Business Skills Programme* (Collins, 2008). These provisional visas enable immigrants to establish a business in Australia, or manage a new or existing business, or invest in Australia. The permanent visa allows people to remain who have established a business in Australia while holding a provisional visa (Department of Immigration and Citizenship, 2010).

Despite the historically significant contribution of immigrant entrepreneurs to the Australian economy and society, Collins (2003) believed that the importance of their contribution had not been effectively quantified and recognised. He attributed this

oversight to the difficulty of valuing the complex diversity and geographical distribution of immigrant enterprises, established by both genders, across many sectors, in all Australian states (Collins, 2003).

Collins (2008) described issues encountered by immigrant entrepreneurs in Australia include discovering and complying with the relevant regulations at federal, state and regional levels. He suggested that the government could streamline its regulatory information, before promulgating it through ethnic media channels, ethnic business associations and community organisations (Collins, 2008). In addition, a single phone number could be established to provide answers to the diversity of business enquiries related to immigrant enterprise establishment (Collins, 2008). New Zealand avoids the complexity of the federal and state requirements of both Australia and Canada.

In addition, immigrants are required to sign an *Australian Values Statement* indicating that the applicants have read, understood and agreed to support Australian values (Australian Department of Immigration and Citizenship, 2010). The *Australia Values Statement* makes explicit the cultural values which underlie Australian social behaviour, laws and regulations. It clarifies expectations for both immigrants and the enforcers of laws and regulations. By contrast, the absence of a values statement in Canada and New Zealand implies a more ambiguous, flexible, negotiated response at the cultural interface. While this negotiated approach lacks clarity, it creates flexibility in a dynamically evolving cultural climate, sensitive to cultural and international commercial perceptions.

New Zealand's 1999 LTBV adopted many of the Australian requirements: applicants must furnish their business records, provide a detailed business proposal and evidence of adequate financial capital to implement their business proposal. New Zealand also

adopted the issuance of a temporary conditional visa to be replaced by a permanent visa once the conditions are met.

4.4.2 Canadian 1978 Business Immigration Programme (BIP)

The Canadian entrepreneurial immigration policy, introduced in 1978 as part of the *Business Immigration Programme* (BIP), was initially driven by economic imperatives and population replacement concerns as Canada's fertility rates fell (Ley, 2003). Younger, highly qualified professional and technical workers were sought to invest their human capital to enhance Canada's economic and social development. Canada, like Australia, competes against at least 29 countries but particularly with the United States, to attract experienced entrepreneurs with substantial financial capital to stimulate the host economy in return for citizenship (Tseng, 2000).

Canada's Entrepreneur visa focused on job creation for Canadians. Within two years of entering Canada visa holders had to establish, or buy and actively participate in, a business which created one or more jobs for non-family members (Ley, 2003). There were no requirements to speak either French or English or have post-secondary education. No detailed business plans were required, only a brief outline of the type of business proposed. Adequate financial capital to start a business was essential. Those who had never owned a business could qualify by providing evidence of significant business management experience.

Canada's liberal entry strategy successfully diverted Chinese (mainly Hong Kong and Taiwanese) immigrants from the United States, Australia and New Zealand (Ley, 2003). The success of the entrepreneur visa was measured by numbers in this category,

their economic investments and the approximately 33,000 full or part-time jobs they generated.

Entrepreneur immigrants alone in British Columbia, over the 1990-1998 period were credited with over a billion dollars of business investment (CIC, 1999 cited in Ley, 2003, p. 430),

However, the reliability of the Canadian visa data was questioned as discrepancies emerged in the 1996 Greater Vancouver Census data. Puzzling levels of poverty among business immigrants were revealed, indicating that immigrants were asset rich but cash-flow poor (Ley, 2003, 2006).

Canada's inadequately resourced regulatory monitoring regime could not enforce immigration requirements, resulting in distorted immigrant reporting data (Ley, 2006). 'Informal' business strategies developed, involved in the selling or leasing of existing businesses to new immigrants to enable them to meet their immigration criteria. This recycling of existing businesses did not create new businesses. CIC managers were aware of the distorted results, the exploitation of the immigration policy and of an immigrant job and business-creation industry to meet immigration policy requirements (Ley, 2003). No records of unsuccessful immigrants, or disappearing principal applicants were kept. It was assumed they closed their businesses and returned to their country of origin, or perhaps re-migrated to the United States (Ley, 2006).

Ley (2003) was critical both of the non-reporting aspect of the business programme and the reliance placed on the self-reporting of immigrants desperate for the visa terms and conditions of their business to be lifted. Unprofitable businesses were offered to

others within the ethnic enclave for short term ownership to enable the newcomers to meet their visas' terms and conditions. Ley (2003) concluded from the Canadian longitudinal immigration data and the Canadian Census that, in contrast to the more positive self-reported results contained in government reports, only modest entrepreneurial results had been achieved. Therefore the wealth generating aspirations of governments and immigrants alike did not appear to be met in the short term at least. The Canadian experience confirmed the importance of specified conditions such as a detailed business plan and adequate monitoring resources.

4.4.3 Canadian transnationals

One objective of New Zealand's Residence Policy is to "foster international links" (New Zealand Immigration Service, 2006, s 10-1), therefore transnational entrepreneurs are highly attractive. A transnational business strategy involves operating businesses concurrently in more than one country (Drori, et al., 2010). Transnational entrepreneurs function concurrently in two nations, each with its own dynamic, complex, structural, cultural and social environments. Two Canadian studies of existing and potential transnational entrepreneurs in Vancouver and Ontario respectively, are examined to shed light on which pre-dispositional factors may be involved. Functioning Asian transnational entrepreneurs in Vancouver on Canada's Pacific coast are compared with potential transnational entrepreneurs in Ontario with ostensibly comparable business experience and language skills.

The Vancouver study explored small transnational entrepreneurial enterprises, primarily from Hong Kong and Taiwan, who operated diversified businesses mainly involving family networks operating from Canada and Hong Kong, Taiwan, China or other Asian countries (Wong & Ng, 2002). Developed prior to immigrating to Canada,

these Asian networked business relationships were activated once the immigrant's Canadian business was established (Wong & Ng, 2002). The Vancouver transnationals' trading patterns revealed that they undertook more business in the non-ethnic Canadian economy, than non-transnational Vancouver ethnic businesses who predominantly traded with co-ethnic Chinese within Canada (Wong & Ng, 2002). More recent transnational entrepreneurs in the Vancouver study relied heavily on business or family connections in their countries of origin (Wong & Ng, 2002). The transnational entrepreneurs saw themselves and their children as cosmopolitan citizens who could function internationally, interacting effectively in either Asian or European business environments. Their focus was the retention of Chinese values by their children (Wong & Ng, 2002), while also acquiring Canadian university degrees to demonstrate a

true transnational identity encompassing both Canada and Asia, while pursuing a cosmopolitan and flexible citizenship (Wong & Ng, 2002, p. 527).

However, contrasting results were revealed in the Ontario survey of potentially transnational business immigrants. Interviews with 70 bicultural and bilingual BIP business owners revealed only weak transnational ties. The interviewees were primarily oriented to the Canadian market, only intermittently travelling to their country of origin in response to family obligations. Few in Ontario considered returning home permanently as most had deliberately chosen to live in Canada. Although parents wanted their children to retain their family's language by practising their culture within the home, outside this sphere they deliberately chose to become involved in the Canadian culture. Almost 90 percent had become Canadian citizens, naturalising at the earliest opportunity.

It would appear that, unless the business enterprises, plans and contacts are in place for a transnational enterprise prior to emigration, it is less likely that they will be developed after migration. The transnational immigrants may have chosen to migrate to British Columbia in order to be nearer their Asian operations and those without similar intentions had chosen to live further away. Although communication technology does help overcome time and distance, face to face meetings are still important to retain relationships. The objectives for migrating are expressed in the upbringing of the children.

Although the liberal Canadian entry requirements enticed many immigrant entrepreneurs to Canada, a closer examination of the statistics revealed limited immigrant success at establishing a sustainable business (Ley, 2003). The lack of a rigorous business plan and inadequate human and financial capital resources might have undermined the success of the broader group of Canadian immigrant entrepreneurs. Transnational immigrants predominantly interacting with non-ethnic Canadian markets successfully avoided the intense competition within ethnic markets. Those settling further from their homeland indicated a stronger intention to integrate within their host country, weakening some of the ties with their country of origin.

4.4.4 Policy comparisons: Australia, Canada, New Zealand

New Zealand, Australia and Canada share a history of British colonisation, post Second World War immigration programmes and more recently have recruited skilled immigrants of all nationalities. Each country has an indigenous native population which has suffered from waves of migrants, as immigrants now comprise a high proportion of each country's population.

New Zealand's centralised immigrant management system simplifies its immigration policy development and immigration regulations in contrast with the tiered federal systems in both Australia and Canada. However, each country imposes additional local council building, planning, labour, health codes and compliance regulations. There are variations of emphasis as Australian business immigrant policies encourage immigrants to settle and commit to Australian values; Canada emphasises economic stimulation through job creation for Canadians and the rejuvenation of the labour force; while New Zealand focuses on economic infusion and the maintenance of social cohesion (Collins, 2008). The Canadian, Australian and New Zealand business immigration policies reflect the socio-political and economic priorities of each country.

Unlike Australia and Canada, New Zealand lacks a multicultural policy (Bedford, 2006). Canada projects a national identity of multiculturalism and job creation, whereas Australian cultural values are mandated with minimal consideration for the values of indigenous people. An important differentiator between New Zealand and Canada and Australia, are the obligations of the state to give effect to the articles of the 1840 *Treaty of Waitangi*. In New Zealand, the bicultural imperatives of Maori and their relationship to the Crown, as described by the *Treaty of Waitangi*, frame the multicultural discussion. A multicultural policy in New Zealand must reconcile the significance of the *Treaty of Waitangi* in providing *tino-rangatiratanga* to Maori, while affording equivalent rights to other citizens. In a social welfare state, resourced by a comparatively small population with limited natural resources, there is tension amongst competing value systems which need to be resolved politically.

4.5 Development of the LTBV

The shock paradigm shift caused by Britain's 1973 entry to the European Common Market signalled the end of New Zealand's guaranteed access to the United Kingdom market. Over the next 15 years new export markets were sought particularly in Asia to replace those lost. This need broadened New Zealand's world view, leading over time to a greater acceptance of cultural diversity. The inclusive *1987 Immigration Act* reflected New Zealand's revised international trade perspective (Ip, 2001). Seeking to establish a resilient economy, New Zealand faced significant economic and social challenges involving the

re-defining of the role of the nation in the modern global economy, while recognising its level of global interdependence (Jesson, 1999, p.213).

New Zealand's policy makers observed the positive financial results immigrant entrepreneurs appeared to provide to Australia and Canada (Ley, 2003). When immigrant business investors had failed to boost the New Zealand economy as anticipated by the late 1990s, an entrepreneurial visa was created to attract human capital as well as financial capital.

Potential host governments increasingly recognised the value of attracting experienced, internationally networked, self-funded, intentional immigrant entrepreneurs (Ley, 2003; Marger, 2006). Such capable qualified, ambitious immigrants, who contribute resources yet bear the costs and risks themselves, are highly desirable. New Zealand too needs entrepreneurs to "create new businesses, new products and new jobs ("Let the job-creators in," 2012). Attracted by studies of immigrant entrepreneurs revitalising urban areas such as Amsterdam (Rath &

Kloosterman, 2003), the development of the Silicon Valley's technology clusters (Saxenian, 1999) and their apparent boost to the provincial economy of British Columbia (Ley, 2006), great optimism was held for the potential of the Long Term Business Visa (LTBV) to enhance the New Zealand economy. New Zealand must compete with the larger markets in Australia and Canada and other Pacific-rim countries, such as the United States and Chile, to attract immigrant entrepreneurs. However, as New Zealand's small market is less attractive to entrepreneurs wishing to enhance their economic fortunes, New Zealand emphasises its lifestyle attractiveness.

4.5.1 LTBV goals and conditions

Lessons from the Australian and Canadian experiences were incorporated into the LTBV conditions. The 1999 Business immigration categories enabled people who had established a business in New Zealand to be granted residence as an entrepreneur if they met three conditions:

they had established, purchased or substantially invested in a business operating in New Zealand;

the applicant had been self-employed within that business for at least two years; and

the business benefitted New Zealand (2002).

For potential immigrants seeking residence who neither qualified for the Skilled Visa nor had a minimum of NZ\$1 million to invest, the LTBV provided a new visa option.

The LTBV provided the holder and their family conditional residence on a short term visa for three years, with the potential to extend the visa for another three years in

order to establish a business in New Zealand. The LTBV set conditions at each stage. After nine months, the short term visa could only be renewed if satisfactory progress was being made towards the opening of a business. The visa would be subsequently renewed if the applicant could demonstrate the business was financially sustainable. Once the business was established and had been financially sustainable for three years⁶, the LTBV holder could apply for Residence under the Entrepreneur Category (New Zealand Immigration Service, 2002).

Similar to the Australian visa, the LTBV application required a highly detailed business plan to establish or acquire a business in New Zealand. It described the proposed business, its investment, running costs and projected turnover and demonstrated knowledge of the market. A *curriculum vitae* was required to provide evidence of the applicant's experience and expertise relevant to the proposed business (New Zealand Immigration Service, 2002). Any official qualification approvals essential to the business had to be submitted with the application. Initially, proficiency in English was demonstrated by an English test score of four, which was lifted to five in 2002.

4.5.2 LTBV preparation

Surveys of factors influencing the success of business immigrants had indicated that the adequacy of preparation was critical (Fletcher, 1999; Forsyte, 1998). The business plan requirements were intended to prepare immigrants for the much smaller New Zealand market environment than most were accustomed to. Applicants who

⁶ Originally two years, but after the 2002 Policy Review, it was extended to three years.

reconnoitred New Zealand for more than the two weeks to examine locations and assess the business environment for themselves were better prepared to implement their business plan on arrival in New Zealand, than those who did not. Potential migrants who delegated the responsibility of preparing their business plans to agents incurred the greatest risk of being unprepared. Immigration agents interviewed for the 2002 LTBV policy review advised that:

Applicants from English speaking countries could readily understand the policy. Applicants from non-English speaking backgrounds and cultures quite different from New Zealand's had considerable difficulty. The business plan caused confusion particularly for applicants from China and Korea (New Zealand Immigration Service, 2002, p.37).

The standard of English required for LTBV holders was contentious. Some Asian immigrants claimed that setting the standard too high had racist connotations, yet some struggled to interact outside their ethnic communities, requiring reliance upon translators to interact with business, educational, health and local government institutions (Meares, et al., 2010a, 2010b). Language competency influences immigrant participation in the broader society with implications for social cohesion and civil participation. It effectively filters access to mainstream business organisations and relevant business information.

4.5.3 Success of the LTBV

The intentions of the 1999 immigration policy were to attract numbers of educated, business-experienced, self-funded immigrants. The LTBV category succeeded initially as applications from China, Taiwan and South Korea, attracted by the lack of

English language requirements exceeded predictions. Approved applications peaked in late 2001 when 1,807 LTBV's were granted (New Zealand Immigration Service, 2002). During the decade from 1 March 1999 until 30 June 2009, 5,336 applicants were granted a LTBV (Department of Labour, 2009), predominantly from the three top source countries China, South Korea and the United Kingdom. However since 2003, approvals have averaged only 150-230 LTBV's per year with the dramatic drop in applications from China and Korea attributed to the IELTS 5 requirement introduced in 2002. In addition, the potential political turmoil anticipated in Taiwan and Hong Kong did not eventuate, removing one motivation for migrating (Department of Labour, 2005b, 2010).

The government measured the success of the LTBV policy by two statistics: by application numbers, and LTBV holders who applied for residence in New Zealand. Although the evaluation of the 1999 *Business Immigration Policy* occurred too soon to reveal whether LTBV holders were applying for Residence, the numbers of applicants applying for the LTBV between 1999 and 2002 were high, which was reflected in their subsequent applications for residence as they qualified (Department of Labour, 2006b). The 2002 evaluation report (New Zealand Immigration Service, 2002) enumerated the types of business, regions, numbers of businesses, amount of money invested and LTBV holders' progress in moving to residence status. The comprehensive LTBV government 2002 review drew on multiple information sources including application files, an analysis of business residence trends, and a survey of over 50 LTBV and investor immigrants. It also included the informed opinions of key stakeholders of the New Zealand Immigration Service (NZIS) policy and operations staff, immigration consultants and allied professional service providers, such as business planners and brokers. This detailed study provided rich information to guide

policy changes (New Zealand Immigration Service, 2002). The study's main limitation was the brief time span that the 1999 policy had been operating and therefore the lack of detail regarding the business establishment processes and the fate of the few LTBV holders who had gained residence.

While the effectiveness of the LTBV policy is analysed statistically in the annual *Migration Trend* reports, in terms of the numbers of applicants, approvals and percentage of residence applications from 1999 to 2009, these statistics do not capture the full value of LTBV holders' contributions (Department of Labour, 2005a, 2005b, 2006b, 2009; Merwood, 2008). None of these reports or other government surveys captures or measures the levels of human capital, enterprise, innovation, nor the fostering of international links, which is a stated intention of the business policy (New Zealand Immigration Service, 2002, p. 119). While useful immigration trends are identified and explanations provided, the contribution of economic and symbolic capital made by LTBV holders can only be inferred from other business immigrant reports, which subsume and effectively bury differentiated information regarding LTBV holders.

A measure of LTBV policy success was the conversion to residency rate, based on the number of LTBV holders who sought residence after two, then three years of operating their business which indicated "that businesses are being successfully established" (New Zealand Immigration Service, 2002, p. 123). By 30 June 2009, 61 percent of LTBV holders had converted to residence, with 83 percent of those converting through the Entrepreneur Category (Department of Labour, 2009). The conversion to residence of over 51 percent was considered satisfactory (Department of Labour, 2010). The reduced LTBV applications from China, Taiwan, Hong Kong and Korea were

reflected in fewer residency applications from those countries five years later (Department of Labour, 2009).

4.5.4 LTBV holders' contributions

Although few in number compared with other immigrant categories, particularly the skilled category, LTBV holders contribute to New Zealand on many levels. Gleaned from existing studies, this section describes LTBV holders' financial and job creation contributions, plus their ideas and innovations.

The total financial investment of LTBV holders is not inconsiderable when their business and living costs over three to six years are calculated as it is stipulated that they cannot use government resources for support. The NZIS 2002 analysis of 403 LTBV applicants' files revealed that the initial amount invested, plus working capital and maintenance funds, averaged \$449,064 per person (2002). Since 2002, cost increases and depreciation would have increased the financial contribution from more recent LTBV applicants. However, a conservative estimate of the financial contribution of 5,336 LTBV holders' working capital and maintenance funds of \$450,000 each, from 1999 to 2009, amounts to \$2,401,200,000. This figure excludes immigration application fees, wages and taxes paid.

LTBV holders create employment. The LTBV holders interviewed for the 2002 *Evaluation of the 1999 Business Immigration Policy*, employed three full-time employees on average, which was slightly higher than the projected numbers in the LTBV applications. In addition, nearly 78 percent employed a family member full-time in the business (New Zealand Immigration Service, 2002). Therefore, the

jobs created by the 5,336 LTBV holders from 1999 to 2009, is estimated to be 16,008 excluding any part-time staff.

Innovation is defined in the report on *Innovation New Zealand* as,

The introduction of any new or significantly improved goods, service, process or marketing method (Statistics New Zealand, 2005,iii).

Despite the rhetoric regarding the value of innovative immigrant entrepreneurs and skilled immigrants who later become entrepreneurs, government surveys seldom seek information on entrepreneurial activity and immigrants, so it is not obvious how such claims can be substantiated. The Statistics New Zealand (2005) report on *Innovation New Zealand* does not have an immigrant category or mention of immigrant businesses. Yet, on the Report's front page it claims that it intends to shed "light on the business practices and performance of innovative New Zealand businesses" (Statistics New Zealand, 2005). Given the claims made for immigrants regarding their ability to innovate, it would seem appropriate to ask businesses about their use of immigrant's ideas, expertise and connections and whether the owner is in fact, an immigrant. This seems especially important when the report states that "The generation, exploitation and diffusion of new knowledge, methods, processes and products are fundamental to economic growth and development" (ibid).

Poot and Cochrane (2004) asserted that immigrant entrepreneurs contribute innovations through new ideas, industries and occupations, but evidence for these claims is scarce. Only two percent of the 403 LTBV applications examined in 2002 indicated they would introduce new ideas or businesses to New Zealand (New Zealand Immigration Service, 2002, p. 66 S.8.3.10). However, immigration agents spoke of the

new ideas and services introduced to New Zealand by their clients and what they could contribute in the future after they had become established (2002p. 45 S 6.3).

Chapple et al. (1994) suggested that there was a lack of empirical economic justification to assert that immigrants are more entrepreneurial than 'natives' and that as immigrants adapted economically, they could lose their innovative edge. However Harper (1994) contradicted this view of immigrant entrepreneurs, suggesting that cultural diversity is more likely to be positively correlated with increased entrepreneurial activity (cited in Duncan, et al., 1997). New business arrivals might initially focus their energies on compliance with visa requirements and adjustment to the new business and social environment, but as familiarity with the environment grew, new business or expansion opportunities are often identified and pursued (Winkelmann & Winkelmann, 1998).

This study can shed light on the occurrence value of immigrants' creativity and ideas by providing evidence of entrepreneurial immigrants' innovations and creativity the longer they remain in New Zealand.

4.6 LTBV establishment and settlement issues

The lack of specific information on LTBV holders since 2002 contrasts with the detailed knowledge of the fiscal contribution, settlement and employment outcomes of skilled immigrants to New Zealand (Boyd, 2003; Poot & Cochrane, 2004). Although it is assumed that research relating to skilled immigrants also applies to LTBV holders, differences regarding the personal attributes and attitudes, levels of independence, human capital and self-belief might provide a distinctively different profile (Marger, 2001b, 2001c). While the outcomes for skilled immigrants have been systematically

surveyed, similar research on LTBV holders is not available mainly due to their elusiveness and survey results regularly subsuming LTBV results within the general business category. Since 2002, as there has been no specific government research on this potentially valuable immigrant group, this study provides new information.

4.6.1 Adequacy of LTBV preparation

There were two major aspects of LTBV preparation: one involved the explicit requirements of the visa application; the other, the implicit knowledge of the business environment in New Zealand gained through the preparation of the business visa. Preparing a detailed business plan in English to meet LTBV requisites was a daunting task, particularly for immigrants less proficient in English. However, the purpose of the plan preparation and research was to enable the principal applicant to make informed business decisions post-arrival once the LTBV was granted. The business plan also had to justify how the business would benefit New Zealand (New Zealand Immigration Service, 2008). The LTBV application requires researching the New Zealand market by undertaking a SWOT (Strengths, Weaknesses, Opportunities, and Threats) analysis. This encourages applicants to seek substantial expert advice and information within New Zealand (New Zealand Immigration Service, 2002). NESB applicants reliant upon immigrant consultants or agents to prepare their business plan deprived themselves of valuable post-arrival information (New Zealand Immigration Service, 2002). By contrast, those who used an agent but controlled and understood the parameters of the plan grasped the market realities particularly if they had critically visited and assessed the New Zealand market.

Earlier advice from business investors in the 1990s suggested that New Zealand was not a suitable place to make money (Fletcher, 1999). They emphasised careful business research was needed prior to investing in New Zealand which involved “at least one visit to New Zealand prior to submitting an application” (Forsythe, 1998, p. 85). The advice was to “take care and study the market first” (ibid). The LTBV business plan detailed requirements was a constructive response to earlier critical immigrant feedback, which also affirmed the importance of potential immigrants visiting New Zealand to critically assess the business environment prior to applying for a LTBV (New Zealand Immigration Service, 2002).

Despite this, in 2002 half of the LTBV applicants had not visited New Zealand before they applied (New Zealand Immigration Service, 2002), while some who had visited New Zealand, spent less than two weeks in the country. Consequently, offshore applicants who used consultants to prepare their applications often lacked essential information regarding New Zealand’s small markets, regulatory or compliance requirements. Asian LTBV holders were often ill prepared for a dramatically different cultural and market environment (ibid). The key business challenges identified included: knowledge of market competition, laws and regulations, difficulty attracting customers, the business culture and dealing with employees. Specific problems identified included high, complex taxes, poor economic conditions and a lack of demand (New Zealand Immigration Service, 2002, p. 113). The BMLU appeared to be under-utilised as few were aware of its existence (New Zealand Immigration Service, 2002). Efforts to consult the purpose designed BMLU might have been thwarted by language issues, which also interfered with immigrants’ efforts to participate in New Zealand business associations (ibid).

In addition to the taxation issues which LTBV holders identified as “taxes too high or complex” (ibid) was the specific requirement to accurately forecast profit and loss and cash-flow as part of the financial information required on the LTBV application. These aspects were considered unrealistic and unhelpful to start-up enterprises in their first year. Advice to future LTBV holders recommended the acquisition of greater levels of capital, both economic and human, to support the immigrant family in New Zealand until the business was financially self-sustaining (ibid).

Other settlement issues identified by Fletcher (1999) likely to affect LTBV settlement outcomes include the assessment of overseas qualifications; the development of family and community networks and the fostering of positive public attitudes towards immigrants. The quality of education, although important to LTBV parents, did not feature in the broader review of immigrant settlement requirements.

However, education was identified as a significant issue particularly for Asian parents, critical of competitive pressures in their home countries (Forsythe, 1998). However, on arrival in New Zealand, some were frustrated by a perceived lack of focus or structure in New Zealand schools, or difficulties encountered getting their children into private schools (Forsythe, 1998).

4.6.2 English language proficiency

English proficiency is a key factor in the success of immigrant integration. It enables migrants to learn about the society while signalling their intention to participate in it. It enables immigrants to socially cohere (Fletcher, 1999; Forsythe, 1998). It was identified as a major issue for some LTBV holders (New Zealand Immigration Service, 2002). Language proficiency enables migrants to source local information to

enhance their marketing as well as regulatory compliance requirements (Forsythe, 1998; Spoonley & Chapman, 2010). Local government information or advice involving conditional answers are necessarily part of such exchanges. These would be difficult to comprehend, even with an IELTS score of five, requiring a bilingual third party as a translator. Immigrant employers may rely upon employees or family members to intercede to translate for them (Meares, et al., 2010a, 2010b). Limited English fluency might restrict LTBV holders' enterprises to ethnic communities where competition is usually more intense (Portes & Sensenbrenner, 1993). A lack of English proficiency frustrates mainstream social integration resulting in a higher reliance upon ethnic communities and ethnic business associations for information. LTBV holders who are able to integrate into their host communities assist their business establishment and settlement processes (New Zealand Immigration Service, 2002).

4.6.3 Educational options

A selection factor for LTBV applicants choosing New Zealand was to provide better educational opportunities for their children in a globalised world (Meares, et al., 2010a, 2010b). Well educated, ambitious LTBV applicants who have high career expectations for their children, indicated their migration decision was influenced by the quality of education available. Although skilled immigrants revealed 85 percent were satisfied with their children's school (Badkar, 2006), this may not be indicative of LTBV holders' satisfaction. Potential immigrants, particularly LTBV applicants (New Zealand Immigration Service, 2002), carefully consider the options of public or private school options, single sex or co-educational. They often seek corroborative information on schools' reputations from earlier immigrants (Duncan, et al., 1997).

When buying a house, newly arrived immigrants encounter the implications of school zones on their children's education. In addition, the obligations of parents to support their schools during fund-raising efforts and the payment of school "fees" may create tensions as it contrasts with government messages of "free" education. Migrant parents, who leave secure careers and migrate to enable their children to have a better life, might be challenged by fund-raising requests which benefit the future school, not just their children in the immediate present.

4.6.4 Network development

The need to develop strong, supportive networks is well recognised in immigrant entrepreneurial literature as an essential part of the settlement process (Ho, et al., 2000; Portes & Sensenbrenner, 1993; Waldinger, et al., 1988). Developing community connections within ethnic, co-ethnic and non-ethnic communities can be difficult for immigrants (Spoonley & Chapman, 2010), especially those lacking confidence in their English language proficiency. Paradoxically, close relationships within an ethnic community both help and hinder migrants' integration and settlement process as excessive obligations might hinder business success (Portes & Sensenbrenner, 1973). Access to both information and support networks is vital for new immigrant settlement and the business establishment process (Ho, 2002a; Spoonley & Chapman, 2010).

Although the New Zealand government funds community groups to run settlement programmes for migrants, these are not as extensive as the Canadian government's (Ho, et al., 2000). Immigrants from Asian countries appear to have higher expectations of government intervention to assist their integration into the business community than those from European backgrounds (Ho, et al., 2000). New Zealand's reliance upon

local informal community networks to help integrate immigrants is considered inadequate by many NESB immigrants.

4.7 Enterprise and innovation

As the “Government considers that innovation is a key driver of economic growth” (Statistics New Zealand, 2003, p. 1), an objective of the Business Immigration Policy, is “encouraging enterprise and innovation” (New Zealand Immigration Service, 2008, s 19-1). Immigrant entrepreneurs are required to promote economic growth by introducing:

technology, management or technical skills, products or services or export markets (New Zealand Immigration Service, 2006, s 35-1).

It was therefore surprising that the *Innovation in New Zealand* report (Statistics New Zealand, 2005) contained no references to immigrant innovations or their businesses, even in connection with cooperative overseas links. More puzzling was the omission of the hospitality and retail sectors, in which immigrant businesses are concentrated, from the range of business sectors surveyed. It raises the question of how the government can assess the contribution of immigrants to innovation, unless such factors are included in innovation surveys.

Entrepreneurial activity is difficult to identify and is often measured by a statistical analysis of the rate of business start-ups and closures to indicate the level of start-up and sustained activity. Tamasy and Le Heron (2005) used Statistics New Zealand’s *Business Demographic Statistics* to analyse geographic regions in New Zealand in terms of their entrepreneurial activity. Their research relied on the *Annual Business Frame* which derives its data from Inland Revenue’s “economically significant

businesses". These must have (a) annual GST expenses or sales of more than \$30,000; (b) more than three employees; and (c) are registered for GST (Tamasy & Le Heron, 2005, p. 3). Surprisingly, they did not identify urban areas as significant areas of entrepreneurial enterprises that might have been expected (Tamasy & Le Heron, 2005). Possibly the criteria used by the *Business Frame* restricts it from capturing the numbers of small enterprises operated by immigrant entrepreneurs.

By contrast, a report on *New Zealand's regional economic performance* (Ballingall, Stephenson, & Branson, 2004) identified more entrepreneurial activity in Auckland but potential contribution of immigrants, who would have comprised over 45 percent of the population at the time the report, was not recognised. A variety of economic indicators related to regional economic activity were used, including the 12 regional economic profiles created by the New Zealand Institute of Economic Research (Ballingall, et al., 2004). It was noted that

Auckland has a very high enterprise creation and destruction rate, attributed to Auckland's entrepreneurs appearing to be relatively risk-favourable and having adequate access to seed capital (Ballingall, et al., 2004, p. 45).

It ignores the potential contribution of immigrant entrepreneurs. For example, 70 percent of the 2,167 approved LTBV applications in 2002 indicated that they intended to establish their businesses in Auckland (2002). In addition, Auckland's immigrant entrepreneurial numbers might be boosted by self-employed skilled immigrants responding to blocked mobility or difficulties in the labour market (New Zealand Immigration Service, 2008; Pio, 2005).

These studies also indicate the significant differences in results when statistical data using different criteria are involved. As the *Business Frame* focuses on comparatively larger enterprises, smaller, newly arrived LTBV holders are less likely to be included. Inland Revenue statistics also rely on accurate tax returns being submitted.

A second objective of the Business Immigration Policy is to increase New Zealand's level of human capital (New Zealand Immigration Service, 2008). The report to the Ministry of Economic Development (Ballingall, et al., 2004) indicated that Auckland had one of the most highly skilled labour forces in New Zealand. While the numbers of LTBV holders are relatively small compared to immigrants on skilled work visas, they contribute highly skilled human capital. It would also be useful to follow the entrepreneurial progress of those who achieve residence and see whether they go on to develop other businesses over the next 10 years.

4.8 Conclusion

This chapter has examined the rationale for the challenges involved and the effects of introducing the LTBV. The government's aspirations of reinvigorating the New Zealand economy in the 1980s and 1990s by encouraging skilled and investor immigrants failed. Part of the failure could be attributed to the neo-liberal structural reforms which weakened the economy. Consequently, the challenges faced by new immigrants from culturally and linguistically contrasting backgrounds were often overwhelming. Still seeking to find an immigration option to enhance the economy and possibly influenced by successful Canadian and Australian models, the government turned to entrepreneurialism and introduced the LTBV.

LTBV holders were better prepared than their investor or highly skilled predecessors to confront similar structural conditions. Preparation conditions were incorporated into the LTBV from Australian and Canadian experience. This preparation appears to have significantly assisted LTBV holders to overcome the legacy of neo-liberal restructuring challenges remaining in New Zealand's economic and social environments. Another overseas lesson was the conditional visa, with renewable stages. The visa requirements appeared to enable LTBV holders to overcome the challenging conditions encountered by investors and skilled migrants. Critically, by creating their own work LTBV holders were not in competition with unemployed New Zealanders.

The success of the LTBV policy, as measured by the number of applicants, was high initially due to its low English requirements and possibly stimulated by the threat of potential political instability in feeder countries. LTBV numbers dropped dramatically after these conditions altered. A second success measure was the high rate of residency conversion of LTBV holders. Another measurement of success could include the innovation and creativity introduced by LTBV holders specifically, or immigrants generally. However, despite seeking such evidence in the *Innovation Survey and* regional studies of innovation and creativity rates, it was difficult to identify or isolate supporting evidence. This is in spite of the increased visual evidence of ethnically owned businesses proliferating across Auckland, especially in the hospitality sector. While these businesses may not be owned or operated by LTBV holders, they would still fall broadly under the business policy requirements.

Another issue is the potential role of LTBV holders as a stimulant of urban and regional economies, despite their contributions remaining largely unmeasured and

unrecognised. Although government business immigration policy objectives include innovation and enterprise, government reports on innovation, enterprise, productivity and regional economic indicators appear to exclude specific information regarding the contribution of immigrants (Ballingall, et al., 2004; Colmar Brunton's Social Research Agency, 2000; Kidd, 2008). Evidence is still required to support the assertion that immigrant innovation and creativity enhance the economy which this study can provide.

Two other unresolved issues discussed in this chapter include the public's limited knowledge of the significant fiscal and human capital contribution of immigrants to the New Zealand economy. While establishing their businesses, LTBV entrepreneurs possibly encountered the residue of social tensions resulting from the effects of neo-liberal reforms and public ignorance regarding immigrants' contributions. A second issue is the significant non-response rate of LTBV immigrants to New Zealand government immigration surveys, which is detailed further in Chapter Five. This appears to indicate a lack of monitoring of LTBV holders' success, similar to that which occurred in British Columbia, Canada.

Transnational entrepreneurs can potentially make a highly significant contribution as they not only create business, but also actively maintain international business links. However, New Zealand's small and distant market may not appeal to transnationals unless they are particularly drawn to its unique natural attractions.

Internationally, intentional immigrant entrepreneurs are recognised as a valuable resource to be competed for. Comprehensive knowledge of the factors influencing LTBV holders' successful business establishment should enable New Zealand's policy makers to more effectively compete for these entrepreneurs. The government

could actively proactively enhance the climate for immigrant entrepreneurs by assessing, then promulgating their economic contribution, rather than abdicating this responsibility to mainstream and ethnic mass communication channels.

While, I have focused in this chapter on the structural issues of the LTBV policy including its rationale and success in achieving government policy objectives, the next chapter describes the qualitative methodology chosen to capture and analyse the qualitative research data for this study.

Chapter 5 Methodology

5.1 Introduction

In this chapter's exploration of the significant dimensions of symbolic capital to successful intentional well-resourced (IWR) immigrant entrepreneurs, I describe the qualitative methodological processes employed. These include identifying an appropriate sample, preparing interviews to elicit relevant data, then analysing and refining the data by applying a range of analytical techniques.

Quantitative and qualitative approaches to immigrant entrepreneurial research each provide different ontological and epistemological assumptions of social worlds which influence the research design (Collis & Hussey, 2009). Quantitative ontological assumptions suggest that there is one external objective reality to be investigated (Bryman & Bell, 2007; Collis & Hussey, 2009). Quantitative data usefully identify migration trends and patterns within regions, countries and across international boundaries in order to better predict immigrant entrepreneurship outcomes (Kloosterman & Rath, 2001). Similarly, in New Zealand, quantitative research provides useful trend data on Long Term Business Visa (LTBV) holders (Department of Labour, 2004, 2005b; Merwood, 2006; New Zealand Department of Labour, 2012).

Valuable though this macro perspective quantitative approach is, it does not offer insights into LTBV holder's motivations or rationale guiding their behaviour. Nor does it indicate the type or adequacy of symbolic capital resources required for the

successful establishment of immigrant business ventures. To reveal this information requires a qualitative methodological approach.

A qualitative approach assumes that reality is socially constructed, contextually dependent and can only be subjectively understood (Reinard, 2008). The qualitative perspective enables the capture of the realities of the immigrant entrepreneurs to provide insights into their world view (Denzin & Lincoln, 2005). To identify the dimensions of the forms of symbolic capital employed by the participants', it was necessary to capture their experiences in their own words to reveal their perspectives, aspirations and motivations. Only through a qualitative approach could dimensions of the cultural, human and social forms of capital be identified. As has been indicated, comparatively little is known about the LTBV holders beyond their numbers and conversions to residence.

Next, I describe the challenges involved in identifying an appropriate sampling frame to identify immigrant entrepreneurs. The challenges included not only identification but also negotiating access to seek co-operation to achieve a self-selected sample. Second, I detail the qualitative interpretive approach, including the development of a semi-structured interview schedule and topic map. Third, I describe the interviewing process undertaken both in person and by phone through which I collected my data. Fourth, I examine the iterative data analysis process which involved the heuristic application of frameworks. Fifth, I discuss the intrinsic ethical considerations of this study, before evaluating the effectiveness of the methodology to achieve the objectives.

5.1.1 Finding a sampling frame

My first challenge was to identify an appropriate sample of immigrant entrepreneurs. The identification of a specific category of immigrant entrepreneurs influenced my subsequent methodological decisions involved the interviewing process and the interview schedule. Identifying intentional immigrant entrepreneurs within the general New Zealand population was the first major challenge for this research.

Neither immigrants nor entrepreneurs are reliably distinguishable within the general population or amongst business owners. Because of this difficulty, an operational definition of entrepreneur adopted by Waldinger, Aldrich and Ward (2006, p. 17) amongst others, is to define entrepreneurs as owners/operators of business enterprises. However, this self-employment definition does not incorporate the innovative behaviour which Schumpeter (1949) asserts signifies entrepreneurs.

When considering recruiting immigrant entrepreneurs from amongst a broad sample of self-employed immigrants, a second difficulty arose. As each immigrant entered New Zealand with a different level of resources, then spent varied periods of time in the country, their resource levels differed considerably, complicating the data analysis of their symbolic capital resources. I therefore sought a diverse group of immigrant entrepreneurs who had factors in common in relation to their symbolic capital resources and time spent in New Zealand.

Fortuitously, the Long Term Business Visa (LTBV) discussed in detail in Chapter Four, provided an ideal sample frame for intentional immigrant entrepreneurs. The LTBV sample frame offered five major advantages:

First, it identified immigrant entrepreneurs within the general business ownership population;

Second, it indicated minimum requirements of human and financial capital;

Third, it provided a staged timed process to be completed;

Fourth, to qualify for residence as entrepreneurs, the LTBV holders had to demonstrate innovation.

Finally, a fifth advantage became manifest in its provision of objective criteria to assess the LTBV participants' success, specifically in relation to the forms and levels of capital required at each stage of the LTBV.

Significantly, the identification of the LTBV sample frame enabled this study to focus on 'intentional' well-resourced immigrant entrepreneurs who migrated deliberately to start a business upon arrival. The approval of the resourced business plans provided official recognition of this group of intentional well-resourced (IWR) immigrant entrepreneurs.

5.1.2 Self-selection process of sample

Having identified the appropriateness of the LTBV as a sample frame for this entrepreneurial immigrant research, I needed to resolve two connected issues: first, to negotiate database access with the Department of Labour (DoL), then, to recruit the participants. Access to the DoL LTBV database had to be achieved whilst maintaining the confidentiality and privacy of the LTBV holders. After nine months of negotiation with the DoL, I signed a *Confidentiality Agreement* enabling the participation of

LTBV holders to be sought for this study under certain conditions. The *Confidentiality Agreement* (2007) ensured the participants' privacy was maintained under the Privacy Act 1993 and the Official Information Act 1992.⁷

Having gained access to the LTBV holders, the participant recruitment process began. Significantly, intentional immigrant entrepreneurs have proved an elusive group to study (Marger, 2001a) and so it has proved by their under-representation in New Zealand immigration surveys. Despite intensive efforts⁸, only 59 LTBV principal applicants out of a potential 403 participated in the evaluation of the LTBV (New Zealand Immigration Service, 2002, p. 22). Other government surveys which suffered low LTBV holders responses included the *Skilled Migrants in New Zealand* (Wallis, 2006) survey, undertaken only three to five months after LTBV holders arrived (Wallis, 2006); and the *Life in New Zealand* study, which surveyed all immigrants 12 months after arrival (Badkar, 2006). The comprehensive *Longitudinal Immigration Survey of New Zealand* (LisNZ) recruited so few LTBV respondents that the LTBV results were subsumed into the business results (Bascand, 2008; Statistics New Zealand, 2008a). Consequently, comparatively little is known about these enigmatic intentional immigrant entrepreneurs to New Zealand because of their

⁷A copy of this thesis must be supplied to the DoL to obtain approval prior to publishing the results of this study in the public domain.

⁸ Comprehensive research strategies included a dual phone and mail survey, followed by intensive efforts to contact LTBV holders started with the contact details provided on the applications. Trained Cantonese, Mandarin and Korean interviewers made up to 20 calls, on different days and at different times to try and locate each business migrant.

unresponsiveness to surveys. These low survey responses indicated the challenge involved to attract LTBV holders to volunteer for this study.

The sampling frame occurred in relation to a 2007 DoL survey which sought feedback on existing immigration policies. Of the 1,585 LTBV holders initially surveyed by the DoL (Merwood, 2007), only the 370 respondents became potential participants for my study. I was able to include an *Invitation to Participate in Research* (see Appendix A) with the DoL's acknowledgement to their respondents. In early 2008, the 35 people who indicated an interest in participating in this study were sent an *Information Sheet* and *Consent Form* (see Appendix B) describing the purpose of this research but not including any questions. Over several weeks, as potential LTBV participants confirmed their desire to be involved in the research, they were emailed suggested interview dates and times. Only then, as addresses were being sought for interview locations, did the responses reveal an unexpected result. Thirteen of the eventual 16 participants were distributed in regional locations outside Auckland. As immigration settlement statistics indicate that the majority of immigrants to New Zealand reside in Auckland (Spoonley & Bedford, 2012) and immigrant entrepreneurial literature places immigrant entrepreneurs predominantly within ethnic communities such as those occurring in Auckland, the regional response of LTBV holders was unexpected. Although unanticipated, I valued the diversity of New Zealand contexts as they potentially increased the complexity of LTBV holders' patterns of utilisation of symbolic capital resources.

5.1.3 Composition of sample

Of the 16 who indicated their willingness to participate in this study, most spoke English as their first language, four were bilingual, with three of those being from

non-English speaking backgrounds. Nine of the participants came from the United Kingdom, three from the United States of America, two from South Africa and one each from China and Korea. Of the 16 participants, three were female, two were single and four revealed they had grandchildren and were in, or close to retirement.

Significantly, the sample did not reflect the high percentage of South Koreans or Chinese LTBV holders represented in the statistics from 1999 to 2008 when China and South Korea provided the largest numbers of LTBV holders (Merwood, 2008). As indicated in Chapter Four, particularly high numbers of Chinese and South Korean LTBV holders arrived between 1999 and 2002 before the English language requirements were increased. Possible reasons for the low participation of volunteers from China and South Korea might include concerns regarding the possible misuse of the information disclosed in the interviews and the audio-recording of interviews. Such concerns were expressed by Mandarin speakers in a study of Auckland Chinese employers who had been granted permanent residence in New Zealand from 2003 (Meares, et al., 2010a). Low levels of English language competency might also have prevented LTBV holders from non-English speaking backgrounds from participating in interviews conducted in English. This assertion reflects the views of Chinese participants' in a 2010 study admitting that their participation was due to being interviewed in Mandarin (Meares, et al., 2010a). A lack of confidence in the use of recorded survey responses is consistent with the concerns those who have lived under an authoritarian rule. I also conjectured that the immigrant practice in Canada (Ley, 2003) of 'informally' leasing an existing business to meet the requirements to obtain residence, might be resorted to by some LTBV holders in New Zealand who would be reluctant to discuss this facet. As immigrants migrate from the same countries,

immigration strategies effective in one host country might very well be applied in another.

5.1.4 Interpretive-constructivist approach

Unlike economic capital, symbolic capital is a predominantly intangible, difficult to detect resource, which is mainly evident in peoples' words and actions. I selected an interpretive-constructivist approach to collect data as it captured the participants' descriptions of their deployment of symbolic capital during the business establishment process. The interpretive-constructivist approach as Denzin and Lincoln (2005) explained, involves participants selecting, interpreting and articulating their reconstructions of events which provide insights into the participants' motivations and behaviours within the contexts in which they occurred. The value of this approach was that it enabled me to capture data on the intangible aspects of the participants' philosophy, motivations, perceptions, knowledge, strategic thinking, decision-making and problem solving which comprise forms of symbolic capital. The interpretive-constructivist approach captured the participants' intelligence, emotional and physical senses engaged in reacting to their new environment. It enabled different perceptions of the immigration and business establishment experience to be recorded, thus making tangible otherwise intangible dimensions of human and embodied cultural forms of capital.

The semi-structured interview process was consistent with the philosophy of the interpretive-constructivist approach by enabling and empowering the participants to disclose what they deemed to be significant regarding the business establishment process, unconstrained by an interviewing schedule. To facilitate the interpretive-constructivist process, I used semi-structured interviews to capture the

participants' motivations and decision-making rationale at different stages of the business process. By asking open-ended questions regarding the three stages of their LTBV application process, the participants were able to respond on topics and issues most important to them. In response to such questions, participants selected one example from many which they reconstructed for the interviewer. It is an approximation of what actually occurred, possibly several years earlier.

My task as the interviewer was to elicit information regarding their perceptions of the LTBV process through all stages. This resulted in rich data reflecting the diversity of the participants and their contexts. I tried to ensure that similar aspects of the business establishment process were addressed by most of the participants.

5.1.5 Interpretive-constructivist approach considerations

Doing research involves seeking the most appropriate data gathering strategies while being aware of any issues which might undermine their effectiveness. While the interpretive-constructivist approach enabled the capture of indications of symbolic capital through the semi-structured interviews, it also provided three methodological challenges. The first was related to the role of the researcher. Schwandt (1994) reminds researchers that they cannot be disinterested inquirers as they critically engage with the social reality they seek to describe. Therefore, I needed to be as explicit as possible regarding my potential influence on the outcomes. As the researcher and interviewer, I organised and framed the questions, thereby controlling the direction of the interview. However, beyond control over the direction of the interview, I had little control over the content as the participants selected the content and topics.

Although identifying and explaining the strategies used to minimise distortion, potential still existed for bias at each research stage. For example, misunderstandings are most likely to occur when participants have different backgrounds to the researcher. Misunderstandings can be reduced in face-to-face situations where body language offers an opportunity to clarify understandings of questions and answers. Fortunately, interviews with participants for whom English was their second language were able to be conducted face-to-face which facilitated the clarification process. However, constant checking of answers and clarification of questions may potentially impede the interview flow, limiting the extent of disclosure. Therefore, a balance between a level of ambiguity and the level of disclosure had to be accepted.

The second issue regarding the interpretive-constructivist approach was the concern that knowledge is individually created through the individual's unique perception of the world and therefore no shared reality exists outside of this. However, as Schwandt (1994) notes, the construction of knowledge occurs in daily life as individuals construct meaning from their environments. From this knowledge individuals create the concepts, models and arguments used to make sense of their experiences. In this study, patterns of behaviour created by multiple but diverse individuals in diverse contexts emerged, enabling conclusions to be drawn regarding their significance. When individuals' use of the various forms of symbolic capital, deviated from the emerging patterns established by others, this raised questions regarding the adequacy of their symbolic capital.

A third issue arises from the limitations of a 60 minute reconstruction of the entrepreneur's intensive stressful process over several years. The 60 minutes needed to be adequately structured to enable all the participants to discuss similar aspects of the

LTBV experience, yet be sufficiently flexible to allow diversions onto new topics to occur. Even so, the data collected could only provide glimpses of what occurred rather than an accurate or complete picture. Subsequently, the amalgamation of these glimpses provided a rich picture to approximate the complex emotional and experiential dimensions of the process. As not all the participants had achieved residence, each participant's recollections at their different stages and locations added depth and detail. For example, those still at the second stage of the process provided considerably more detail on the issues they were dealing with at that time, than those who had moved through to the third stage.

5.2 The data gathering process

This section describes the data gathering process used in this thesis. To collect evidence of the forms and functions of symbolic capital used by the participants throughout the LTBV process, I detail the semi-structured interviews. I describe how the pilot study led to a refinement of the interview questions and how the interview schedule was developed before elaborating on the interview process.

5.2.1 Pilot study and early interview modifications

Pilot interviews provide feedback on the effectiveness of the planned interview process. The value of semi-structured interviews rests on asking the right questions in the right way (Tolich & Davidson, 2003). In order to heed this advice and gauge the appropriateness of my questions, a pilot interview was undertaken in August 2007, with a pre-1999 intentional immigrant entrepreneur from Hong Kong. Following the informed consenting process, a 60 minute interview was undertaken, but not recorded

or transcribed. The interviewee was requested to provide critical, constructive suggestions for improvement on the type, order and content of the questions and my interviewing style. The feedback on the interview confirmed the appropriateness of the process used. The questions asked were thought to be relevant and appropriate. No suggestions were made regarding extra topics. Two open-ended questions spontaneously asked prior to closing the interview were retained in subsequent interviews and often provided useful insights into the motivations and aspirations of the participants. The 60 minute interview time was chosen as the maximum time a busy entrepreneur may consent to and the minimum time required to obtain adequate information.

After reviewing the recordings of the first few interviews, I deliberately minimised my interruptions which enabled the participant to maintain their train of thought. Specific questions relating to the motivation for migrating, knowledge of New Zealand and preparations for the LTBV were incorporated into a more general request, “Would you like to tell me how you came to apply for a LTBV?” The response to this invitation would often provide information regarding quite a few issues on my topic map explained below. Any critical issues not covered could be explored with subsequent questions, often linked to what had already been said. The semi-structured and open-ended 60 minute interviews required that the interviewees be guided to comment on their experiences during the LTBV process, so a topic ‘map’ was prepared to ensure coverage of similar issues. The interviewees were encouraged to respond with candour and detail to open ended questions. More probing questions on particular topics could follow if information had not already been provided in earlier responses.

5.2.2 The interview schedule

The structure of the interview was broadly based on the stages and requirements of the LTBV process which incorporated the establishment stages of an entrepreneurial business. I needed to modify my plans for conducting face-to-face interviews after I held four interviews face-to-face, three in Auckland and one in Hamilton. Three of the face-to-face interviews were with English as second language participants. Although disappointed that neither the time nor the resources were available to interview everyone face-to-face, the remaining interviews were conducted by phone.

The interview schedule was informed by Bolton and Thompson's 2004 *entrepreneurial process* framework shown in Figure 4 which identified motivational, creative, innovative attributes to explore during the semi-structured interviews. The interview schedule focused on eliciting information regarding the participants' instrumental use of the different forms of capital to overcome structural barriers at each stage. Following initial questions exploring the applicants' rationale for selecting New Zealand and their application processes, they were asked about their arrival and plan implementation experiences. This led to questions regarding their plans for business establishment and expansion.

Ethnic immigrant literature indicates immigrant entrepreneurs make extensive use of social capital, so my questions explored the connections immigrants had in New Zealand prior to arrival, on arrival and those developed during their business establishment. Their networked social capital also included the connections maintained in their countries of origin. Participants were encouraged to describe their strategies for establishing and maintaining networks and connections. Evidence was

sought regarding the participants' awareness of the importance of networks to their business.

New Zealand research revealed that prior business knowledge was critical to the success of business people (Fletcher, 1999; Forsyte, 1998; New Zealand Immigration Service, 2002). Therefore, questions were asked to reveal LTBV participants' business and educational backgrounds, coupled with their pre-arrival knowledge of New Zealand business conditions. Participants were invited to describe their involvement in the preparation of their business plan as part of their LTBV application but not their strategic planning or problem solving approaches. Completely omitted were any questions related to participant attitudes, rationale or dispositions beyond their motivation for coming to New Zealand.

5.2.3 The interviews

As interviews were at the heart of the data collection process for this thesis, this section describes planning the interview appointments, completion of the consent forms, the recording technology involved, refining and adapting the interviewing process and the technical challenges encountered. Interviews occurred between May and December 2008, but were concentrated between July and August. Efforts to arrange interviews over a more concentrated few weeks available to me in June/July did not suit many of the participants. Potential participants had been emailed a detailed *Information Sheet* and a *Consent Form* providing information regarding the purpose of the study and myself as the researcher, then sought their consent to both the interview itself and the recording of it. Those willing to become involved were requested to sign, scan and return the forms by email or post, signifying their consent for the interview. On receipt of the signed Consent Forms, a one-hour appointment for the interview was

agreed to by email. I then phoned at the agreed time. On a few occasions, appointments for interviews were made, subject to receiving the participants' written consent prior to the interview.

I undertook four face-to-face and 12 phone interviews, each lasting approximately 60 minutes. I used two recording devices at each interview. For the phone interviews, I resorted to putting the receiver on 'speaker phone' near the recorders. In spite of my best efforts, recording imperfections occurred which made some transcriptions more difficult. The phone receiver was also held as closely as possible to the recording devices which meant I had to listen very carefully from a distance then physically lean forward to ask any questions or clarify issues. This resulted in gaps in the interviews which were reduced only if I could anticipate a pause. This physical requirement to get closer to the phone to speak resulted in fewer interruptions or questions from me. Phone reception was mainly good, but background interruptions, noise or the participant turning away from their phones, reduced the quality of the sound, straining my listening skills at times. Also, the lack of body language to reinforce the content meant I placed a high reliance on the tone and vocal nuances to guide me on the emotions of the participants.

Whether undertaking face-to-face or phone interviews, each interview followed a similar format. At the outset of each interview, I introduced myself, checked the time was appropriate for the participant and thanked them for signing and returning the *Consent Form*. I provided a brief overview of the time it would take, the topics to be covered, their rights during and after the interview to ensure each person was fully informed before proceeding.

Rapport needed to be quickly established with the interviewee while outlining the interview procedure and was mainly achieved by mirroring the participant's communication style. For example, some participants were very direct and succinct in their responses, while others were more discursive. Mirroring the participant's communication style is a recognised technique used to help establish rapport. During the interviews I aimed to achieve a balance at building rapport and focusing on the interview topics. Where the participants were concise and succinct in their responses, I checked that they had covered the topic map but did not draw them out beyond this as their time was valuable to them. Because their answers were highly focused they provided valuable information, particularly in relation to other businesses.

A range of challenges were raised by the interviews. First, I had to ensure that the interviews covered the critical topics on the topic map without constraining either the participants or the exploration of new issues. The phone interviews required heightened attentive and evaluative listening to enable me to respond to what was said, while also identifying which topics had not been covered. Therefore, during the phone interviews, I utilised my detailed topic lists to 'map' the topic coverage, so could identify topic gaps still to be explored. Had I not been able to quickly identify information gaps, the resulting data may have been more scattered, fragmented and in thinner 'layers' less able to reveal the distinctive patterns of capital deployment which later emerged. Although I could not ensure that every participant covered all the topics, my attentive listening appeared to encourage the participants to share their perceptions of their experiences.

The recorded interviews were professionally transcribed, including identifying muffled responses where they occurred. Most of these issues could be clarified by

relevant information in the same interview, sometimes by details from other interviews, but very occasionally the data had to be ignored for its lack of clarity.

This section has provided an insight into the interviewing logistics involved in this study, particularly the phone interviewing technicalities and the interview transcriptions. In hindsight, interviewing participants at different stages of their LTBV process provided valuable detail regarding their challenges at the implementation stage, in addition to challenges at the later stages.

5.3 Analysing the results

To identify which forms of capital were being used at which stages of the LTBV, I needed to identify patterns and their significance within the data. Data analysis became an iterative cyclical process. Each time I revisited the data using a different analytical process, new dimensions were revealed. Each analytical process used was successful to a point but identified further issues to resolve, requiring a different analytical instrument to delve deeper to refine the data. The need for this iterative process and the range of analytical instruments only became evident during the analytical process.

Initially, I undertook a thematic analysis of the data based on aspects of social, human and cultural capital. Under social capital, for example, I sought evidence of networking activity providing information, acts of good-will either by the participant or the community and the development of networks over time. However, the thematic analysis could not provide a pattern of networking behaviour or identify types of networks which could indicate their function. The development of trust and credibility was also difficult to discern. The thematic analysis of human capital focused on

identifying qualifications, experience and responses to overcoming problems. This included the ability to identify opportunities, solve problems and manage risk.

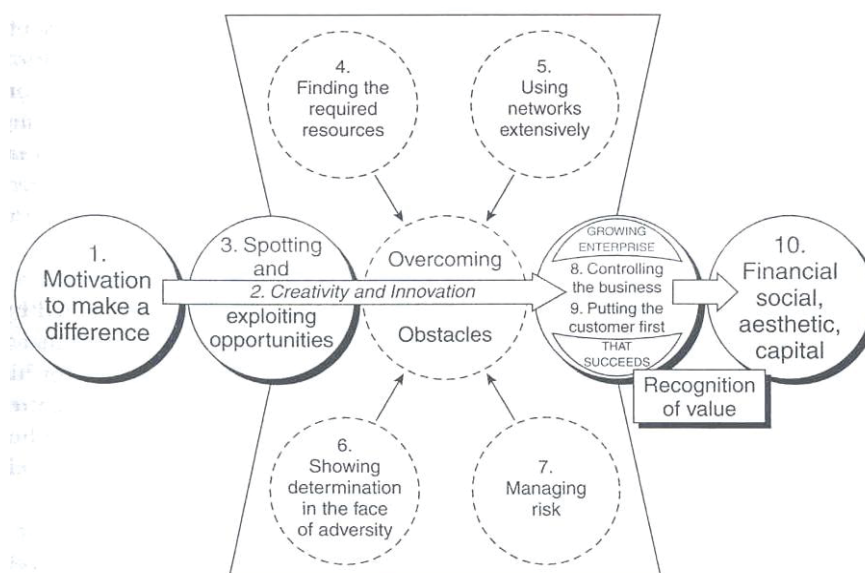
Although, the thematic analysis revealed multiple-dimensions associated with each form of capital, it was less helpful in identifying the dimensions and function of each form of capital at each stage of the LTBV process. It did not provide a recognisable pattern of activity at each stage of the LTBV process which could enable me to identify which dimensions of social capital were being utilised by the participants. Significant information lay in the inferences of the comments made.

5.3.1 Entrepreneurial process framework (Bolton & Thompson, 2004)

To enable me to identify patterns of behaviour at particular stages of business development, I sought a framework which depicted aspects of the entrepreneurial process. I had used Bolton and Thompson's (2004) *entrepreneurial process* framework depicted in Figure 4, to inform the interviewing schedule. It identified three sequential business development stages which are similar to those in the LTBV plus some functions of human, social and cultural capital. This framework in Figure 4 identified ten facets of the entrepreneurial process while implying the relevance of human and social capital resources to overcome the barriers encountered. The timeline provided by the *entrepreneurial process* framework proved valuable in enabling different patterns of behaviour to emerge at each stage of the business establishment process. These patterns included the identification of a business opportunity, the overcoming of obstacles, through to the expansion and growth stage as indicated in Figure 4. A key factor, identified in the *entrepreneurial process* framework was the overcoming of obstacles which was achieved through a combination of personal characteristics including determination in the face of adversity, imagination,

creativity, innovation and adaptability. Evidence of the problem-solving skills necessary to overcome obstacles was sought in the data analysis. Although no deliberate effort had been made to elicit these characteristics during the interviews, there was evidence of these attitudes and networked social capital. Growing the business and expanding capital were perceived to be reliant upon a range of appropriate business skills, including astute business strategies.

Figure 4 Entrepreneurial process framework (Bolton & Thompson, 2004)



Although Bolton and Thompson's (2004) framework in Figure 4 constructively identified patterns of behaviour, which in turn revealed the employment of particular forms of capital, it had several limitations. As it was devised to indicate a generic entrepreneurial process not specifically immigrant or ethnic, there is no specific recognition of ethnic resources or strategies. Neither does the framework make direct reference to human, social or cultural capital, although extensive use of networks is acknowledged. Bolton and Thompson's (2004) focus on agency and process, excludes

acknowledgement of structural issues which could influence the establishment of an enterprise. Although Bolton and Thompson (2004) recognise the value of networked social capital to provide resources to overcome obstacles, they do not identify the particular functions of networks at different stages of a business start-up enterprise. There is no recognition of the significance of trust or credibility provided in the framework, which particularly affects immigrant entrepreneurs.

I therefore sought an analytical instrument which could identify the facets and values of social networks to a start-up business. A framework encapsulating the function of networks used to market an immigrant entrepreneur's start-up business is Hill, McGowan and Drummond's (1999) *Entrepreneurial marketing network evolution* framework depicted in Figure 5.

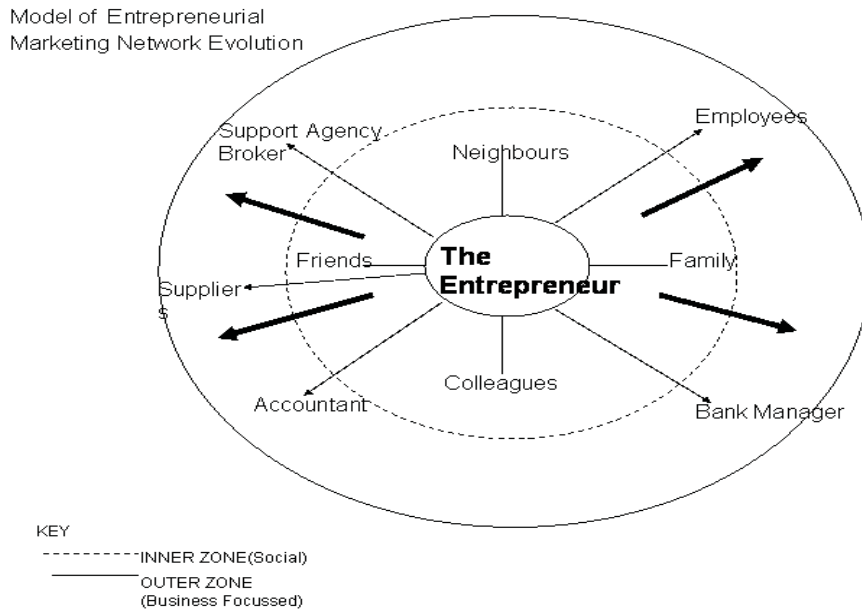
5.3.2 Entrepreneurial marketing network evolution (Hill, McGowan & Drummond, 1999)

The *entrepreneurial marketing evolution network* framework (Hill, et al., 1999) illustrated in Figure 5, focuses on the role and importance of networks of family, friends, colleagues and neighbours to a newly established business. The framework in Figure 5 identifies how entrepreneurs initially rely on the social capital inherent in 'inner zone' networks of friends, family, colleagues and neighbours for support in the critical start-stages of their business establishment. 'Outer zone' professionals, such as accountants, lawyers and bankers, provide assistance as required. Over time, successful businesses create broader networks to attract and retain customers as they move to the consolidation stage of the business. Occasionally, LTBV holders might have ethnic, professional or family contacts in New Zealand prior to immigration to provide credible network access but most have almost none on arrival. All the

participants needed to devise strategies to strengthen and develop their social capital resource

Figure 5 Entrepreneurial marketing network evolution

(Hill, McGowan & Drummond, 1999)



This framework illustrates the advantages enjoyed by local or immigrant entrepreneurs who have worked in New Zealand on other visas for several years establishing their networks. It clearly demonstrates the need for newly arrived LTBV holders to embark on instrumental networking in the first nine months post-arrival to establish networks and preferably redundant ties. The LTBV participants had to strategically overcome their lack of networked social capital on arrival. The *marketing network evolution* shown in Figure 5 indicates the functions of these networks and indicates potential strategies that IWR immigrants could use to build trust and credibility post-arrival.

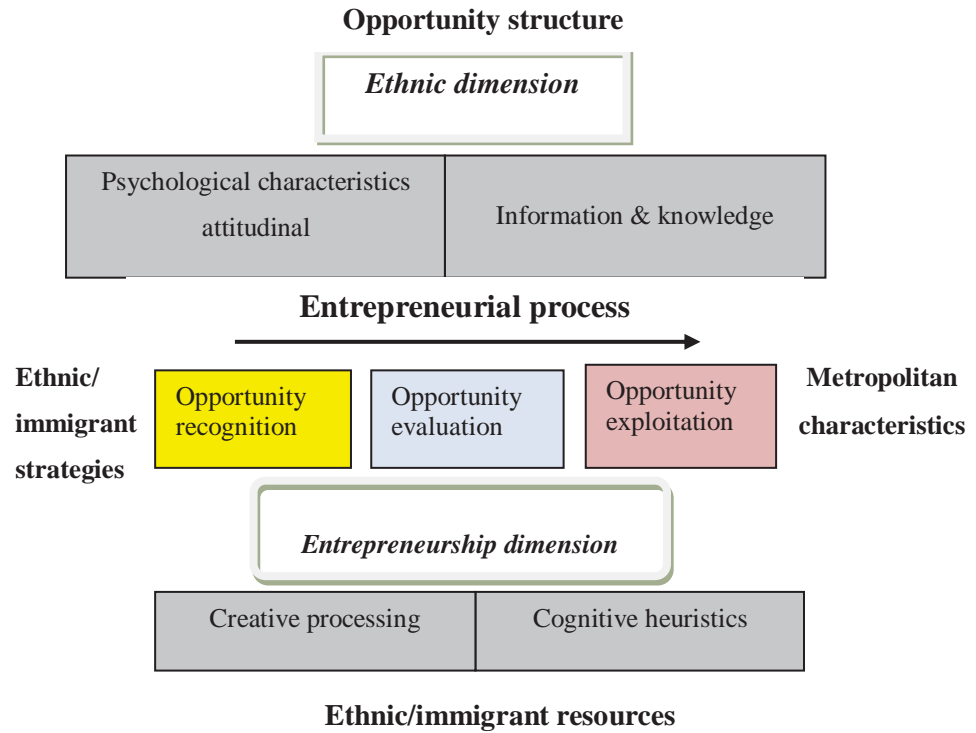
The limitations of Hill et al.'s framework (1999) in Figure 5 is its focus on network development patterns, ignoring the personal attributes, competencies or networking skills capital which are essential to developing trust to expand personal networks. The *entrepreneurial marketing network evolution* framework also fails to identify either structural and agency influences on the networking evolution process. Therefore, I sought an analytical process which could combine the staged, multi-dimensioned approach depicted by Bolton and Thompson (2004) in Figure 4 with one that could better identify more precisely the functions of human, social and cultural capital during the three stages of business establishment.

5.3.3 Enhanced interactive ethnic entrepreneurship

Volery's (2007) *enhanced interactive ethnic entrepreneurship* process depicted in Figure 6 incorporates the staged enterprise development of Bolton and Thompson (2004) in Figure 4, while incorporating the various aspects of symbolic capital required during the entrepreneurial process. It develops the concepts of agency and structure initiated in Waldinger, Aldrich and Ward's (1990) *interactive* framework and includes the metropolitan and national structural characteristics of Kloosterman and Rath's (2001) *mixed embeddedness* framework, both discussed in Chapter Three. It incorporates the levels of the ethnic community and metropolitan opportunity structures. The entrepreneurship dimension of Volery's (2007) framework, illustrated in Figure 6, exists independently of the ethnic and structural influences within which it is embedded. Similar to Bolton and Thompson's framework (2004), Volery's (2007) identifies three establishment stages of the entrepreneurial process at the heart of the framework, opportunity recognition, evaluation and exploitation.

Figure 6 **Enhanced interactive ethnic entrepreneurship** (Volery, 2007)

Derived from Putz (2003) and Waldinger et al (1990).



According to Volery (2007) immigrant entrepreneurs' agency resources include *psychological attributes*, the motivation to search for, identify and exploit opportunities and also the need for autonomy, achievement and control over one's life identified by Luthans, Norman and Jensen (2007). The *information and knowledge* dimensions of the *enhanced interactive framework* (Volery, 2007) identify the human and social capital resources of immigrant entrepreneurs. *Creative processing*, involves the human capital required to "analyse an opportunity and transform it into a commercially exploitable business idea" as it implies "special skills, aptitudes, insights" (Volery, 2007, p. 36). Human capital is reflected in Volery's divisions of information and knowledge, *cognitive heuristics* used for problem solving, strategic

planning and creative processing in Figure 6. However, the value of social networks appears to be unrecognised.

Volery's (2007) *enhanced interactive entrepreneurial* framework recognises structural aspects such as regulatory constraints and economic markets at national and international levels. For example, Auckland's greater market opportunities or *metropolitan characteristics* attract more immigrants (Lewin, et al., 2011; Meares, et al., 2010a, 2010b; Meares, et al., 2011; Watson, et al., 2011), providing diversified ethnic communities within New Zealand's largest urban population.

Volery's *ethnic strategies* in Figure 6 could be re-labelled "cultural strategies" to encompass gender, age, or socio-economic group strategies. The *enhanced interactive ethnic entrepreneurship* framework specifically identifies the potential influence of ethnic strategies and resources to indicate assets which might be available during the entrepreneurial business establishment process. Volery's (2007) framework in Figure 6 includes the dimensions of *opportunity structure*, reflecting Waldinger et al.'s (2006) *interactive model of ethnic business development* concern with market conditions and access to ownership.

5.3.4 Effectiveness of frameworks

Each of the frameworks used heuristically, helped to identify certain boundaries and functions of human, cultural and social capital resources by indicating their potential functions. The process frameworks identified the existence and significance of the various characteristics, dimensions and forms of capital. For example, while the role and value of social capital was assumed at the outset of this study, less clear was the function and differentiation between the roles of human and cultural capital during the

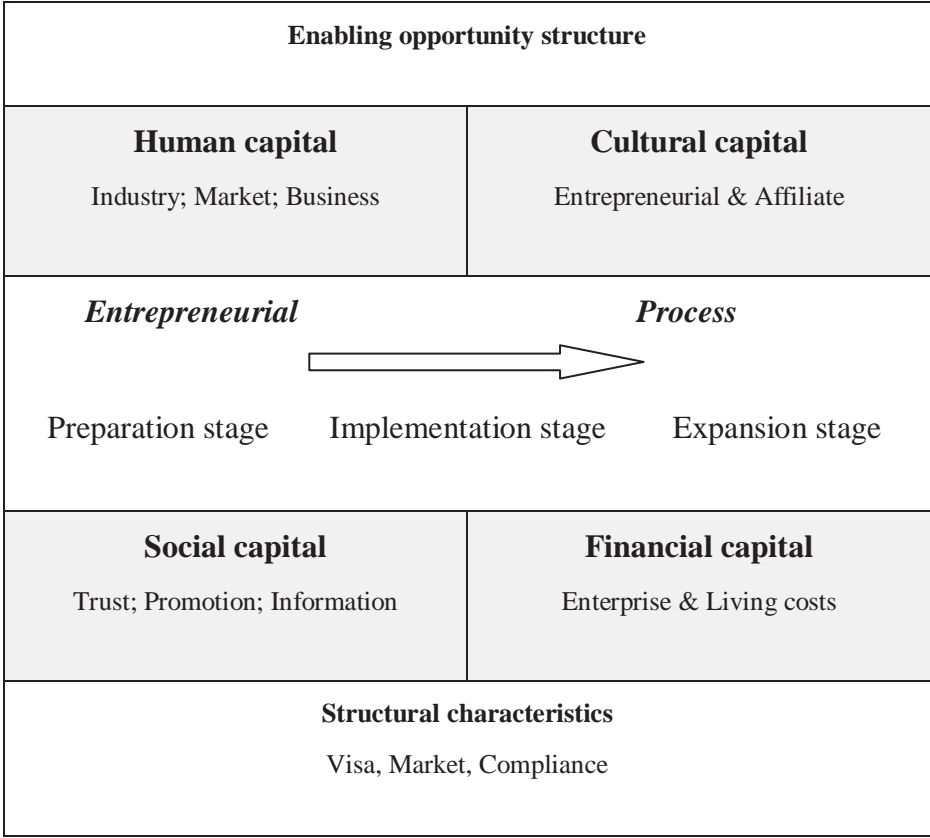
immigrants' business establishment process. Also problematic was identifying the levels or adequacy of each form of capital required at each stage which enabled LTBV holders to achieve success thereby qualifying for residency. For example, an LTBV applicant required adequate human capital to identify an appropriate business opportunity and subsequently prepare a convincing business plan to exploit the opportunity otherwise they could not achieve an LTBV. However, financial capital could be used to buy this visa preparation service. Some LTBV applicants could recognise a business opportunity, but not have adequate human capital (or economic capital) to create an acceptable business plan so could not qualify for a LTBV. Potential LTBV applicants might have been overcome by the challenges involved in submitting a visa application and halted their application process unless adequately motivated to proceed. Each framework incrementally extended the dimensions and explanations regarding the problems encountered by the LTBV holders and the forms of capital employed to resolve them as detailed in the following three chapters.

As the data analysis progressed, I sought to identify precisely which dimensions of each form of capital were employed at each stage of the business establishment phenomenon. To refine each dimension, I modified Volery's (2007) framework to reflect the three stages of the LTBV process. Stage one, *preparation* involved *opportunity identification, evaluation and planning*. Stage two; involved the *implementation of the business plan*. Stage three, *business establishment and expansion*. Nor did Volery's (2007) framework identify the various forms of symbolic capital resourcing the process, or acknowledge the business consolidation and expansion stage.

The modified framework in Figure 7 provides both a staged and integrated approach to analysing the forms of capital used by IWR immigrant entrepreneurs in the context of their business development. The *intentional immigrant entrepreneurship* framework acknowledges the influence of the opportunity structure and market characteristics on IWR immigrant entrepreneurs’ decision-making.

Figure 7 Intentional immigrant entrepreneurial process

(Adapted from Volery, 2007).



5.3.5 Determining the adequacy of symbolic capital

As an underlying purpose of the study was to understand what made intentional immigrant entrepreneurs ‘successful’, it was necessary to define a notion of ‘success’ which in turn could define a notion of the ‘adequacy’ of capital. The participants themselves were not asked if they believed they had been successful. Instead, to

provide objective criteria of success I used the conditions of the LTBV itself. Qualifying for residence was a goal of LTBV applicants and provided measureable criteria for success. For participants still journeying toward residence, I defined success as being the ability to meet the criteria required for their stage of the LTBV process. For example, all participants had successfully met the requirements to obtain an LTBV. They had satisfied immigration officials that they had appropriate human and financial resources to implement a feasible business plan. Participants at the second implementation stage had to open their business within nine months to have their visa renewed. Therefore, if they were able to renew their visa for the remaining 27 months, they had successfully met the second stage criteria. Those in their first nine months implementing their plan were still on the success pathway and could get an extension if necessary. None of the participants had failed at the time they were interviewed, although one indicated he was “struggling” to meet the LTBV conditions. Participants who struggled to overcome obstacles raised significant questions regarding the adequacy of their capital resources. Some of their behaviours deviated from the patterns of capital use established by the other participants. An analysis of the usage of symbolic capital by those still struggling to meet their visa criteria, provided insights into the adequacy and dimensions of symbolic capital required to succeed.

5.4 Identifying social capital

Evidence and indicators of social capital were found in the relationships formed prior to and after arrival in New Zealand. In addition, descriptors of strategic, instrumental networking strategies indicated the instrumental development of social capital at particular stages for specific purposes during the LTBV process. Both the dimensions

of social capital and the influence of cultural and human capital on the development of social capital became evident during the data analysis.

To identify aspects of social capital, I examined the data for signifiers such as connections, links, relationships, trust, goodwill and reciprocity which might indicate network access to essential information. These were found not only in response to directed questions relating to aspects of social capital, but also occurred in the experiences regarding pre-migration visits in relation to the trust and openness of people encountered. During the data analysis, I gradually became aware of the participants' instrumental strategic planning to prioritise key networks, groups, organisations or individuals to invest their limited time and energy in. The signals for such a deliberate approach were not obvious to me at the outset of the analysis. Only after one participant described her strategic networking strategies, was I alerted to the possibility that others might be functioning equally deliberately. Consequently, I reviewed the transcripts looking for any comments which might indicate a similar instrumental approach. This revealed participants planning to introduce themselves to the most significant contacts in their communities, networking to gain the maximum effect in the shortest time. Indicators included language such as *networking, introducing, meeting and greeting, getting out there, getting to know people, building credibility*. Subsequently, more indicators were identified during the data analysis process. In addition to the revelation of instrumental social capital strategies, the participants' language revealed the facilitating or catalytic role of other forms of capital in the process, which is described in more detail in the data analysis chapters.

5.5 Identifying human capital

Obvious indicators of human capital were the qualifications and experience of the participants (Becker, 1975; Bourdieu, 1986). However, particularly challenging to capture were the human capital dimensions associated with business acumen or cognitive heuristics indicating the ability to evaluate situations, identify key issues and access relevant information (Volery, 2007). With limited time, the participants' ability to recognise and prioritise issues appropriately was essential to maximise use of their resources. The data were examined for these or similar indicators at each stage of the LTBV process. The quality of the participants' planning and preparation became particularly evident during the implementation stage. I did not examine the participants' business plans, so relied upon their descriptions of their actions and behaviour for evidence of their human capital. Although some motivations were disclosed during the interview I did not always appreciate their significance at that time.

From the data I sought indicators of the participants' ability to facilitate quick and efficient problem-solving and decision-making through references to their planning, strategising and prioritising. Significant evidence could emerge from a throw-away comment or an after-thought contributed on an unrelated issue. Such examples served to remind me that participants' descriptions could only be sketches of the whole picture and I should not assume that actions did or did not occur if they were not mentioned. It also exemplifies how side comments could provide insightful perspectives during this iterative process.

5.6 Identifying cultural capital

Studies of immigrant entrepreneurs are strongly associated with the social and cultural capital existing within ethnic communities which provide a resource for immigrant entrepreneurs. For example, Volery's (2007) framework identifies ethnic communities as ethnic resources. Social capital is accessed in these communities, facilitated by cultural capital. By contrast in this study, few participants availed themselves of this ethnic capital resource. However, a number of participants deliberately accessed "professional" cultural capital through membership of professional organisations. Less obvious than ethnic cultural capital, indicators of these more subtle dimensions of cultural capital were identified. Professional cultural capital provides a similar role to ethnic cultural capital by conferring similar benefits and imposing obligations. Interest groups such as those involved in sport or hobbies may also function similarly for immigrants.

A significant dimension of embodied cultural capital which emerged was "entrepreneurial" cultural capital which incorporated the motivational dispositions associated with entrepreneurs. Despite the evidence in the entrepreneurial literature (Basu, 2004; Basu & Goswami, 1999; Boissevan, et al., 2006; Frederick, et al., 2007; Luthans, et al., 2007), I had not intended to identify either ethnic or entrepreneurial cultural dispositions, focusing instead on social and human capital. However, during the data analysis, I could not ignore the omnipresent references to the participants' dispositions as an influential factor in their success. The participants described themselves as "*determined, positive, persistent, self-confident*". Initially I attributed these indicators to human capital. However, after considering how these dispositions

reflect the deeply embodied values developed through the cultural influence of *habitus*, I attributed entrepreneurial dispositions to embodied cultural capital.

5.7 Ethical considerations of study

Ethical considerations permeate any research process and have particular dimensions in studies such as this involving people. In order to protect the interests of all those involved it is appropriate that a rigorous evaluation process is undertaken by both the researcher and the institutions involved to protect the participants from any potential harm. As the participants are voluntarily sharing information relating to themselves and their businesses their information must be treated confidentially to avoid potential harm to the participants. In order to maintain high standards of research rigour, institutions impose exacting formal processes before granting ethical approvals or signing *Confidentiality Agreements*. The researcher must satisfy the institutions that ethical codes of conduct will be followed to protect the well-being of all involved, particularly the research participants. All research undertaken under the auspices of Massey University must be in compliance with its code of ethics and the ethical dimensions specified in the Ethical Consent process. Additionally, the DoL required a signed *Confidentiality Agreement* to protect the rights and obligations of the participants and the organisation.

In this study ethical considerations imbued the entire research process, but were particularly evident at the recruitment and interviewing stages. To access and recruit participants I needed to convince the DoL of my credibility and competence in undertaking the research on participants, whose privacy and confidentiality the DoL had a legal obligation to protect. The DoL needed to ensure that potential LTBV

participants were adequately informed before they volunteered to participate in this study. Therefore, the DoL staff controlled the access to potential participants by inviting me to prepare an *Invitation to participate* notice which they distributed on my behalf to LTBV holders. Effectively, the DoL maintained the privacy of their database but facilitated the process of recruitment of participants for this study. The DoL's institutional rights were protected by the *Confidentiality Agreement* which also ensured that the DoL maintained control over the dissemination of the findings from this study as permission must first be gained from DoL to publish the findings from this research.

Participants demonstrated a high level of trust when they volunteered to discuss issues with a stranger on the telephone. LTBV holders who indicated an interest in participating had to clearly understand the purpose of the study, who was collecting the information, and how the information would be used. Through the informed and voluntary written consent process prior to the commencement of the interviews, the participants understood their rights and the conditions of their participation. These included their right to refuse to answer any questions and to withdraw from the study within 30 days of the interview. These rights ensured the autonomy and power of the participants not only to hang up or walk out of an interview, but also to retract or withdraw what had been said during the interview. Such empowerment is essential to balance the consent provided at the beginning of an interview when the direction and conduct of the interview was largely unknown to the participants. Although the LTBV topic might not appear to be highly sensitive regarding the levels of disclosure concerned, issues could arise for the interviewee which they may not be comfortable with. In the spirit of undertaking research with people rather than on people,

participants were promised access to a summary of the project findings when concluded to share with them the knowledge that they helped to create.

Cultural sensitivity guided the conduct of the interviews in this immigrant study, as I tried to be alert to cultural nuances which might impact on the participants. For example, questions regarding age or entrepreneurial finance were deliberately avoided in case they might be perceived as being too intrusive. The semi-structured interviews were conducted to allow the participants to freely describe their experiences of the LTBV process. The open questions enabled participants to identify what was important to them rather than the researcher. While I guided the interview through the stages of the LTBV to ensure the participants' whole experience was represented, the participants controlled their levels and topics of disclosure. Prior to undertaking the interviews I reflected on whether any aspects of my interviewing schedule might present harm to the participants due to the topics being discussed or emotions involved. I could not identify any risks then or since completion of the interviews,

Any interaction with people from different cultures can lead to misunderstandings including cultural misinterpretations between researcher and participants. Misinterpretations could arise from differing cultural perceptions of intangible knowledge and values, not explicit or obvious to the researcher (Fadiman, 1997). Or difficulties could arise from different cultural world views of the participants. For example, according to Hofstede (1991) cultural characteristics of directness and indirectness, high or low context, power distance, masculine-feminine cultural traits, linguistic skills and confidence in the process, all influence levels of disclosure and accuracy of interpretation. One strategy employed to minimise distortions was my preference to use quotes or reported speech rather than paraphrase in this thesis. As the

researcher, I also needed to be aware of the different cultural world views being expressed by the participants and ensure their words were accurately captured. I consciously tried to ensure that I treated all the information with impartiality, particularly perspectives arising from cultures which contrast with my own. I consider I am sensitive to intercultural issues having lived in a mixed culture marriage for many years in which cultural misunderstandings are often raised, plus I have spent ten years living in another culture. Despite this experience and my educational background in communication studies, I am aware that distortions and misinterpretations still occur but should be minimised by the strategies outlined. This reflects an ethical concern to represent both the participants' perspectives and the results as accurately as possible.

Potentially, the most problematic ethical dimensions of this study lie in the accurate reporting of results and the confidentiality of the participants. Some immigrants were constrained by having to express their experiences in a foreign language which may lead to misunderstandings. Therefore, to minimise misrepresentations, where their viewpoints and experiences are expressed, I mainly quote them in full. A strategy to protect the confidentiality of participants included the normal practice of providing codes for the direct quotes provided in the thesis. However, despite these precautions, recognition of the participants could potentially occur through the distinctiveness of the types of businesses they operate and their regional profiles. To reduce this possibility, business descriptions and locations have been generalised as much as possible. However, some businesses are so distinctive and the entrepreneurs so successful in promoting their new businesses that they have created unique profiles within their communities. In writing this thesis there was a considerable tension between accurately describing participants' occupations and community contributions, while blurring their identities, especially for those participants living in

smaller communities. While the likelihood of this recognition is low, the possibility still exists.

Participants were advised that their feedback on their LTBV experiences would be provided anonymously to the DoL. None expressed concern regarding this feedback with a few indicating that they would be happy to provide the feedback directly to the DoL. However, where feedback on the immigration process was offered, I have deliberately paraphrased the suggestions so the comments have not been attributed. In addition, I also integrated any mildly critical statements or suggestions regarding government policies or experience into general statements, which again I deliberately did not attribute.

A further potential issue was the need for a number of the participants still to apply for residency. Should this study have inadvertently revealed any aspect which might disqualify a participant from being granted residency, then harm would have been caused. However, to my knowledge, no information was either disclosed or reported that would disqualify a participant.

5.8 Discussion and analysis of methodology

To provide qualitative research on the symbolic capital resources used by immigrant entrepreneurs, significant methodological challenges had to be overcome. Fortunately, the LTBV solved my first major research problem of identifying a suitable sampling frame of immigrant entrepreneurs. The qualitative, interpretive-constructivist approach using semi-structured interviews, provided data encapsulating the participants' perspectives of their experiences. I used an iterative analytical process to

gradually reveal the latent patterns of symbolic capital used by IWR immigrant entrepreneurs.

5.8.1 LTBV sample frame

Fortunately, the identification of the LTBV sample frame enabled this study of distinctive if elusive intentional immigrant entrepreneurs to proceed. The multiple benefits of the LTBV included not only identifying intentional immigrant entrepreneurs, but three distinct entrepreneurial stages, each with conditional criteria. These criteria enabled comparisons to be made between the experiences of the diverse participants, their businesses and their locations which provided insights into their resource deployment. While a similar immigrant business visa was offered in Canada (Ley, 2003), the levels of resources were not as tightly proscribed as in the LTBV, thwarting direct comparisons. The LTBV provides a useful research tool to analyse the behaviour of intentional well-resourced immigrant entrepreneurs.

However, I had not anticipated the constraints the *Confidentiality Agreement* placed on my publications, as I had anticipated an earlier completion. While I am happy to share the intellectual property from this process with the DoL to inform future policy discussions as required under the agreement, it effectively restricted the release of interim results. I would therefore recommend that in future the implications of such conditions in contracts be considered, as currency and timeliness are significant dimensions of research and policy development. Research outputs in academia have funding implications so that a lack of current outputs limits future institutional research resources. A comparison of the financial costs of DoL's comprehensive evaluation of the LTBV undertaken in 2002 with the costs related to this study would be informative.

This study of the LTBV can offer insights not only into intentional immigrant entrepreneurial practices, but also into all immigrant and non-immigrant entrepreneurial practices as all undergo a similar process. The structure of the LTBV provided clearly defined stages which required the deployment of specific forms of capital to progress. The stages of planning, implementation then establishment or expansion are common to all entrepreneurial ventures, but may be more attenuated when time pressures are not so intense.

5.8.2 Qualitative approach

The qualitative approach enabled the participants to provide insights into their motivation and rationale for their behaviour. This approach enabled me to see the world through the participants' lenses, revealing that while certain behaviour might look risky to others for example, it had been well considered by the self-confident participants. The qualitative approach effectively captured "the complex world of lived experience from the point of view of those who live it" (Schwandt, 1994, p. 118) by revealing the intentions and motivations of the participants. The participants' reconstruction of their behaviour, feelings, experiences and motivations as they adjusted to their unfamiliar realities, also captured their strategies, rationalisations and interpretation of their experiences. This approach made the invisible world of intentions, motivations and strategies visible, while revealing the significance of embodied entrepreneurial cultural capital to immigrant entrepreneurs.

A further strength of the qualitative interpretive-constructivist approach was the capture of the participants' plural ontological realities through the methodologies employed. The layered experiences of similar experiential realities created a greater

‘depth of field’ which yielded distinctive patterns of the various forms of capital deployed during the LTBV process. By this I mean, that 16 diverse participants underwent the business establishment process in scattered locations around New Zealand, yet their overlaid descriptions developed distinctive patterns in their deployment of the forms of capital. Struggling participants offered valuable insights as it was possible to discern differences in their patterns of capital use. The multiple reconstructions of the LTBV participants’ experiences arising from the interpretive-constructivist approach provided multiple overlays of data. Although each participant trod the same LTBV path, their differing perceptions reflected their diverse backgrounds, experiences, businesses and locations. Despite the participants’ differences, these multiple, parallel descriptions created clear differentiated patterns of capital deployment at each LTBV stage.

Except for tangible finance and educational qualifications, most of the other forms and dimensions of capital are intangible until captured in the language of the participants. Allowing the participants the freedom to interpret and construct their LTBV experiences revealed their aspirations, motivations and strategic thinking. This open approach encouraged participants to select their significant issues, while occasionally providing insights into other aspects of the process.

5.8.3 Interviews

The qualitative interpretive-constructivist approach relied on the effectiveness of the semi-structured open-ended interviewing technique. The strength of this technique became apparent in the capture of the participants’ aspirations and experiences in their experiences which provided evidence of intangible capital resources. The unanticipated value to the researcher was the revelation of the embodied cultural

capital embedded in the participants' experiences of their perceptions of and responses to, their realities. The participants' vocabulary provided insights into their motivations and aspirations constructed through their interpretations, creating multiple layers of experiences which subsequently revealed underlying patterns of capital use.

A second strength of the semi-structured interviews was their flexibility in enabling the participants to tell their own experiences. I came to value the insights offered into the participants' self awareness, particularly regarding the attributes which made them successful. The development of a minimalistic interviewing approach proved beneficial. Using a reflexive, interviewing process I was able to respond to the emergence of unanticipated issues and cull redundant questions. Critical reviews of the earliest interviews improved my interviewing technique which probably resulted in greater disclosure by the participants in subsequent phone interviews.

5.9 Conclusions

The philosophy of using a qualitative approach successfully recorded the socially constructed realities of the participants' LTBV experiences. It captured the participants' perspectives of the complex, dynamic, multidimensional phenomena of business establishment and environmental adjustment. The semi-structured interviews successfully enabled the participants to reconstruct their experiences revealing their attitudes, motivations and aspirations. Although not all the multi-faceted dimensions of the business establishment phenomenon might have been captured in every interview, the indicators evident in each interview should generate confidence in using this methodological approach in other entrepreneurial studies. The opportunity to compare and contrast participants' experiences provided a depth to the patterns

revealed in the data, enabling concepts to be either confirmed or explored where disparities arose. Where participant obstacles remained unresolved, it signalled a potential inadequacy of capital prompting a closer examination of the circumstances which yielded further insights.

Emerging patterns of symbolic capital use manifested the deployment of intangible social, cultural and human capital within the LTBV process as depicted in Figure 7 the *intentional immigrant entrepreneur* framework. The LTBV, originally used to identify and access a sample of intentional immigrant entrepreneurs, ultimately provided a significant research instrument. A final benefit emerged towards the end of the study when the LTBV criteria were used to indicate the level or adequacy of symbolic capital required. The conditional LTBV may well be unique internationally in setting clear criteria to obtain residence as an entrepreneur and it provides a useful instrument for researchers studying intentional immigrant entrepreneurs. The methodology could be applied to other studies of entrepreneurial processes which study the application of forms of symbolic capital.

The next three chapters describe the heuristic application of the modified framework to analyse the research data at the pre-migration, first nine months and establishment stages of the LTBV participants' businesses respectively.

Chapter 6

Preparation: Challenges and strategies

6.1 Introduction

My purpose in these next three data analysis chapters is to identify the dimensions of cultural, human and social capital which enable intentional well-resourced (IWR) immigrant entrepreneurs to successfully establish their businesses and achieve residence in New Zealand. Each chapter reveals the experiences of the research participants at a particular stage in the Long Term Business Visa (LTBV) process. To identify the significance of each form of capital, I use an iterative analytical process, refining their dimensions by heuristically using the three process frameworks described in Chapter Five. The rationale for the organisation of human, social and cultural capital within each of the next three chapters is to reflect their different significance at each stage of the LTBV process.

In Chapter Six, I focus on the participants' pre-arrival LTBV application preparation strategies employed to achieve a LTBV. Their first major obstacle was to identify an appropriate visa then fulfil the LTBV detailed application requirements. To understand the resources required to meet the demanding LTBV requirements, I examine the dimensions of each form of cultural, human and social capital used to

submit a successful visa application. The subsequent success of IWR immigrant entrepreneurs in establishing their businesses depends considerably on the thoroughness of their preparation, including their knowledge of the market and business conditions they would encounter.

In the second half of Chapter Six, I use the frameworks to identify the significant functions of the various dimensions of each form of capital. Although the forms of capital may work together synergistically to enable immigrant success, I consider how the absence or diminution of any one dimension of one form of capital might jeopardise immigrants' success. Structural insights are also provided by the migrant and ethnic entrepreneurial theories discussed in Chapter Three.

6.2 Overcoming visa application obstacles

The key obstacles participants encountered at the pre-migration stage included identifying the appropriate visa, completing the visa application, and needing to make interim decisions before receiving the official response to their LTBV application. Identifying the appropriate visa was seldom a straightforward process, nor was complying with the visa conditions. Examples from the interviews illustrate how the LTBV participants' strategically used different forms of capital to overcome the structural obstacles they encountered both inside and outside New Zealand. In a few cases, it became necessary to revise and resubmit applications if the visa was initially rejected.

In the process of identifying which was the most appropriate visa, prospective applicants found their entrance to New Zealand controlled by the appropriateness of their capital. Potential visa options included using human capital to migrate as skilled

workers, financial capital to migrate as investors, or social capital to migrate under family reunification and all three categories were initially canvassed unsuccessfully by a few of the participants:

Initially we tried to come out here in the investment category but we didn't have sufficient cash and we had money in properties. [Immigration] said we could come in as self-employed (GB3F).

Another participant had immigrated to New Zealand as a child with his family. He was educated, apprenticed then established his own business in New Zealand, before sojourning overseas to extend his skills and start other successful businesses. On his intended return with a young family, he found that the immigration policy had changed:

We tried to get back on the family category because my parents were here and we actually went and filled all the forms out very naively. We just didn't realise how serious New Zealand was (GB2M).

Changes to immigration regulations affected several participants which illustrates the dynamics of the immigration environment and how regulation modification impacts on potential immigrants. Age was a barrier to obtaining a skilled immigrant visa for several participants. One applicant and his family who had regularly visited New Zealand for 20 years had been offered residence earlier, but had been unable to accept at that time due to family commitments. When he later applied, conditions relating to age had become more rigorous. Others acknowledged:

Obviously once you get to 50, unless you've got some exceptional talent you don't get into New Zealand (GB7M).

We can't come in on any points or anything like that. I had to start a business to be able to get here. I was 74. My wife was 69 (SA2M).

The participants experienced other structural barriers in relation to the New Zealand Qualifications Authority (NZQA). Potential skilled visa applicants did not always have the requisite qualifications to support their application as their expertise was solely based on their work experience. For example, one person nearing retirement had started her career before the relevant qualifications existed. Her level of experience and expertise was indicated by her partnership in a United Kingdom company which contracted over 500 workers throughout the UK. As NZQA is not mandated to make assessments beyond the equivalence of overseas qualifications in New Zealand, she was ineligible to apply for a skilled visa. In another case, the unique combination of expert knowledge of the technical, engineering, horticultural and processing elements of a particular service provided to the beverage sector could not be assessed by NZQA, which forced the applicant to use the LTBV process. These examples illustrate how the LTBV is used as a default visa option for applicants unable to qualify for other immigration categories, yet who have a considerable range and depth of symbolic capital resources.

6.2.1 Getting official advice

Potential immigrants keen to explore their visa options had to seek official immigration advice either through the closest New Zealand Embassy, or the New Zealand High Commission in Commonwealth countries or Immigration New Zealand in New Zealand. Trying to get accurate immigration advice from New Zealand officials, sometimes proved challenging. Most of the participants confidently sought information from the New Zealand Government internet site. Ultimately however,

they needed to consult a New Zealand official regarding the appropriateness and compliance of their LTBV business plans. The first contact with the New Zealand bureaucracy was not always positive. One United States' citizen, who had had a 20 year relationship with New Zealand, received a negative response when enquiring about pathways to residency. Persisting with his enquiry he was reluctantly advised to phone Wellington, New Zealand:

On the phone they [New Zealand Embassy staff] were very curt. Let's do the quick chat. No you don't qualify, don't bother applying etc. I persevered and flew to Washington where begrudgingly [the official] changed his mind. [Later] when I applied for a LTBV I hit the same person in Washington who said, "No, but you can call Wellington". I did so and got a great person, Head of the Immigration Department. She was absolutely fantastic. I made a special point of meeting her in Wellington so she could meet us personally (US2M).

The positive response from Immigration New Zealand in Wellington was reflected in a second situation when a British applicant, who had initially been advised that age was not an impediment, applied and was turned down on account of his age. He wrote to complain that he had been inaccurately advised:

I wrote a letter to the Head of Immigration and said, "Look, this is not good enough. The advice that we were given was this and this was the result. You must make all your Immigration Officers give people good advice". Two days later a letter arrived and then he rang us up and said, "Could I be your mentor to get you into New Zealand?" (GB7M).

As these applicants came from corporate backgrounds they were not intimidated by dealing with bureaucracy. Despite Immigration New Zealand's positive responses,

these interactions with experienced and astute business people left negative impressions. This is a more typical example of the advice received from Immigration New Zealand by several applicants:

The Immigration Department in London advised that [the LTBV] would be the best way. I come from a retail background so I have experience in business management, team management group and training. All the skills you need to run a business really. I was advised to [apply for a LTBV] as I don't have qualifications in my area of expertise so I didn't qualify for the skilled migrant (GB1F).

One LTBV applicant who, despite his range of skills and experience, became caught in a cycle when he tried to get a work permit in New Zealand:

I got short listed for a few jobs in the Prison Service, Corrections Service and another couple of companies, but I got caught in the Work Permit situation. "Have you got a Work Permit? No, well we can't employ you. We won't employ you unless you've got a Work Permit", but then you can't get a Work Permit off Immigration unless you've been offered a job. You can only be offered a job if the company approached Immigration saying, "We need this guy over a Kiwi guy because of these qualifications". I'm a caterer by trade, but my last 12 years were in the [armed forces]. I was [an] officer and I was into adult education, HR, equal opportunities. I couldn't get into New Zealand on my catering qualifications because I hadn't been using them for 12 years. For 18 months we ran around everywhere getting interviews, going up to New Zealand House, going to seminars, talking to people and doing interviews over the phone and really got nowhere (GB8M).

Increasing frustration and a determination to find an appropriate visa drove this person to identify a business opportunity on the internet, fly the family over to New Zealand to buy the property on which to base their hospitality business then apply for the LTBV. Another LTBV applicant, introduced by his mentor to a New Zealand lawyer who was not experienced in migration regulations, belatedly discovered he could have entered on a skilled visa which would have speeded up his residency.

In hindsight, we [made] a terrible mistake because we didn't get any advice on the options. I could've applied myself because I've got a masters degree in [engineering] and all sorts of [relevant] qualifications. I could've applied for residency immediately. We could've had residency from day one and now we'd be citizens (GB4M).

Significantly, despite the bureaucratic difficulties experienced, these LTBV holders were not dissuaded from applying to come to New Zealand and persisted in their applications. I next explore their LTBV application experiences, including the development of a specific business plan. If discovering which entry visa to use signalled potential challenges, the business plan preparation provided more.

6.2.2 Meeting visa requirements

I next outline the challenges faced by LTBV principal applicants when preparing an appropriate business plan for the enterprise they intend to establish in New Zealand. I identify the role of professionals in the process and the significance of appropriate documentation. Business plans are required to meet the criteria outlined in Figure 7 and are intended to prepare immigrants for the market and regulatory realities they encounter.

Figure 8 Long Term Business Visa business plan requirements

Long Term Business Visa business plan criteria:

- Must be no more than three months old when the application is made.
- Must demonstrate that there is access to sufficient capital to finance the business proposal. In addition to the business capital there must be sufficient funds to support the applicant and family members until the business enterprise can sustain them.
- Must include realistic financial forecasts.
- Must demonstrate that the applicant has adequate related business experience. Applicants must have obtained professional or occupational registration in New Zealand if registration is required for operating the proposed business.
- Must demonstrate that the applicant has knowledge of the proposed business and the New Zealand business environment.
- Includes information about how the proposed business would benefit New Zealand. A business may be considered to benefit New Zealand if it promotes New Zealand economic growth through, for example, introducing new or enhancing existing technology, management or technical skills; or introduces new, or enhances existing products or services; or creates new, or expands existing export markets; or creates employment beyond the principal applicant; or revitalises an existing business.
- Includes sufficient documentation to support the business plan.
- The plan should demonstrate that the business will be trading profitably at the time any subsequent application under the Entrepreneur category is made or clearly has the potential to be trading profitably within 12 months after the application is made.
- Officials may seek verification of the documents and information supplied and may interview the principal applicant to determine whether the information supplied is genuine and accurate (New Zealand Immigration Service, 2006).

First, the participants needed to identify an appropriate business opportunity which matched their resources. While some applicants do this offshore without visiting New Zealand first, all the participants in this study visited New Zealand prior to applying, as recommended by immigrants surveyed in 2002 (New Zealand Immigration Service, 2002; C1M). The LTBV business plan had to be current and demonstrate adequate human and financial resources to enable the principal applicant to remain self-sufficient. It required evidence of access to adequate financial capital, relevant business experience, adequate product knowledge and knowledge of the New Zealand business environment. The applicants' qualifications and experience attested to their capabilities of implementing the business plans submitted. Where necessary, the formal registration of relevant qualifications and approval by the appropriate professional bodies had to be provided.

Many participants encountered challenges in meeting aspects of the business plan requirements as detailed in Figure 8. In addition, applicants had to meet general health and character requirements corroborated by medical and police documentation. Applicants also had to satisfy a business immigration specialist that they were genuinely interested in establishing a business in New Zealand. A further barrier for applicants from non-English speaking backgrounds was verifying that they met the minimum standard of English which, after 2002, was an International English Language Test score (IELTS) of five. Considerable determination was required to fulfil all these requirements.

LTBV holders were initially granted a nine month work permit to enable them to implement their proposed business in New Zealand. Under certain conditions the visa could then be extended for another 27 months, or the business proposal submitted may

be changed (New Zealand Immigration Service, 2006). Any changes to the visa incurred further costs.

As a number of the LTBV participants had tried to apply for alternative visas, the LTBV was their final resort to gain entry to New Zealand for the purpose of residency. Lawyers, accountants or immigration agents could be employed to tailor applications to fit the requirements of the LTBV. To ensure compliance with the requirements to obtain visa approval, advice was sought from mentors or Immigration New Zealand officials. Some applicants identified an enterprise before exploring their visa options, while others sought a business opportunity which fitted the LTBV requirements, adapting their skill sets as required. For example, one South African applicant, through professional connections, was able to buy into a New Zealand partnership which was similar to his previous business in South Africa. By contrast, a web developer from the United States opened a horticultural service business:

[The LTBV] was the only one that made sense for what I wanted to do which was to start a [horticultural] franchise. I still run a web development company [at home]. My background is in design, visual animation and web development. I went to school for that and branched off to working in the dot.com business for years then started my own business (US\$1M).

Adaptability is reflected in this decision, as well as the confidence of the participant to achieve his plan. Significantly, he was supported by a school friend already living in New Zealand who owned the horticultural franchise.

I next identify the role of professionals in their LTBV preparation. A number of the participants without the appropriate human capital employed the specialised knowledge of accountants, lawyers and immigration advisors and agents in the

preparation of their visa applications and business plans. However, the value of preparing the detailed business plan lay in the knowledge it provided to the LTBV applicants regarding the New Zealand business environment. Therefore, immigrants who delegated the LTBV application preparation to agents did not have the requisite knowledge of New Zealand markets, so were under-prepared to successfully implement their plans on arrival (New Zealand Immigration Service, 2002). While some LTBV holders had been advised by agents that the LTBV was a quicker and easier visa option (New Zealand Immigration Service, 2002), such information was inaccurate. When asked why other LTBV holders had failed, this participant provided a number of reasons:

I think first, before they come they have to get enough information. Most of them go to the agents in China who give them inaccurate information. When some say “It was easy for me” to get their visa, I am quite surprised. They are told that you only have to have \$10-\$20,000 and some business experience, but it’s not true, but the agents haven’t told them. But when they get here they see everything is different. Some people come here for several months then go back to China for half a year. [Some] fail and go back to China. [They need to come here first to see] the local market, the policies. Secondly some people do the business quite different than before. You see some people’s businesses in China are very big, on two or three floors, but he can’t do the same thing here. It’s difficult. Employees are too expensive. Takeaway management is quite different (C1M).

Although several participants did use professionals to write the documentation or provide essential information, they remained fully in control of the process.

An agent prepared the plan as I didn't know [how] to make the plan ... But I gave him my ideas about what business I will do. I outlined the main points then he just put it in the standard format. I checked to make sure I can do [it] (C1M).

I did everything myself. Some guy just helped me with documentation (K1M).

[I] undertook a complete prognosis of [a beverage] industry and used a consultant to help with the business plan to meet the format requirements of Immigration (SA1M).

I used an immigration agent in [the local town]. I worked on the plan. I used [a local] accountant to help with the projections (GB3F).

The management of the application process ensured they would acquire essential knowledge as part of the human capital vital at the next LTBV stage. The participants' control of the process illustrates a desire for autonomy which is a characteristic of entrepreneurs.

Preparing appropriate documentation was a challenge to some applicants but not all. A number of applicants were conversant with the requisite documentation for such applications:

We came [to New Zealand] in 2002, to have a look. I came back once more and then decided. We had a successful business in the UK which is still going. ... [The biggest obstacles were] just the international logistics of it. We met with Immigration [officials] who were probably dismayed that when we submitted the business plan there was nothing wrong with it (GB4M).

I was quite fortunate as I got a BP [business plan] from a CD Rom used for applying for finance in England. It was very useful as it had everything the New Zealand government wanted so I just filled in the blanks (GB5M).

Other applicants stayed in close contact with Immigration New Zealand officials to check the appropriateness of the information they were compiling for their application.

[An immigration official] told us [to apply for the LTBV and] what we needed to do, so that's how we came to New Zealand. I made another flying visit to New Zealand and got some information about the place and particularly about this area because we thought it was where we would like to settle. We produced an assessment of what the probability was that we would set up a successful clinic and what the risks were (GB7M).

We were sending emails across to [Immigration New Zealand in Wellington] for feedback on our business plans, putting down what we thought our profit and loss would be in the first two to three years. They thought that [our figures] were realistic. Our first immigration case officer, fantastic guy, absolutely brilliant, couldn't be helpful enough (GB8M).

Only when some applicants stumbled during these procedures and had to revise and resubmit their plans, did the value and adequacy of their human capital become evident. Some plans were declined as their information was inadequate or inappropriate. Unsurprisingly, the participants who encountered the fewest application preparation obstacles were those with corporate experience which informed their knowledge of the bureaucratic requirements. Those from small and medium enterprise (SME) backgrounds, who sought guidance and regular feedback from Immigration New Zealand in Wellington on their applications, also appeared to have fewer

problems. One applicant's small scale business plan for a B&B belied his professional legal and business development background, which enabled him to prepare his LTBV application successfully. While New Zealand was ostensibly acquiring the skills of an entrepreneur who was offering small scale hospitality in a tourist area, it was in fact gaining the professional skills of an international financial investor interested in innovative energy developments.

6.2.3 Exploratory visits and internet research

In this section I explore the participants' preparatory research through visits and the internet. Significantly, all of the participants visited New Zealand prior to submitting their LTBV application and each commented this was essential to their success. Rationale for pre-migration visits varied amongst the participants. Some participants stayed in New Zealand to usher their visa application process through. One application was processed in six weeks during which time the applicant interacted with the Immigration New Zealand in Wellington throughout the preparation and processing stages. Another businessman had worked in New Zealand for ten years on a business visa and only sought a LTBV when his family consented to migrate. He was therefore already familiar with the New Zealand business context and was able to recruit a New Zealand partner. Several others, who had visited New Zealand on holiday, were so attracted by the lifestyle that they sought to migrate permanently so looked for a visa and a business opportunity commensurate with their resources and goals.

Several participants were enticed to New Zealand by family members currently living, or who had previously lived in New Zealand. One participant joined her brother in his business. Another participant had visited New Zealand regularly as a holiday destination and had bought some land in a holiday resort, so already had an established

network of business friends. These contacts and networks, plus knowledge of the local landscape, all enhanced the social and human capital of the applicants. In contrast to those who had connections in New Zealand, or those who had reconnoitred on prior visits, one person, frustrated in his unsuccessful attempts over nearly a year to emigrate as a skilled migrant, flew his family to New Zealand to inspect a business opportunity he had identified on the internet. From a casual comment made in relation to helping another recent immigrant, the participant revealed he had invested considerable time and research exploring the options available, which illustrated his determination, perseverance and detailed preparation. The knowledge gained from the preparatory research was clearly demonstrated at the post-arrival implementation stage.

The participants' demonstrated their ability to use the internet to inform themselves and their business plans. Whether computer systems were integral to their current businesses or not, all the applicants described their confidence in accessing information on-line. Applicants demonstrated essential business skills and acumen by identifying relevant sources to research requisite local information on the internet. Most applicants were comfortable using the internet which enabled them to access information previously acquired through social or specialised networks or libraries.

We live in a globalised world, so internet is essential to do anything (K1M)

Most [of the application research was] done in the United Kingdom on line, or using late night phone calls (GB1F).

From the internet I researched other [competitors] and what they were doing to see if there was enough work to sustain the business. I also looked at building consents [in the area] (US1M).

We got our information from the internet, friends and associates (US2M).

I used the New Zealand Tourism site to get facts and figures, plus the local i-site which gave actual figures on visitor numbers and growth potential which were very helpful. There was a list that Immigration gave me of various issues and it was just a case of going down the list for things like resource consent from the Council (GB3F).

The latter applicant used the internet to check traffic movements on a regional highway while identifying the range of outdoor attractions within reach of a regional rural centre. Some participants in the hospitality sector used New Zealand tourist information sites to provide useful data on which to base current and future tourist visitor projections. Regional building consent data accessed via the internet were used to provide business projections for a landscaping business.

6.2.4 Compliance requirements

Absent from several business plans was an awareness of the local compliance requirements relating to health and safety, employment law, environmental protection, building and planning regulations, which subsequently presented obstacles during the business establishment stage. These compliance requirements might not have been obvious in relation to the proposed business as they applied to the preparation of the business premises. Taxation requirements, specifically the need to project profitability in the first year of operation, would come as a shock. One applicant mentioned that earlier knowledge of this tax requirement might have deterred him from immigrating.

[Tax] gives you cash flow problems. In the first year, as you grow a business ... if you have to pay that income tax every two months it has a huge impact on your cash flow. The [NZ] government is going to shut a business down because it can't

pay tax in the first year – it's not given a chance. It's stripping the money out of the company as soon as it's made ... In the UK we got a hell of a lot of grants and start-up assistance and we didn't have to pay a penny of tax for the first year ... It makes a huge difference (GB4M).

This comment was made by a very successful participant who was not the only one to mention the problem of taxation in the first year. However, others with low discernible cash-flows were less concerned.

Compliance issues mainly surfaced during the implementation of the business plans at the next stage of the process. However, one applicant had to change his business plan:

I thought in Auckland [I would have] a fishing business, but Auckland is very clean and very strict for environmental matters. So in case of fishing boats business it is I think not clean, we can expect some oil pollution. Perhaps we [become] bankrupt if you pollute. Very strict. So I thought ok, too difficult. Importing and selling is better for me in Auckland (K1M).

The risk of potential legal liabilities persuaded this person to change his business plan. It provides a clear example of risk management.

6.2.5 Attitudinal factors – embodied cultural capital

Embodied cultural capital was reflected in the attitudinal factors evident in the participants' responses. Examples of innovative resourcefulness and *adaptability* were demonstrated where the conditions changed during the preparation or submission process. One applicant described why he bought a franchise when he was forced to change his business plan:

I had to look again for an opportunity. I saw a programme of people who had immigrated to New Zealand buying a franchise. It saves a lot of work and avoids having to put the business plan together from scratch. It takes six weeks to nine months to have your application assessed (GB8M).

The desire for *autonomy* was evident in the interviews as most applicants had previously been self-employed or operated autonomously.

I had been a contractor for six years for a large corporate and I had been very much autonomous and project managed everything for a very large team of IT people. I didn't fancy coming to a smaller city and working for somebody. I wanted to be my own boss. At that point I was 31. Don't want to work for the man again ... The next best thing was to set up your own business and become a director. I was in a very specialist role as a contractor of a huge global corporate in the world's biggest credit insurance (GB1F).

Self-belief, optimism and energy were evident in every interview. Perhaps this is best exemplified by the participant who responded to a family member who questioned his wisdom of emigrating considering New Zealand's wet climate, the unfamiliarity of New Zealanders with the product he was introducing and energy levels at his age:

I said my age is not a bad thing. I am still healthy. I don't feel that I'm going to kick the bucket any time now so that's ok. As far as the wettest place on earth is concerned, you know that I've designed and built the driers in the Engineering works ... I asked them for permission to work there and I made my whole rig-out myself. I built everything. I designed it and built it myself because I knew that intellectual property and I can't go to anybody else and say, "Will you help me with this?" I did it myself ... So I am not worried about wetness ... Do you know that the Lord has been so good to me as he brought over 40,000 South Africans to

where I'm going, so what's the problem? I don't need Kiwis to come and buy from me, but do you know what's going to happen? These South Africans all have Kiwi friends and they will come and buy (SA2M).

Examples could be taken from each interview highlighting a positive, determined attitude, without which these LTBV participants may not have succeeded in completing or dealing with negative responses to their applications. Whether deliberate or not, the LTBV bureaucratic requirements appear to filter out those without sufficient determination or positivity.

6.2.6 Networks and mentors

LTBV holders needed to demonstrate their knowledge of the New Zealand business environment to Immigration New Zealand. Atypically of the participants, two had established their own networks over ten years of living intermittently in New Zealand either on tourist or business visas. Both drew judiciously on their networks, including business associations, to help them with their applications. For example:

I have many friends who are members of the Association so if I have a problem I send an email or fax to ask. My lawyer and an immigration consultant [I used] to bring my family in were members of the Association. My accountant is also a member of the Association. We know each other from there. They helped me with my business plan (C1M).

However, it was also mentioned that it was not appropriate for members of the business association to discuss business "As whatever I can do, he can do" (C1M).

Networks need development time so participants without networks often found a mentor or mentors. This was an unpaid person or persons who helped the participants

informally, particularly during the preparation stage. One business immigrant knew nobody on his first arrival before applying for a LTBV. He made an excellent friend and mentor through an introduction in a travel agent's:

[My mentor] arranged everything for me [on my second trip]. I wanted to meet some locals, the people, the companies. [He] always made an appointment with me and we met them together. He always translates for me. Nearly one year. He knows many different kinds of English: American English, New Zealand English, English is sometimes quite different. People ask, 'Why are you repeating my answers?' I said, I don't understand what you are saying. He only speaks English. He is also moral support. I must say he is a very important person for me in New Zealand. The second [important person] is my [business] partner. I met him through the New Zealand Chinese Association. He comes from America. He has been a resident here for nearly 30 years. Most of the members [of the Association] are Kiwi and only one third are Chinese from Hong Kong, Taiwan and other Asian countries. It's very helpful to me. We co-operate together (C1M).

Valuable professional connections smoothed the pathway for one participant who travelled twice to New Zealand to investigate and promote his consultancy service. He was mentored by a senior New Zealand government official who introduced him to key people and guided him through the application process, recommending lawyers to prepare his application. The skills and intellectual property associated with this participant appeared to fill an important gap in New Zealand's maritime industry.

Perhaps the most seamless transition occurred when one participant was able to buy into and become a partner in, a New Zealand business. A trusting professional relationship had developed between himself and the New Zealand owner during

regular meetings at European business trade fairs over ten years. They held similar specialist knowledge and skills and fortunately the timing was right when the participant indicated to his New Zealand colleague that he was considering migrating. His New Zealand colleague offered a business partnership by creating an opportunity for the LTBV applicant to buy into his existing New Zealand business. This partnership enabled the company to expand into Australia, while servicing considerable growth in the New Zealand industry. In addition, a second mentor in an associated sector business provided critical information to the LTBV participant regarding potential niches in the growing market.

A childhood friend who had emigrated from the same home town in the United States mentored another participant. Other participants made New Zealand friends during their visits, who supported them more informally. For example, unbeknownst to one new immigrant couple seeking a visa, their neighbours queued at the local Immigration office to support their new neighbours' residency in New Zealand. This led to an Immigration official contacting the participant to discuss a LTBV application. In another case, a real estate agent stayed in touch with tourists after their New Zealand visit. Later, when the tourists returned to New Zealand to explore business and residency options, they used the helpful real estate agent for feedback on potential local business propositions.

As exploratory visits to New Zealand were time constrained, the strategy of identifying an appropriate mentor to provide relevant local information proved very effective. Human capital was needed to recognise potential mentors and develop the relationship by having the social skills to get along well with others. About sixty

percent of the participants sought to establish themselves in regional areas where their talents and resources were appreciated.

6.2.7 Interim decision making during visa processing

I next examine the challenges arising during the interim visa application process period, then some responses to a declined application. After the LTBV application had been submitted, a difficult waiting period followed.

It's quite an involved process. Then there is no guarantee, so you just sit and wait. You go through all the paraphernalia and fill all the forms and everything and it's quite unnerving. You deal with it in your 20s and 30s, but when you are doing it in your 50s there is a certain anxiety to it (GB6F).

This participant experienced the challenging combination of his application being lost, before learning his second application had been rejected. After supplying more information, waiting again, he finally learnt that a visa had been granted. Despite these setbacks, he was still prepared to migrate.

I applied. We put in a business plan. I received a letter saying the application had been received for consideration. After several months I phoned and they said they had lost it. Eventually it was found about a year [later]. They said it would take several months. Then they asked for more information. It didn't end there. I got the extra information and had to keep chasing them as they were very slow. Eventually they said we didn't meet the criteria. I asked how I could appeal. I heard nothing so we made other arrangements. Just before we were going to move [somewhere else], we got a letter to say that we did meet the requirements. It took two and a half years but we got there in 2004 (GB8M).

The visa process itself, in addition to other facets of the application process, required persistence and perseverance to elicit the appropriate advice and continue with the application. These attitudinal characteristics would prove to be significant in the ultimate success of the participants.

Once the applications were submitted, awaiting an official response the participants found stressful because of the uncertainty. Major decisions involving the selling of businesses and houses or preparing them for market were stalled until they knew the result of their visa application. Existing businesses which could not be sold might need to be prepared for a manager, who then had to be recruited and trained. People with school-age children had to decide when to remove them from school and partners needed to give adequate notice to their employers. All these significant decisions were affected by the outcome of their LTBV application. Some commented that the market was not conducive to selling properties or a business in the United Kingdom, a structural factor over which immigrants had little control.

We came over in January 2006, hopeful that while we were here the application would be approved. Meanwhile [in the United Kingdom] I had to find someone to take the business on. [When] we came over I spent two weeks in bed with the flu [as] I'd been working stupid hours [in the UK business] converting [it] from a manufacturing to a trading operation and getting all the stocks up and sourcing all different suppliers. When we went back to the UK in March to get our things together, the person hadn't sold our flats. The person couldn't pay the mortgage and has been caught in the same crunch as everybody else. I would hate to think what would happen if I put my business on the market [as] they are just not selling. There are just far too many of them (GB8M).

We were finding great difficulty in selling the house [about September 2002]. I decided the best thing to do was to get over here and get the LTBV and to fly back and get on with selling the house. Then we'd come over as soon as we'd sold everything up and could come over bodily. That wasn't until about July the following year (GB7M).

These were not inconsiderable structural challenges created by the economic climate which tested the resolve of potential applicants. The following couple were living in New Zealand on their newly developed property while awaiting the decision on their LTBV application:

There was a last minute waiting for permission [the LTBV] because we were wanting to go back to England last July to meet a good travel agent to get on their books [to promote our New Zealand B&B] to help with bookings and we couldn't get permission until quite late on in June, hence we nearly missed last year's travel agents printing of brochures and things. They all come out in July and that's when the English people start to think about coming out to New Zealand for Christmas ... our main peak season. So that was a bit disappointing really (GB3F).

Probably the greatest risk was taken by the family keen to immigrate to New Zealand but the participant had had no success in applying for jobs from the United Kingdom, so:

In May of 2006, we bought our tickets to fly to New Zealand on a Tourist visa. In July 2006 [my wife] put an offer in on an old people's home. We hadn't actually seen it or anything else. It was on the internet. We flew out on 9 August. By 14 August we had bought the house! We had spoken to Immigration. They said, well you can buy a house but you can only live in it nine months in every 18, so that

made things quite interesting. Then we went back to the UK and put together a business plan to run a B&B, backpackers and a restaurant. I resigned without a work permit or visa or anything else [to let us] into New Zealand. My wife resigned from her job. We took the kids out of school. She came back to New Zealand on 17 October, took over the house over on 18 October. Still we had no work permits nothing. I left [work] on 22 December, came over here and in January our LTBV work permits were issued (GB8M).

In this case, frustrated by years of trying to meet the Skilled Migrant requirements, they seized a potential business opportunity located in a rural community. The family visited the site, confirmed the purchase undaunted by the considerable renovations involved then focused their resources and strategies on obtaining a LTBV. This was a risky undertaking but made economic sense because of the travel costs involved for the whole family and the considerable preparation that had been undertaken.

All the applicants persisted in spite of lost applications, setbacks, refusals and uncertain waiting periods. These examples of applicants overcoming their initial obstacles demonstrate their personal *resilience* and *determination* based on their *self-confidence*, *adaptability* and resolve to succeed. The next section analyses these LTBV interviewees' experiences in terms of the different forms of capital.

Meeting the business plan requirements tested the human capital resource of several participants. A few participants who had their plans rejected initially, had found it challenging to identify and describe a particularly distinctive innovative angle for the business that currently was not being offered by a New Zealander or a New Zealand business. Two examples illustrate this:

Initially, I got rejected because my business plan was not as complete as they wanted. So then I went back to the drawing board. It was a lot of work to be honest. I needed a feasibility study, building consent data, a letter from the franchiser showing benefits to New Zealand. It was the hardest thing I've had to do. If I were ever to write an article on how to write a good business plan I'd advise people to pretend that they are moving into a new country. I would never have gone into so much detail if I were planning it [at home]. I really had to have confidence in this company to sell my house [and] move over here. It had to work (US1M).

I did a traditional apprenticeship, so I learnt to do some of the more high quality work and I just thought that I'd be able to carry it on here. I got a letter back saying that they didn't think that my business would benefit New Zealand, so I had to convince them that what I could offer was really of benefit to New Zealand. Long-term business plans and marketing strategies I found pretty hard going. I can't remember how many days I had to take time off work to do market research and I really had to plumb the depths to write something that I thought was convincing (GB2M).

Sadly, events were to prove that Immigration New Zealand's request for a greater market analysis was well founded. This participant did not seek help from any agents or experts, nor did he access a mentor or professional network in New Zealand with regard to changes in the market. He relied instead on his own earlier New Zealand market experience which, unbeknownst to him, had become outdated by free trade agreements enacted during his absence.

6.3 Role of human capital

Different aspects of human capital are revealed in the varying approaches used by the participants to identify business opportunities. Initially, all participants considered their strengths and how these could be applied in New Zealand to establish a business. Some participants were able to transfer both their skills and modus operandi almost directly to New Zealand, while others had to adapt. The following are three examples where the participants were able to transfer their skills and talents across to New Zealand to establish new businesses, or takeover and expand an existing business.

A specialised transport navigation safety engineer operated a successful consultancy in the United Kingdom, which undertook international contracts to provide highly specialised services. New Zealand offered access to the Australasian market, an appropriate standard of education for his teenagers, so he visited to investigate the possibility of migrating. As New Zealand lacked the safety systems his company provided, avoidable accidents had occurred. During two reconnaissance visits to New Zealand, he was encouraged to emigrate by officials in the relevant government ministry who recognised the value of what he could offer. He also arranged meetings with potential clients to assess his market. As a result, he had signed contracts to work on as soon as he arrived. He was able to replicate on a smaller scale, the operation he maintained in the United Kingdom.

The second example involves a New Zealand specialised service provider and a participant from South Africa. Regularly meeting during annual specialised European trade exhibitions, they had developed a mutual respect. To explore migrating to New Zealand, the South African contacted his New Zealand colleague to discuss the

options. The New Zealander's business required a partner with broad range of specialist skills including an understanding of engineering, relevant current technology, product knowledge of equipment made in Europe and Asia, plus knowledge of specialised biological processes and related technology and equipment, in addition to financial capital to expand the company. Unfortunately, NZQA was unable to recognise the participant's range of qualifications and expertise which prevented him entering on a skilled visa. Seeking an alternative, he entered on a LTBV to expand an existing enterprise with his New Zealand partner who recognised the value of the participant's expertise. To ensure there were no operational legacy issues to detract from the partnership, it was agreed to start a new company together. However, the company name was retained to reassure clients of the continuance of its reputation.

A third participant and his wife were both health professionals who sought to replicate their UK health practice in New Zealand. Prior to studying, qualifying and developing his health practice overseas, the applicant had had another successful career in senior management in the insurance industry in Europe. Providing LTBV documentation was straightforward, until the NZQA had to ratify his qualifications and practitioner experience. The NZQA, as it often does where professional qualifications and experience have to be assessed, referred his application to the New Zealand professional organisation involved. Here, it encountered a major obstacle. The participant practiced a recently developed form of chiropractic which had not yet been recognised by the profession in New Zealand. In the United Kingdom recognition for this new chiropractic approach was based on mandatory qualifications comprising theory, clinical and supervised practical experience. In fact, the LTBV participant had overseen the development of the qualifications in the United Kingdom. Despite this,

the lack of recognition by the relevant professional body deprived him of a licence to practice in New Zealand as a qualified chiropractor. Consequently, he had to modify his business plan application to open a ‘therapy’ clinic rather than operate as a chiropractor. This applicant visited New Zealand to identify an attractive location in which to practice, where the climate and lifestyle were appropriate and there was no competition with other practitioners. These are positive examples of strategies and techniques employed to successfully identify business opportunities.

However, application approvals did not run smoothly for everyone. After several years of strategic planning and preparation an Asian applicant discovered at the last moment, that accidental pollution could, under the Resource Management Act, endanger his proposed business. He therefore quickly sought to identify another business opportunity within his field of expertise. He identified three major importers operating in a particular New Zealand market and analysed how he could undercut their prices to enter the market. To get prospective customers’ feedback on his potential project, he identified and met with key potential clients representing a range of ethnicities. Although many were non-committal, a few encouraged him. He seized the opportunity anyway as “entrepreneurs have to be brave and have courage to undertake ventures” (KIM).

Another applicant, whose visa application was initially declined because of incomplete marketing information, had not sought current market information from industry networks to assist with this application. Intending to replicate his earlier business successes, he confidently relied on his previous positive business experience in New Zealand and overseas. He did not seek current marketing information,

assuming he could adjust to changes, so was consequently unaware of how extensively trade agreements had altered the market in his absence.

Human capital in each of these examples is indicated by specialist expertise and in most cases by considerable business acumen demonstrated by the business plan preparation. The level of expertise required varied according to the enterprises undertaken, but in all cases business acumen was required to research effectively then plan strategically to develop an appropriate business case.

6.4 Role of cultural capital

Cultural capital is ubiquitous as its values imbue all transactions, decision-making and strategic planning. Immigrant entrepreneurs are strongly associated with ethnic cultural capital (Aldrich & Waldinger, 1990; Boissevan, et al., 2006; Bourdieu, 1986; Dana, 2007; Iyer & Shapiro, 1999). In this section I provide evidence for aspects of entrepreneurial and affiliate cultural capital embracing professional cultures before examining the effects of institutional cultural capital.

Adaptability was a feature as a third of the participants adapted their knowledge and experience to undertake enterprises different from their previous professions. Examples included a surgeon rescuing a tourist attraction, a web designer launching a horticultural service, a researcher and a lawyer operating separate B&Bs and an engineering manufacturer developing a management franchise. Adaptability is encapsulated by this participant:

I was in the [armed forces] in administration. I've owned a few businesses - Did them up and sold them on. I just like change. I've taken over a newsagent, then started one, then bought into one. I've bought a pub, [and] was a postmaster. I

took over a courier firm that had gone under and brought it back to life. I enjoy doing something different (GB5M).

Another distinctive entrepreneurial disposition of these IWR participants which emerged was their desire to work *autonomously*. As most of the participants had previously owned their own businesses, they did not contemplate becoming an employee. One participant, who made his decisions based upon strong religious beliefs, could not misrepresent his desire to establish his own business by entering New Zealand as a skilled migrant ostensibly seeking employment.

The LTBV holders were also imbued with their *self-confidence* in their ability to solve problems to achieve their objective. Evidence of a determination to overcome obstacles emerged in every interview, illustrating the tacit value of not giving up or quitting. Pride was taken in being professionally thorough and correct which was illustrated by one LTBV holder:

[They] were probably dismayed that when we submitted the business plan there was nothing wrong with it (GB4M).

Even at this early stage of the immigration process, evidence of entrepreneurial characteristics of determination, working autonomously, adaptability and a pride in problem-solving augured well for the challenges they would face in their new environment. The acquisition of these characteristics I attribute to cultural embodiment through *habitus*. Each participant provided examples of a positive, determined attitude without which, they were less likely to succeed in submitting successful applications. Less confident, determined potential applicants might give up when encountering the obstacles described. Although entrepreneurial literature features such attitudinal characteristics, I had not

initially appreciated their strength and ubiquity amongst all the participants in this study. It appears that the LTBV requirements effectively select applicants with entrepreneurial cultural capital, if they have prepared or supervised the applications themselves.

Affiliate cultural capital embraces the concepts of ethnic and professional cultural capital. It facilitates introductions to ethnic and professional networks conferring credibility on unknown new arrivals, particularly those who lack local credentials. Access to networks requires certain levels of credibility which is difficult for new immigrants to develop in a short time. However, by associating or affiliating themselves with ethnic or professional organisations, credible introductions can be acquired which expedite the networking process. While the affiliation role of ethnic cultural capital is well understood in relation to providing access to ethnic immigrant networks (Portes & Sensenbrenner, 1973), I elaborate on its role in relation to professional cultural capital.

The term *professional* used throughout this study is taken to mean a qualified person within a specific occupation or field who is recognised as having skill and experience acquired over time in a particular activity. Their expertise is usually based on academic or formal training qualifications, plus the application of the expertise in compliance with formal guidelines. Expertise may have been acquired through experience prior to the development of formal qualifications, but may be recognised by membership requirements of a professional organisation. Recognition for expertise and credibility is mainly through formal membership of a professional association with established rules regarding membership criteria. Although training and qualifications indicate discrete evidence of human capital, expertise derived from

work experience and ethical practices are more difficult to define. Therefore, membership in relevant professional organisations, which operate strict membership criteria, provides an appropriate indicator of professional credibility. Membership in credible relevant professional organisations signals endorsement of its members' expertise and character.

Such memberships provide valuable *professional* cultural capital for newly arrived, mainly unknown LTBV immigrants who need credibility to enable them to implement their business plans within tight time constraints. I identify *professional* cultural capital as a form of embodied cultural capital, specific to the profession it represents. More than knowledge alone, professional cultural capital includes ethical professional standards of behaviour which members must comply with to retain their membership. While possibly significant to all immigrants, *professional* cultural capital is particularly critical to time constrained LTBV immigrant entrepreneurs who, on arrival have comparatively few connections and networks to vouch for their expertise and integrity. By exploring membership requirements of a professional association during the planning process before arrival, a LTBV applicant may more quickly be able to become associated with their professional association and achieve vital credibility.

The role of professional cultural capital is evident in these three examples, in that they all initiated businesses related to their professional cultural capital. The first, an internationally recognised engineer in a niche sector, identified his market which enabled his professional reputation and contacts to promote him during a preparatory visit. The second applicant's technical knowledge related to a particular beverage sector where his professional knowledge of the culture and needs of the specialised

sector related to his market niche. The expertise of the third couple, respected practising health professionals indicated by the principal participant's service on the executive board of his profession in the UK, was not recognised in New Zealand. The New Zealand profession did not recognise the professional variant practiced by the participant and his wife, so the couple recognised the need to become associated with health professionals in related fields who could professionally endorse their work.

Ethnic cultural capital is important to immigrant entrepreneurs establishing their credibility amongst co-ethnics (Portes & Sensenbrenner, 1993). Similarly, professional cultural capital becomes significant to LTBV participants establishing their credentials amongst co-ethnics. Affiliate cultural capital facilitates access to networked professional social capital for professional immigrants such as engineers, lawyers and health professionals. However, little of this is apparent at the preparation stage where mentors offer a substitute access to networked information.

Institutionalised cultural capital, in the form of academic and professional qualifications, confers official recognition of 'guaranteed competence' on their owners. Those without such recognition of their cultural capital need either to constantly prove it (Bourdieu, 1986) or strategise to overcome it to enable them to function professionally. At least one third of the participants were unsuccessful in having the NZQA, or the specific authorising body, recognise their qualifications or work experience. Lack of recognition not only impinged on their ability to function professionally, it could also potentially depreciate the economic conversion rate or income of their human capital by denying the value of their institutionalised cultural capital.

However, participants found a range of solutions to overcome the lack of recognition, including renaming a service and associating with health professionals espousing similar professional values. Others moved into new fields but linked with peers who recognised the value of their knowledge and skills and thereby by-passed the NZQA credential gatekeeper. Reputation credibility is particularly critical to those establishing a service enterprise. Recognition by a professional organisation, in addition to the recognition of qualifications, confers immediate reputation credibility, which otherwise might take months or years to acquire. Being employers, the participants set their own level of remuneration so a lack of recognition did not reduce their salary.

6.5 Role of social capital

LTVB participants strongly advised potential applicants to visit New Zealand to critically assess the environment for themselves. An important dimension of this reconnaissance is to establish links with local 'experts' who can provide insider information which cannot be downloaded from the internet. Some participants used family connections in New Zealand, despite them not being experts. Other participants were able to identify and target key players who were willing to share their industry insights. Support was provided by local business people providing insights into the local business community. In most cases preparation time was limited (except where applicants already lived in New Zealand on another visa), so potential applicants focused on obtaining sufficient information regarding business opportunities and had little time to develop networks. The willingness of a number of experts to mentor the participants and share valuable information suggests that the participants must have

open, outgoing personalities for people to impart privileged information to them. As part of exploring business opportunities, some participants' used their professional cultural capital to facilitate access to specialised sector networks. These initial forays into professional networks, to identify and evaluate business opportunities, would become critically important at the post-arrival stage.

The rejection of the business plan on the grounds of an inadequate marketing plan did not immediately signify inadequate local market knowledge, as the plan itself may have been flawed. However, such a rejection may well have indicated a lack of access to local information. Two participants suffered from the effects of lack of local market knowledge: one had not appreciated how radically the environment had changed since he had last operated a successful business in New Zealand; the other was distracted by challenges which occurred during his preparation stage, limiting his resources available to prepare his application. He had not established any mentors or network contacts during the preparation stage. While both participants achieved their LTBV indicating adequate information for that purpose, the minimal level of knowledge acquired impacted on their respective businesses in the first nine months after arrival, as explored in the next chapter.

6.6 Role of financial capital

As the immigration policy required that LTBV holders not become a burden on the state, they had to document their access to adequate financial resources to finance their business and support themselves and their dependants until the business became financially viable. In fact, any welfare assistance granted to LTBV holders, their partners or dependent children would negatively affect their application for residence

(New Zealand Immigration Service, 2006). Other preparation costs included funding an exploratory visit to New Zealand, and the costs involved in the preparation of the LTBV application.

6.7 Discussion of forms of capital used

From the examples of symbolic capital used by the participants during the preparation stage, I now focus on identifying the key dimensions of each form of capital using the iterative analytical process discussed in Chapter Five.

6.7.1 Role of human capital

Human capital was essential to identify business opportunity which was an appropriate fit with the applicant's resources. The examples discussed earlier indicated that the participants needed three knowledge dimensions of human capital: specialist knowledge of their industry; knowledge of the market in New Zealand; and business knowledge. Without local social networks, it was essential to ask appropriate questions regarding the market and compliance requirements. For example, the couple who identified a business opportunity on the internet before concluding the sale in person, had already investigated both traffic flows on the nearby highway and potential regional tourist attractions which could be serviced by a new hospitality business. This research was only revealed when the participant was asked to help another immigrant who was struggling with a hospitality business in the region. The LTBV participant commented that he had considered and rejected that business option during his decision making process. Therefore, action that may appear to reflect

impulsive decision-making may, in reality, have resulted from an undisclosed but careful evaluation process which reduced the risk involved.

LTBV applicants needed the ability to evaluate and plan strategically to meet financial and compliance requirements as indicated in Figure 9 *Human Capital*. While most applicants identified business opportunities related to their strengths, a few chose unfamiliar industry sectors, relying on their transferable capabilities to enable them to succeed. In these cases their business knowledge enabled them to function in less specialised situations.

In addition to knowledge, applicants required a range of capabilities to submit a successful application. Although most participants had considerable expertise in their industry sector, they may have lacked a commensurate level of marketing or business expertise. Some applicants recognised and overcame this by employing professionals to complete aspects of the business plan that were beyond their levels of expertise. So self-awareness of strengths and weaknesses was an important capability. Participants with experience of large organisations appeared to have the least difficulty meeting the LTBV requirements. They were able to critically analyse, strategically plan and were comfortable using technology. They understood what was required and were able to supply the information in the appropriate format. Those who did not have this knowledge delivered the requirements by interacting regularly with immigration officials to clarify and seek ongoing feedback on the development of their proposal.

Figure 9 Human capital

Human Capital		
<i>Industry</i> <i>knowledge</i>	<i>Market</i> <i>knowledge</i>	<i>Business</i> <i>Knowledge</i>
<i>Capabilities:</i> <i>Can analyse situations,</i> <i>Can plan strategically,</i> <i>Is self aware,</i>		Can problem solve creatively, Can make effective decisions, Can utilise technology, Can build trusting relationships.

Key More significant at the planning stage

The participants required both the range of human capital capabilities depicted in Figure 9, as well as the three dimensions of knowledge. Evidence of the participants’ knowledge resided in their curriculum vitae and the business plan submitted. The curriculum vitae indicated previous industry and business experience and the business plan disclosed market knowledge. Knowledge of local market conditions and regulation information could be sourced initially through the internet, with supplementary information from mentors and local network connections. However, those who had neither the knowledge nor sought ongoing guidance from Immigration New Zealand officials struggled to meet the LTBV requirements. Immigration officials requested some participants supply more material or to rewrite aspects of their business plan.

Rejected business plans could indicate inadequate human capital. Some participants, who were comfortable and confident in their own area of expertise, struggled with the

marketing requirements of their business plan. Sometimes, creative problem solving was required to justify the unique benefits that the business proposal would offer New Zealand

Creative processing was useful to problem-solve and develop the business plan despite incomplete information. Two examples of participants' creativity included the relabeling of the chiropractic health service and identifying how to undercut an importing cartel by using cheaper import sources. Strategic analysis and planning were particularly associated with the establishment of more complex businesses and were evident in the ability to quickly identify key contacts and elicit relevant market information in an unfamiliar environment.

Although some participants contracted the human capital of agents or professionals to complete the LTBV application documentation to the standard required, they retained control over their applications, so were prepared for the realities of the New Zealand business environment on arrival unlike those who delegated this responsibility (New Zealand Immigration Service, 2002). Although potential LTBV applicants could employ agents to achieve a LTBV, ignorance of the New Zealand business environment could result in them struggling to implement the approved business plan.

These examples demonstrate that human capital is essential at the application stage, unless contractors are paid to complete the documentation. Validated qualifications and experience was required to convince the Immigration New Zealand officials that the applicant had adequate human capital to successfully undertake the proposed venture. Therefore the human capital requirements were an explicit requirement of the LTBV application.

6.7.2 Role of cultural capital: entrepreneurial and affiliate

What started to emerge from the data analysis at the preparation stage is the distinctive entrepreneurial cultural dispositions common to all the participants, whatever their ethnic backgrounds. Most evident was their *self-belief* or *self confidence* in their ability to overcome obstacles. The participants were very *positive* and *optimistic* as they saw themselves able to resolve any issues. Perhaps most significant was the participants' *determination* which motivated them to succeed. Without this determination, the participants' human capital would have been insufficient to succeed. Other characteristic dispositions which emerged from the interview data included *adaptability* and a pride in *problem-solving* to add to the amalgam of entrepreneurial cultural capital. Adaptability was demonstrated by those who had to change or modify their business plans and cope with delays in granting the visa. Optimism was demonstrated by those initially rejected during the process but persisted in the belief of their ultimate success. Participants also adapted when applications were lost or officials provided misinformation, circumstances changed and when qualifications and experience were not acknowledged. The participants apparently relished the challenges of resolving problems as part of the pleasure of undertaking the entrepreneurial journey. This amalgam of characteristic dispositions was consistent amongst all participants, whatever their ethnic culture. Each disposition was essential to enable the participants to respond positively to the uncertainty inherent in the application process.

Evidence of the participants' embodied entrepreneurial cultural capital captured in Figure 10 *Cultural capital: entrepreneurial and affiliate*, is reflected in their responses encapsulating their *self-confidence*, *optimism*, and *determination* (Luthans, et al.,

2007) necessary to resolve challenges at the planning and preparation stage. Those who suffered lost applications and needed to revise their business plans provide evidence of their optimistic and persevering dispositions essential when confronted by doubters, problems and adversity (Luthans, et al., 2007, p. 167; Volery, 2007). Submitting a completed application required effort, skills and knowledge. Only applicants imbued with persistence and determination as part of their entrepreneurial cultural capital were likely to persevere.

Figure 10 Cultural capital: entrepreneurial and affiliate

Cultural Capital	
□ Entrepreneurial	Affiliate: Ethnic & Professional
<p>Characteristic dispositions:</p> <p>Self belief; determination; optimism; adaptability; autonomy; outgoingness; pride in problem-solving; energy.</p>	<p>Ethnic, Professional, Interests</p> <p>Shared values, shared knowledge & language; conformance with behavioural codes.</p>

Key □ More significant at the preparation stage

As earlier discussed in Chapter Two, embodied cultural capital represents participants’ internalised systems of values and beliefs modified by environmental influences, which pervades their thinking and behaviour. Professional cultural capital,

acquired during years of study or apprenticeship, results in a body of knowledge and practice guided by a formal or informal code of practice. Ethnic and professional cultural capital each provides potential affiliated access to networks. Affiliate capital can potentially extend to include special interest networks. I therefore use the term *affiliate* to describe forms of cultural capital derived from ethnic, professional and interest groups which enable immigrants to access distinctive networks. Affiliate connections offer value to new immigrants by initiating trust and credibility. These memberships become more significant at the second LTBV post-arrival stage but can be initiated during the preparation stage.

6.7.3 Role of social capital

At the preparation stage, social capital is essential for three reasons. As indicated in Figure 11 *Social capital*, social capital promotes trust and credibility in the newcomer, facilitating the sharing of information. Most critical to the participants at the preparation stage was obtaining relevant local market and regulatory information as part of the application process. The majority of participants had a friend or relative in New Zealand to consult regarding information for their visa applications. Commonly, relatives were not closely associated with the business, but provided an incentive for migrating.

Participants without New Zealand contacts strategically engaged a mentor who could provide useful information, advice, feedback or moral support in the preparation of visa applications. These participants' personal attributes attracted people to share relevant information with them, which was strategically valuable during time-constrained visits to New Zealand. The participants' culturally influenced social

skills and outgoing natures appeared to attract people to mentor them. As these exchanges were not underpinned by duties of reciprocity or bounded solidarity and as there was no long term commitment by either party, such exchanges relied upon the goodwill of the informant and the personality of the participant. Mentors were a highly efficient information source for LTBV holders, requiring a minimum investment of time and energy.

Figure 11 Social capital

Social Capital		
<i>Trust</i>	<i>Promotion</i>	<i>Information</i>
Credibility	Product or service	Feedback on product/Service
Introductions	Identify new markets	Threats & opportunities;
Performance		Weak ties
Strong ties		

Key □ More significant at the preparation stage

As indicated in Figure 11, an essential dimension of social capital is the establishment of trust through credibility. This is initiated through a respected introduction (affiliate cultural capital), the participants’ actions or performance which enhances their credibility. At the planning and preparation stage, social capital created through the strong ties of existing contacts or the weak ties of mentor substitutes, provided relevant local information regarding the potential threats and opportunities relating to the proposed business. In addition, from the outset, the participants’ outgoingness helped to establish trust and credibility which culminated in information sharing.

The significance of mentors who provided market and compliance advice was evident in the negative consequences suffered by two participants without mentors who suffered the consequences of inadequate information. In stage two in particular, the role of social capital in the promotion and refinement of the product or service will become critical.

6.7.4 Role of financial capital

Adequate financial capital was essential for the participants to not only fund their LTBV business establishment, but also to fund exploratory visits to New Zealand. It supported dependents until the business became sustainable and paid all the associated costs and fees of their LTBV application. In addition, agents, accountants and lawyers could be contracted to provide documentation or critical information for the LTBV application. Participants indicated that they were sensitive to perceived unnecessary costs. All applicants had to demonstrate access to adequate funding to achieve the LTBV so sufficient financial capital was essential for success.

Participants demonstrated creative financial solutions. One serial entrepreneur strategically sought an appropriately skilled and experienced “Kiwi” business partner to help finance the machinery required for his LTBV endeavour. The partnership had clearly demarcated responsibilities for staffing, client relationships and the operation of the specially designed and imported machinery. Each partner operated separate companies from which they divided and shared the profits equally. Other partnerships that participants bought into included a family member’s B&B and a beverage sector company enabling it to expand into the Australian market. Franchises were also seen as a cost effective entry point. It was possible that one participant may have achieved a

reduction on his franchise fee in exchange for contributing his internet technology expertise to enhance the franchise website. All the participants were financially prudent with their resources, wherever possible undertaking work themselves to reduce their costs. The LTBV does not specify a minimum financial requirement, but it was unlikely to be less than \$500,000 (NZIS, 2002).

6.7.5 Analytical frameworks

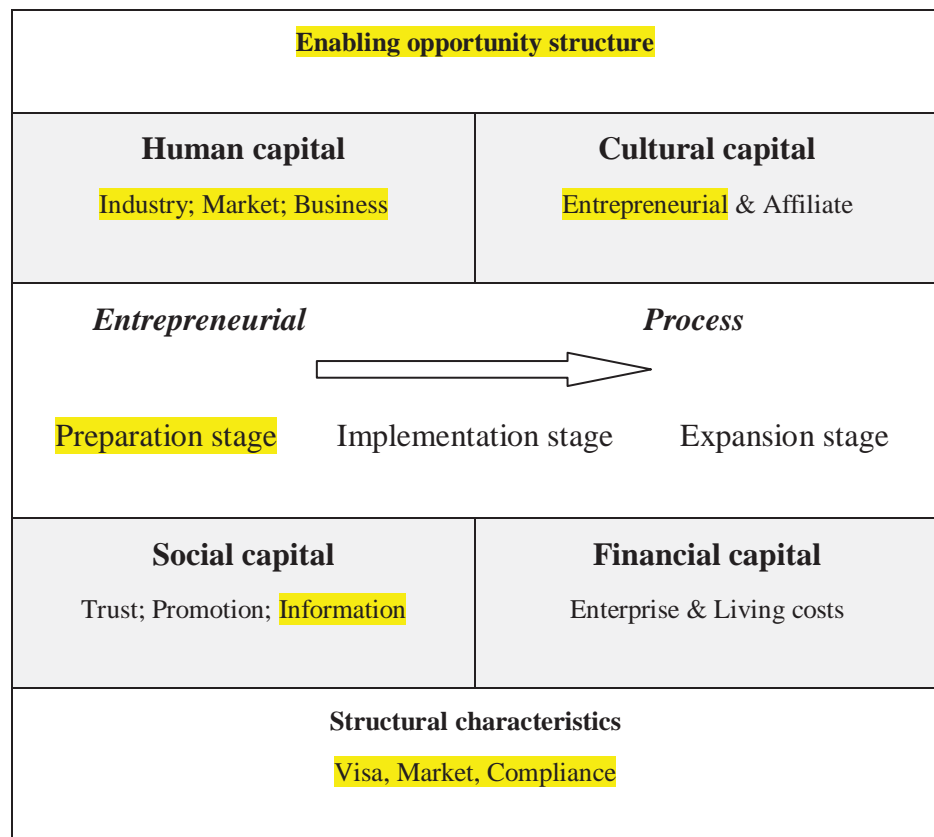
As detailed in Chapter Five, an iterative analysis employed the frameworks to distinguish the dimensions and functions of each form of capital at each stage of the LTB. Bolton and Thompson's (2004) *entrepreneurial process* framework identifies aspects of the planning stage, the significance of social networks and problem-solving. Hill, McGowan and Drummond's (1999) *entrepreneurial marketing network* framework revealed the significance of the lack of participant networks and the disadvantage this created. The *entrepreneurial marketing network* framework revealed the participants' instrumental networking processes at the planning stage through the recruitment of mentors. However, there were no indications in any of the frameworks which identified the value of mentors to potential IWR immigrant entrepreneurs. These frameworks reflect a non-immigrant perspective and may therefore assume local knowledge and connections. Although Volery's (2007) *enhanced interactive* framework reflects an immigrant's perspective by providing a more detailed analysis of the resources required, his three stages do not match the LTBV process, nor specifically identify human, cultural and social capital.

The modified *intentional immigrant entrepreneur process* in Figure 7 better reflects the stages and resources of these intentional immigrant entrepreneurs. It integrates the

functions of human, cultural, social and financial capital throughout the three stages of the business establishment process.

Figure 7 Intentional immigrant entrepreneurial process

(Adapted from Volery, 2007)



Key More significant at the planning stage

The *intentional immigrant entrepreneurial* process in Figure 7 incorporates social, human and cultural capital. It includes ethnic resources under *affiliate* cultural capital which encompass ethnic, professional, or interest-group capital identified in Figure 10. Although the participants predominantly functioned outside ethnic markets, they retained their ethnic connections. Figure 7 also recognises structural considerations such as visa options, market size and regulations.

The *intentional immigrant entrepreneur* process illustrated in Figure 7 incorporates the dimensions of human capital identified in Figure 9, specifically the specialised industry, market and business knowledge. However, the resources required at each stage vary as will be seen in the following chapters. At the planning stage, human capital was necessary to identify business opportunities and their attendant risks. Strategies were then developed to avoid, minimise or overcome the risks. This was demonstrated by the Asian participant who deliberately recruited a local partner with specific capabilities, financial resources and reputation in the industry. He elevated his earlier employee position with his previous employer, by becoming a customer. He recognised both his limitations dealing with customers and staff and his strengths in his overseas connections and familiarity with particular equipment. By recruiting a partner with specific complementary resources, he creatively identified and resolved his establishment obstacles.

Entrepreneurial cultural capital is required at the planning stage to motivate and initiate the LTBV application and the determination to complete and submit the business plan. The strategic development of affiliate cultural capital at the planning stage will provide credible introductions at the second stage. Identifying and seeking appropriate memberships and introductions were strategies employed by the more successful participants. At the planning stage, recruited mentors substitute for friends and family connections identified as the inner zone by Hill et al. (1999).

At least two aspects of social capital identified in Figure 11, developing trust and credibility, plus accessing information are initiated at the planning stage. Participants with longer associations in New Zealand used their networks similarly to non-immigrant entrepreneurs (Hill, McGowan & Drummond, 1999). They had

established social capital derived from networks both in New Zealand and overseas demonstrating the range of participants' connections, from the well-established to those without any local connections.

6.8 Conclusion

This chapter has revealed the symbolic capital dimensions critical to the LTBV application success at the planning and preparation stage. Incidentally, it has exposed the structural filtering effects of the LTBV application requirements. I have identified the significant dimensions of human, cultural and social capital required to obtain a LTBV and influence their ultimate success.

I have provided evidence of embodied entrepreneurial cultural capital as a distinctive motivating factor which energised the participants to resolve LTBV application obstacles. Ubiquitous embodied entrepreneurial cultural dispositions, captured in the language of all the participants, transcended ethnic characteristics. While replacement strategies could substitute for shortfalls of human and social capital, there are no substitutes for the dispositions of *self-belief*, *persistence*, *determination*, *optimism* and an *outgoingness* which exemplified all the LTBV participants. These are distinguishing attributes of intentional immigrant entrepreneurs which facilitate successful LTBV applications.

The transfer and recognition of LTBV participants' qualifications and experience was a significant issue to a number of participants. Even when qualification recognition could not be achieved, the participants were able to circumvent the lack of recognition

by recourse to the LTBV. It appears that the LTBV becomes a default visa option for skilled immigrants who do not qualify for the Skilled Visa.

Aspects of human capital were also essential at the first stage, specifically the required appropriate industry, market, and business knowledge to prepare the plan, unless the task was delegated. Any information gaps needed to be identified and supplementary information sought. A significant difference between human and entrepreneurial cultural capital is that unlike entrepreneurial capital, human capital can be substituted. However, the delegation of application preparation did not occur with the participants in this study although help was sought. The range of human capital detailed in Figure 9 is required to develop detailed business plans, whether for small business, retail or service enterprises through to more complex service deliveries. Knowledge of the industry sector, the market, plus requisite business acumen, facilitates the preparation of an effective business plan, and resource its successful implementation at the second stage.

The significance of networked social capital, as identified in Figure 11, was less significant at the preparation stage than entrepreneurial or human capital. Although local market information was essential, social networks were undeveloped. Instead, participants often relied on replacement information strategies which included the recruitment of mentors to obtain local, sometimes privileged information. Recruitment of appropriate mentors relied on human capital to identify appropriate people, plus the social skills to develop the relationship. Although LTBV holders were astutely aware of the value of networking, which becomes evident in the next chapter, the strategic recruitment of appropriate mentors effectively filled knowledge gaps for the LTBV applicants at this stage. Inadequate knowledge of local conditions could impact on the

granting of a LTBV, as applicants needed to recognise that information from the internet required supplementary local knowledge. The strategic recruitment of local contacts or mentors in lieu of social capital in New Zealand appeared to contribute to greater success and was an effective strategy on a time constrained visit.

Evidence of access to adequate financial capital was essential to meet LTBV requirements. Financial budgeting and projection of business start-up costs rely on informed estimates made at the time of the application. However, New Zealand living costs vary across and within regions, and according to family situations and expectations. Well-informed estimates must be provided, based on realistic time frames for the establishment and the financial returns from the business. Hence, the level of adequate financial capital required to establish a business and support the applicant and their dependants is variable. Applicants' problem-solving often relates to achieving particular ends for a minimal cost by using their full range of capital resources. Recruiting appropriate partners and mentors illustrate this.

As representatives of IWR immigrant entrepreneurs, the LTBV participants provide an indication of the symbolic capital resources required for a successful visa application. If assessing the necessary levels of financial capital is challenging, stipulating the requisite levels of symbolic capital provides an even more contentious issue. Nevertheless, an indication of adequate levels of symbolic capital is significant both to those applying for and those approving LTBV applications. The comparative experiences of the participants revealed different levels of capital resourcing and their consequences, but specifying quantifiable levels remains difficult. The LTBV application requirements would appear to deter potential applicants less determined or motivated. This effect could be perceived positively as it 'selects' well resourced IWR

immigrant entrepreneurs, who can better cope with the rigours of business establishment.

The on-going historical relations between Great Britain, The United States, South Africa and more recently China and Korea may have influenced the migration decisions of the participants. Despite few of the participants having existing networks in New Zealand, a surprising number had friends or family contacts who initially motivated their visit or migration. The influence of these contacts on the participants' decision-making highlights the trends and patterns suggested by the migration systems theory. These connections revealed, that despite the individualistic decision making by the participants, earlier migrants influence current immigrants' decision-making.

Entry barriers did not prevent immigrants from accessing the market mainly because the participants used strategies such as partnerships, franchises or rebranding of the service provided, to ameliorate any structural issues. Whether adequate sustainable financial returns can be received remains unexplored at this point. Although it is unlikely that aspiring applicants solely chose to migrate to New Zealand to become financially wealthy, none wished to become poorer. Although the market opportunity conditions to start a business were mainly open, one case was constrained by the non-accreditation of professional qualifications.

The next chapter analyses how the participants employ symbolic capital in the implementation of their business plans as they move into the most challenging period of their LTBV process. The requirement to open a business within nine months imposes considerable pressures on the LTBV holders to overcome both anticipated and unanticipated obstacles.

Chapter 7 The first nine months

7.1 Introduction

The resources critical to successful intentional well-resourced (IWR) immigrant entrepreneurs are demonstrated by the Long Term Business Visa (LTBV) participants during their intensive nine-month business establishment period. Chapter seven focuses on the defining stage of the LTBV participants. I identify which particular dimensions of human, cultural and social enabled the participants to implement their business plans within this crucible of time. The consequences for unsuccessful LTBV holders unable to implement their business plans and renew their visa for the remaining 27 months or get an extension were to leave New Zealand. Such failures cause financial loss, a loss of confidence and a loss of face, particularly if returning to Asian cultures. Therefore, the LTBV participants' deployment of their capital resources during this intensive, time-constrained stage is highly significant. From the empirical data, I provide examples to illustrate how participants overcame their complex challenges.

As Firkin (2001a) acknowledged, establishing a business is a complex, demanding, multifaceted process for business people operating in a familiar environment. Yet, newly arrived entrepreneurs must function in an unfamiliar business and cultural environment without supportive networks to establish a business within nine months. After reviewing the challenges posed by the conditions of the LTBV, the remaining five sections analyse and discuss the relative and significant influence of the different

forms of capital during this intensive period. Firstly, I identify the human capital strategies employed to overcome obstacles; secondly, the development of social capital through networking strategies; thirdly, the influence of embodied cultural capital; fourthly, the role of financial capital; and finally, the adequacy of the symbolic capital resources.

As described in Chapter Four, LTBV principal applicants received a nine month work permit which required them “to establish and commence the operation of the proposed business in New Zealand” (New Zealand Immigration Service, 2006, s. 31-1). If they had taken “reasonable steps” towards establishing or investing in their business plan business, their visas were extended for the remaining 27 months of their three year visa. To demonstrate “reasonable steps,” supporting documentation was required, such as certificates of incorporation, audited accounts, tax records, property purchases, leases, invoices for business equipment and supplies, or the documented transfer of investment capital to New Zealand through the banking system. Under certain criteria, a maximum of two time extensions could be granted but they were costly, so most participants worked assiduously to achieve the conditions within nine months.

The participants acknowledged that to launch their businesses and create a positive cash-flow within nine months created a significant time pressure which tested their preparation for the situation. Although LTBV holders could change their business proposal for genuine documented reasons, it incurred an extra processing fee (New Zealand Immigration Service, 2006, s. 32-1). Additionally, they still had to demonstrate their access to adequate financial and human capital to implement the plan, specifically, adequate knowledge about the proposed business and the New Zealand business environment (New Zealand Immigration Service, 2006, s 26-1).

7.2 Role of human capital

The following examples show the range and depth of human capital employed to overcome obstacles in order to implement the business plan and open for business as required. An internationally practising consultant confidently described his human capital capabilities:

I'm a natural consultant ... I can talk, I can present, I can go into the High Court and tell them where to go. I can stand up with the [senior official in] New Zealand and tell him what I think and they're stuck because I know more than them. All these things make me sound very big-headed, but I was also in the UK almost like a road-block. We got into this position where we were a big one-man band and if I didn't bring somebody else on and get out of the way, it wouldn't expand any more (GB4M).

This niche consultant was aware that his personal dominance may have suppressed the growth of his United Kingdom consultancy. His migration, therefore, enabled other consultants in his practice to expand their talents while he developed a new business in Australasia. Underpinning this self-description of his human capital is his embodied entrepreneurial cultural capital evident in his self-confidence, self-awareness and implied ability to successfully adapt to a new environment. These unarticulated dispositions I inferred from his attitude, rationale and intentions.

I examine how the LTBV participants used human capital to strategically implement business partnerships, modify business plans, minimise costs and undertake continuous product improvement. The advantages and perils of the participants' various tactics are explored to demonstrate the significance of their human capital expertise. Buying an existing business, a franchise, or finding a local partner

strategically enabled participants to swiftly implement a business plan to open (or remain open) for business.

7.2.1 Implementing a business partnership

Buying an existing business or finding a New Zealand partner was an attractive proposition to meet the LTBV requirements. Negotiating a New Zealand partnership facilitated the timely opening of the business but was not without risk. Partnership and ownership transactions, if not judiciously managed, could result in litigation. One of the four participants, who purchased a business partnership, ensured the newly created legal company entity was fully documented. From the customers' perspective, the existing highly reputable company appeared unchanged. The new partnership retained the original name but, with added financial and human capital, was able to expand into Australia:

What both my business partner and I did [was] we bought all the assets and the goodwill out of his company that he had and registered a complete new company. After years of being in business, one sort of becomes a little bit more cautious and the approach is slightly different (SA1M).

This prudent approach ensured that an effective business partnership relationship was established at the outset by thorough attention to detail. This participant's unique combination of qualifications and industry experience could not be recognised by the New Zealand Qualifications Authority (NZQA) which had prevented him entering New Zealand on a Skilled Visa. Fortunately, his industry knowledge, skills and expertise were recognised and valued in New Zealand by his partner and customers, so he could fully transfer his human capital:

That was the beauty of this whole transaction. My business partner was doing exactly the same as I was in [Africa] with exactly the same suppliers, so nothing has changed. I haven't changed any of the product. My product knowledge was fully retained and I could basically just transfer it over here to New Zealand and [continue to order] the majority of the equipment from Italy and France (SA1M).

However, not all business purchases were as professionally conducted. Despite being experienced in buying and selling small businesses in the United Kingdom, another participant incurred disputes which arose from incomplete purchase documentation of a business bought from a "friend". Similar mistakes were repeated when the business was on-sold to another "friend" whom the LTBV participant took to the disputes tribunal:

The lesson is not to deal with friends. When you are dealing with friends you tend not to do it the correct business way. The lady who bought the lease from me wanted to move in quickly. I said we will sign the paperwork later on and that's where you get into trouble (GB5M).

These contrasting experiences illustrate the different approaches taken to business transactions. The first participant demonstrated business acumen in his more cautious, legal approach, while the second, also an experienced participant, tended "not to do it the correct business way" (GB5M). In the former case, a meticulous functional approach avoided disputes and enhanced the on-going business relationship. By contrast, the second less formal approach created a business problem and damaged a relationship and potentially the participant's reputation in a region of New Zealand. Recognising and following the formal procedures required in regards to commercial transactions demonstrates business acumen. Not following correct procedures

potentially creates expensive problems and indicates limited business expertise, particularly when they have previously traded a number of businesses.

A third participant joined her sibling's bed and breakfast (B&B) business. Previously a director of an overseas research company, she was looking forward to easing into retirement in New Zealand, supported by an adequate income to sustain a modest lifestyle. A fourth participant became a reluctant angel investor to save a unique, but financially threatened, tourist attraction. Touring New Zealand in his retirement, he was enticed to rescue a local tourist attraction from closure by initially investing in it. He was persuaded to subsequently buy it in order to revive and upgrade it to make it financially viable to enable another couple to operate it. Neither of these entrepreneurs sought to create wealth per se, although coming from successful business backgrounds neither intended to lose money. Neither drew directly upon their own fields of expertise, relying instead upon their transferable skills to operate their new ventures. Each business was acquired as a means to an end: one to obtain residence, the other to prevent the closure of a tourist attraction. Their nominated businesses enabled the transfer of specialist human capital to New Zealand from their previous successful business and professional careers.

A fifth Asian participant used his human capital to create a specific business partnership. Unlike most of the participants, he was familiar with the local business environment. For nearly a decade on a business visa, he had established then operated a New Zealand branch for an overseas company. When his teenage daughter agreed to migrate, he used the LTBV to bring his family to New Zealand. Highly strategic, he sought a suitable "Kiwi" New Zealand partner with specific expertise, finance and an established professional reputation in the local building market to enable their new

company to quickly enter the market. The participant renegotiated his relationship with his previous employer, an overseas manufacturing company, to refine and import specialised building equipment for his new business. His New Zealand partner hired and managed his own staff, relieving the participant of any responsibilities in this area. This partnership arrangement recognised the participant's limited fluency in English, a lack of contacts in the local building sector and limited finance. Crucially, his New Zealand partner negotiated with staff and clients, was well connected within the industry and brought finance to the business. When the participant was asked whether he saw the partnership as a risky business, he replied:

No. I knew my business and the market. I also knew the [lifestyle] here. Just change the visa. After I establish the company, I will learn the main thing about how to contact the Inland Revenue, pay the taxes, the PAYE, the GST, the annual returns (C1M).

This LTBV participant clearly demonstrated that he recognised the risks involved. By strategically recruiting a New Zealand partner, then establishing clearly defined business boundaries, he successfully maximised his expertise and relationships while minimising his risk. This demonstrates both a high level of business acumen and embodied entrepreneurial cultural capital.

7.2.2 Modifying business plans

Changing a business plan was possible but was conditional and incurred undesirable extra expense. In three cases, major unanticipated obstacles occurred, requiring business plan modification. In one case, newly discovered regulatory information negated the viability of an original plan; in the second case, plans to purchase a New

Zealand manufacturing company were thwarted when it was bought by a multi-national; and in the third case, the LTBV participant was unaware that trade agreements had over time, radically modified the New Zealand market. Human capital was evident in the swift, strategic decision-making underpinning these changes.

In the first case, despite long-term strategic preparations, which included moving the participant's family to a third country to learn English prior to migrating to New Zealand, the belated discovery of pollution penalties under the Resource Management Act revealed that accidental non-compliance might potentially lead to bankruptcy. The participant rapidly reconsidered his plans. Despite having invested several years preparing to migrate to New Zealand, once the participant recognised the significant risk, he immediately refocused on identifying an alternative business. He drew on his expertise of the South East Asian fish market to identify a new niche business opportunity. Swiftly, despite his newness to the New Zealand market, he identified and visited key wholesalers, retailers and restaurateurs to seek their feedback on his proposal.

We should have an open mind to start a business I think. I discussed with plenty of guys. Some guys said it is impossible in Auckland [as] it is a very small city, a small market, not easy. Some guys said, "Ok it is your option". Some guys said, "Hey it's not easy". Just one or two guys said, "Perhaps you can do that. You can be successful" (K1M).

The participant sought to undercut the dominant market importers of a specialised product which catered for New Zealand's South East Asian market. He consulted with relevant Korean, Chinese and Indian business people on his business proposal. The feedback and his own optimistic, confident attitude enabled him to speedily implement

the new business plan. This businessman's expertise and acumen had developed not only from his education but also his experience of operating in several overseas markets before migrating to New Zealand.

A second participant confronted consecutive external obstacles. First, the global recession meant his United Kingdom business remained unsold. Next, the New Zealand manufacturing company he planned to purchase was sold to someone else. Consequently, he speedily revised his business plan to purchase a consulting franchise to "avoid having to put together the [business] plan from scratch" (GBM9). He exhausted himself transforming his unsold engineering business to a distribution business then recruiting a manager to run it. On his arrival in New Zealand:

I got the flu. I couldn't stand up. I spent two weeks in bed. I'd been working stupid hours as I had been converting from a manufacturing to a trading operation and getting all the stocks up and sourcing all different suppliers. My work rate went right up (GB9M).

Upon his recovery, he began networking for his franchised consultancy, before learning that his United Kingdom manager had become too ill to temporarily manage the UK business. Consequently, the participant resumed managing his company in the UK from New Zealand, diverting energy and attention from his nascent consultancy. Furthermore, his minimal visa business preparation hampered his implementation efforts. Despite these obstacles, this participant's persistence, determination and resourcefulness of his embodied entrepreneurial dispositions, helped to overcome the barriers he encountered. To enable the original migration timetable to be maintained, opting for a franchise in the circumstances appeared to be strategically effective. However, he was possibly the least well prepared of the LTBV participants. His

business plan preparation had suffered from a major, hasty revision and his reliance upon the franchise to provide resources was misplaced. In addition, his UK business absorbed considerable energy.

The third example of changed conditions involved the participant discussed in the previous chapter, who discovered that free trade agreements had virtually eliminated the New Zealand furniture manufacturing sector in which his specialist skills lay. After completing his trade apprenticeship then operating his own businesses in New Zealand, the United Kingdom and the United States, this participant was confident he could re-establish a business for himself and his family in New Zealand. Despite the revision of his marketing plan requested by Immigration New Zealand before his LTBV was granted, he remained unaware of the extent of changes to his sector's market conditions. As he later acknowledged:

I knew a little bit [about the effects] that foreign imports had [but] I was just so determined and so confident (GB2M).

This confidence was misplaced. After his arrival, he replicated the range of previously effective marketing techniques employed in both New Zealand and overseas. Despite positive feedback directly from the public and on his website from his tradeshow exhibitions and other marketing initiatives, no orders eventuated. The need to support a young family added to the pressure of establishing an income. On the brink of capitulating and reluctantly accepting work on a production line which required a change to a work visa, he was reprieved by a New Zealand manufacturing company who contracted his services. This participant had felt considerably pressured by his visa requirements, his commitments to his young family and his own desire to work independently. Despite the significant duress which tested his optimism and

determination, his focus on quality workmanship never wavered nor his belief in himself, demonstrating aspects of embodied entrepreneurial cultural capital in addition to his human capital. His marketing techniques included an article in the local paper highlighting his exhibition at a tradeshow, a display in a department store, pitching to interior designers and developing his website. Unfortunately, it transpired that his products had become too expensive for a market accustomed to cheaper imports in preference to hand-crafted, native timber furniture.

7.2.3 Minimising costs

Finding ways to minimise costs was a distinctive feature at stage two of the LTBV process. The participants demonstrated a broad range of capabilities as they undertook much preparation work themselves. Web design, design engineering and renovation skills were three examples of expertise deployed by the participants to enhance their marketing, or the creation of their product or services. A web designer, who purchased a landscaping franchised business, was appointed the marketing and creative director of the whole franchise. He redesigned the franchise website which led to the company's growth in franchises. While not explicitly stated, this LTBV participant may have reduced his franchise purchase price in return for his internet skills as he commented, "They took a risk with me" (US\$1M). Originally, school-friends overseas, the participant and the franchise owners utilised the participant's web design skills for mutual benefit.

Prior to emigrating to New Zealand, a second participant designed, built and shipped the essential equipment required to dry a specialty food he planned to process and distribute through the internet, both within New Zealand and overseas. On arrival in

New Zealand, he drew on his electrical skills to install the equipment to meet New Zealand standards. While under considerable pressure to prepare his newly acquired business premises before the arrival of his imported food drying equipment, he discovered he had to comply with New Zealand hygiene standards. Although confident he could do the plumbing and electrical wiring with his engineering skills, he was not qualified to certify his work. With deadlines to meet, he required a certified tradesperson willing to complete the work almost immediately. Through ethnic networks, he found a fully registered plumber and electrician which enabled his deadlines to be met and the work certified. Preparation of his newly located premises in time for the arrival of the equipment shipment involved painting, wiring and plumbing:

We did the floor, ... the whole ceiling, ... all the lights and everything, luckily just before the container got here ... We got here on the 2nd of February and we opened [for business] on 25th March. We worked day and night, my daughter and I. The bloke came in and did the floor. I did all the painting. My daughter helped with the mixing (SA2M).

This was the same person who, before he had emigrated, was questioned by some family members regarding his energy levels to start a new business.

A third LTBV participant, also rushing to open his business, undertook extensive renovations of large grounds and buildings he bought for his backpackers and restaurant business. Using a broad range of building skills informally acquired and working closely with local tradesmen, he completed the work in two months (GB8M).

It took us two months from the start, 28 February to 26 April to get the restaurant open. ... We moved 20 tons of foliage and dead trees ... we converted six or seven

bedrooms into en suites, we had it all decorated and up and running ... on 19 April we were doing a practice run regarding food on 80 locals (GB8M).

This was the participant mentioned in Chapter Five who had flown his family to New Zealand for the first time and, within four days of arrival, confirmed the purchase of a provincial property previously seen only on the internet. They returned to the United Kingdom to prepare a business plan for a bed and breakfast backpackers and a restaurant for their LTBV application and the move to New Zealand.

The first three months [it was hard] getting to understand the differences in New Zealand [regulatory] policy. In UK policy regarding construction work, electrical work, plumbing, I could do it, but here I need to have it checked by the professional, whereas in the UK you can just go and do your own electrical work, your own plumbing, your own building work. We had been recommended a local builder and he was absolutely brilliant. I can't fault him. The electrician was a local guy. He was fantastic and our plumber was brilliant. I put all the kitchen together (GB8M).

This versatile participant had been refused a skilled work visa to enter New Zealand as his chef skills were considered dated. His broad suite of experience, knowledge and skills, not only in prepared and launched his business, but also contributed to the local voluntary fire brigade, exemplify the range of skills utilised by the participants.

A British participant promoted her region's tourist attractions to promote her own up-market B&B in combination with other local budget accommodation options to her international connections. She pleased tour operators when she visited in England and Australia by the range of accommodation she offered their clients. The participant's

regional promotion overseas was appreciated by the local New Zealand tourist promotion manager, which enhanced her local reputation.

During the early 2000s, trades-people in New Zealand could seldom undertake work immediately for new customers. Therefore, the ability of those participants who could persuade trades-people to prioritise the participants' work contributed to their success. It is possible that a high level of respect operated in each case, particularly in the case of the person in his seventies, energetically wiring, concreting and painting his premises in time for the arrival of his equipment.

7.2.4 Continuous product improvement

While diverse human capital minimised establishment costs, it also enhanced the quality of their service or product. Participants outperformed their competition by achieving higher standards, quality or innovations to enhance their service or product. This competitive attitude is exemplified in the following comments by a participant who recognised that her reputation would be promulgated by word of mouth or viral marketing in a comparatively small market:

Word of mouth is huge here, so we make sure we do a really good job for our clients and we always finish the customer's website with a satisfaction survey and we sneakily word it so they have to give us a nice testimonial. We find that really helps. Our referral rate is pretty big ... Coming here everybody knows you. That makes the time you spend valuable. Its worthwhile taking the time as it is part of your investment (GB1F).

Prior to migrating to New Zealand, another participant had established dominance in the dried food sector in his country of origin by developing a popular proprietary spice

flavour. To establish his business in the New Zealand, he brought this proprietary spice flavour to New Zealand.

When we started this [food] business in [country of origin], there were nine butchers doing exactly what we were doing and within two years we were the biggest seller ... Everyone wanted to know how we did it ... I wanted my own spice flavour. It cost me over a million rand (about NZ\$200,000) to be able to do it and it was a two-year thing, but at the end we were the top sellers (SA2M).

Self-belief in the quality of the product or service provided was characteristic of these IWR intentional immigrants, as exemplified by the participant forced to revise his business plan to focus on importing fish from South East Asia. By studying, then implementing how to undercut the competition, the LTBV participant had successfully reduced the price of a particular imported fish product by 30 percent and claimed he had no competitors within New Zealand.

These examples demonstrate the considerable pride the participants took in the standard or quality of their service or product. To be competitive or obtain a service advantage, each participant elicited and considered suggestions for improvements from staff and customers. The inflexibility of his competitors to respond to customer needs in the building equipment sector was noted by one participant. Equipment imported from Asia was designed for large building sites where it functioned 24 hours a day for several weeks. But, in New Zealand, the equipment needed to be flexible, smaller and portable to enable it to service three different building sites within 24 hours, yet retain a high standard of product delivery. In contrast to his competitors, this participant elicited suggestions made by the equipment operators in order to modify his imported equipment to fit New Zealand and Australian requirements.

The first [equipment] was too big so we had to modify it. So I gave ideas to the manufacturer to modify it. Make a smaller model, good for the trailer, follows New Zealand standards ... the vehicle must meet the checks for land transport ... Contacting the [manufacturers] by phone, email or fax is not clear, even in the same language. The [equipment] still has faults. [The people operating the equipment in New Zealand] show me what is wrong. I take lots of photos to show the manufacturers exactly what we need. They put them on to the computer to show the engineer what we need in New Zealand. Then they make the [equipment] better and smaller, good for New Zealand, Australia. Very flexible (C1M).

This participant incorporated operators' feedback to improve equipment modifications when ordering new machinery which, he claimed, provided his company with a competitive edge in the Australasian marketplace. Responsiveness includes ongoing monitoring and improving of product or processes:

Your employees are people and they make suggestions and I listen to them. They don't know it, but if they make suggestions I have got an ear to listen to all criticism and all that and I keep the good things and I try the ones that will make a difference. (SA2M).

These examples typify both the entrepreneurial cultural attitude of the participants and their human capital during the process of implementing their business plans. A high level of responsiveness and openness to feedback signals to staff and clients a willingness of participants to adapt. Such experiences illustrate how dimensions of human capital, in combination with entrepreneurial dispositions, overcame a range of obstacles, enabling the participants to implement their business plans. Despite the diversity of participant backgrounds and settlement contexts, the participants'

experiences undergoing the same business establishment process provided insights into their deployment of human capital. Next, I examine the deployment of social capital, highly significant during the establishment of the business, particularly in relation to the development of trust and credibility in the marketing of the business.

7.3 Role of social capital

One of the major challenges to the participants was to achieve credibility as quickly as possible post-arrival. Unknown in their adopted communities, the participants had to speedily establish their reputations to promote their goods or services. All the participants recognised the cost effectiveness and value of networked social capital to establish trust. Credibility was facilitated by affiliate cultural capital bestowed by both ethnic connections and professional memberships, which helped provide access to networks.

Networking was the process used by the participants to introduce themselves and their service to members of the local business community, including potential clients, usually at business functions appropriate for that purpose. Networking is a two-way process during which the participants also learnt about the needs of the community and the services offered by their competitors. It enabled the participants to promote themselves and their reputation, while simultaneously obtaining feedback on potential customers' requirements. Particularly when the participants were unknown, the networking process requires self-belief and the ability to succinctly articulate one's expertise and services, while actively listening for significant information. As networking is a trust-building process, first impressions are important and are assisted

by introductions which increase acceptance. Credibility is enhanced by positive experiences relayed by word of mouth from reliable sources.

7.3.1 Networks for marketing

Participants networked instrumentally, targeting particular groups to develop significant business relationships while identifying potential markets. In addition, networking helped to gain market information while also identifying appropriate professionals to employ. During the first nine months, the participants were challenged to make the best investment of their scarce time and social resources in order to achieve their short and longer term goals. Ultimately, networked social capital could mutually benefit the participant and their community as the participants started to make local contributions.

Examples from the experience of four participants demonstrate the deliberate instrumental networking strategies employed for marketing purposes. The first was a participant who creatively employed promotional networking strategies for his new restaurant. He effectively combined a series of managed events including venue promotion, service refinement and networking processes, in order to refine his menu and kitchen procedures. He targeted specific potential customers to trial the menu and service for free, in return for explicit feedback and the incidental promotion of the restaurant by word of mouth within the provincial community. This participant deliberately selected individuals from the community's diverse networks plus those who had been involved in the restaurant's development to affirm their relationship and reward their involvement, encouraging them to promote the restaurant.

We were doing a practice run regarding the food on 80 locals which we like to do. We said, we'll start off with 12, then we did 16, then we did 32 ... They got a free meal, brought their own drinks, but we gave them a little questionnaire to fill in, tick the box and say thanks very much enjoyed that, didn't enjoy that, had to wait too long, kids meal too big, adult meal too small and that sort of thing and we knew we could improve it. It cost us a couple of thousand dollars but in the long run it set us up to cook for the customers and refine the layout of the kitchen and know how to look after them when they came in. It worked really, really well. You're better off to make a mistake when someone is getting a free meal than when they are paying for it ... There are 420 people in our [township] and about 180-kids. We got a good third of that whole population into the restaurant and they were people who we'd met who either worked on the property previously, or did something within the community. There was a mixture, farmers, workers, dairy farmers, sheep farmers, firemen, local health people, nurses, doctors, pulled them all in and they came in with their kids (GB8M).

This effective promotional strategy created a several month honeymoon period during which this participant always had customers. Motivated to meet his business goals by his entrepreneurial cultural capital, this participant strategically exploited his range of human capital while effectively developing his networked social capital.

The second example of the deliberate development of credibility is the chiropractor participant who had been declined recognition of his qualification. Relabelled as a health therapist but without a professional title he needed to achieve credibility for the efficacy of his treatments. The participant systematically combined personal introductions to doctors and other health professionals, presentations to local groups, plus newspaper advertising in the giveaway and regular papers to promote his therapy

and establish his credentials. Additionally, a recreational local golf club membership helped introduce him to the community. Referrals from local health professionals promoted an awareness of and credibility in his therapy.

We advertised in the press [but only] the free ones produced [results] every time we advertised. They produced enough patients so that at first it would pay for the cost of the advert [My new service] was something totally off the wall, something they had never heard of before. We had to go round and talk to groups. We talked to the local Lions for example. We joined them and gave a talk to them. We talked to a local reflexology group. We talked to lots of people. We actually exchanged treatments with a number of other therapists too so they could see what we do (GB7M).

This participant and his practitioner wife had carefully chosen their location both for lifestyle and the lack of competition. He recognised the difficulties local people might have understanding what his therapy offered, in addition to the challenges of networking and marketing across a provincial region. By recognising his location's marketing challenges, he used dispersed networks to promote their therapy throughout a large regional area. Fortunately, the local networks proved both cost effective and credible.

By contrast, a third participant found it difficult initially to launch a landscaping franchise in a new region. He knew nobody in the district, nor did anyone know him or his product so he needed to find a way to promote its installation and promotion.

Think about it. A [foreigner] rolls into a small town with a [new] machine and stuff and these guys are like, "Who's this guy?" What's he up to? We don't need that!" So the odds were definitely stacked against me. I approached a [major]

builder [in the area] and told them, “Look, you guys will be the first builder on board with me and I’ll give you a 12 month contract and a set fixed rate”. So they took me on board and once I got them, everything else fell into place. Well, basically, for my most successful form of marketing I put a sign up and if it is a really nice [example] I just ask the client if it is ok if I have a sign up and most people say, “ Yeah, that’s fine”. So you drive around the waterways and you see nice [houses] with my signs and that’s I think the best form of marketing I have. ... (US1M).

His completed landscaping contracts became highly visible, highlighting the contrast in quality between his product and his competitors’. He selected the best promotional sites, obtained the home owner’s consent then displayed his sign and product directly to potential customers. Through the internet, he had researched the number of building permits issued so knew the market potential. He exemplified how the participants, who were introducing a new service to the community, had to make the market aware of its potential. Strategies were required to first self-promote then out-compete existing competitors with established reputations as the fourth participant explains:

My two largest competitors [had become] well known in the community over the last ten years, so it was quite difficult to break through and get our first customers. [My major problem was] competing in the marketplace because my face wasn’t known out there. The first year was pretty slow (GB1F).

After identifying gaps in the search engine marketing field, this participant networked methodically to develop a portfolio of satisfied customers which helped her to establish her reputation and grow her business. She used direct marketing to target potential clients, creating an online portfolio of positive comments. Networking was critical as she describes her early experiences:

Despite all my efforts it takes a long time to get to page one in Google ... A lot of it is networking, just getting myself out there. My partner is already here as a Kiwi and I used his contacts. I just got myself out there. I'm not a shy kind of person. I joined the Chamber of Commerce immediately. I tried other networking groups [like] the BNI [Business Network Incorporated] but it didn't suit me – too early mornings. Business Women's network we have here. It's good but I haven't had any customers [from it]. I have a lot from SOS Now [Online Business Directory, Business Search New Zealand], but not initially. It has been good for prospects and finding out businesses and who is who ... Our first customers came from direct marketing. I nailed [those] whom I thought were good prospects that I was interested in doing websites for and followed up with face to face meetings. They were all little local businesses and they are still with us now. They are tiny compared to the contracts we are taking in now. The important thing was building up a portfolio on line so it looked like we had customers. I was buying the business. [I] cut the prices and just wanted to get the jobs done. Clients you have in at that point got very good value (GB1F).

Her successful strategy was to initially identify and procure particular small business customers in order to provide credentials to attract larger clients. She described this as “buying the business” as her early customers were serviced by ‘subsidised’ fees to enable a portfolio of satisfied customers and their comments to be visible on line. This participant's networking experiences illustrate the dilemma of newly arrived IWR immigrant entrepreneurs who need to focus on establishing their business, while balancing and refining their networking-marketing demands. It is necessary to explore networking options without knowing what rewards they might bring. Network participation may strengthen awareness and reputation of the newly arrived participant and their business, but not lead directly to sales or contracts. Balancing time and

energy was critical during this nine-month period so the participants had to prioritise networking that produced immediate results.

7.3.2 Significant business relationships

In the early stages of developing networks, to provide social capital significant business relationships, usually the mentors, partners or others related to the business, assisted the participants. Mentors, significant during the pre-migration stage to access local knowledge and identify potential obstacles, remained an important source of information and guidance post-arrival. Some mentors became business partners. Others acted in a more informal capacity:

To find a place wasn't difficult ... When I first came over in 2001 I was talking to this guy in real estate asking about business. While I was in the UK he kept constantly updating me which I thought was brilliant ... Since then he has stayed in touch and he has handled all our business since then. He has helped me with anything since then. When I got here I went straight into his office. We had to start a business before December. If I pop around for a chat he'll answer my questions. If I've got anything going I'll go to him for a chat (GB5M).

Typically, the participants appeared to be effective at recruiting and retaining helpful relationships. Some are specific about their ability to approach people and communicate effectively, for example:

We made contacts quite quickly. We made some friends here and [got] a lot of information and assistance from friends ... [Professionally] there's a suspicion of the outsider and the outsider telling the Kiwi what to do, which you have to get around (GB4M).

This participant was aware that there were barriers he needed to surmount. In his area of transport safety, New Zealand was apparently behind international standards, but there was some resistance to the services that he offered. However, a significant mentor mitigated the resistance. His mentor not only recognised the value of the technology the participant was introducing to New Zealand, but was also in a position to influence its uptake and application. The mentor facilitated introductions to key people in the industry endorsing the participant's credibility.

The value of the synergy of various forms of capital was demonstrated by the experience of a participant who had been in New Zealand for about ten days. Unexpectedly forced to find and acquire premises under a considerable time pressure, he did so, only to discover that he was prevented from accessing essential finance by his immigrant status. Consequently, his approaches to finance institutions had been rebuffed. Informed of the participant's very difficult situation, his only ethnic connection used his networks to alert a senior banking official to the participant's situation. After examining the participant's history of business ownership and his financial documentation, his mortgage was approved much to the participant's relief. This example illustrates the synergy of different forms of capital. Affiliate cultural capital obtained an introduction to networked social capital which identified the bank official as potentially able to provide a solution. The participant's human and financial capital evident from his business history, business plan and his financial documentation reinforced the participant's credibility initiated through his introduction to the bank officials. The institutional cultural capital of the bank defined the parameters for lending. This participant offered a potentially attractive long-term financial relationship for the bank which included the business relationships with the

participant's adult migrant children. However, without a credible introduction, the loan may never have been made.

7.3.3 Finding appropriate professionals

As LTBV participants set their own high standards of delivery of goods and services they demanded similar standards of those who serviced their professional needs. The participants needed to engage suitable, reliable accountants, lawyers and bankers. However, finding suitable professionals with similarly high standards in a new country was sometimes a challenge. Social capital derived from networks also provided information regarding appropriate professionals. Two participants who sought recommendations from their ethnic communities regarding the services of professionals appeared satisfied with the results.

We learnt quickly from [others] who was the best lawyer. If you are an entrepreneur you must find a banker which I did just about overnight, you must have a good lawyer and proper accountants or auditors. You must sort them out very quickly. Two of them I got through [our ethnic] community, the banker and the lawyer. We use [an ethnic] accountant who was just starting off. He had a small little office just here (SA2M).

Similarly, when preparing the LTBV application in order to migrate his family to New Zealand, another participant drew on an immigration consultant from the New Zealand Chinese Association, from where he also recruited his lawyer and his Chinese Malaysian accountant, who operated in a multicultural practice where English was predominantly spoken. However, for one participant who deliberately avoided her ex-patriot community, difficulties arose:

Initially our accountant was very helpful. She subsequently wasn't so helpful so we have changed accountants. We did have a really good bank manager for a while. He has since moved on and since then they have given us really bad advice so we have changed our banks. We have been through lawyers too. We are on our fourth lawyer. The reason we think is that we are a fairly small business and we felt like we were being passed over. Whenever we have something that needs attention it takes ages and it's delayed us doing what we want to do. [For example] ... we re-mortgaged our property - it took him two months to do the conveyancing and we lost the mortgage rate. So we have changed lawyers and I'm pretty disillusioned, although we seem to have a good one now. Only the first accountant was helpful (GB1F).

This participant deliberately chose not to associate with her British ethnic community and focused instead on developing networks within the mainstream business community. This participant declined invitations to socialise with those from her country of origin, choosing instead to socialise with 'Kiwis' as "I am not the kind that would go into a clique of [my own] people" (GB1F). This appears to have been effective for client recruitment but she may have bypassed helpful advice regarding more supportive professionals. She reflected,

Maybe if I had joined the [ethnic] community it might have been useful. I may have found out the answers from previous immigrants which might have been useful (GB1F).

7.3.4 Developing professional networks.

Professional networks include those associated with membership in a particular profession, such as medical, accounting, or engineering associations. These require a

certain body of knowledge or human capital indicated by qualifications and adherence to professional rules of conduct. Such memberships may also offer connections with those in the same industry sector, but not necessarily the same profession, such as the building, transport, or health sectors which embrace a range of professionals. Other business organisational networks may be formal, such as the Employers and Manufacturers Association or the Chambers of Commerce which business people may join. Associations may be formally organised or loosely based on interests, sports, ethnicity, even intercultural relationship building, such as the Asia:NZ Foundation. Even networks based on shared interests or background experiences may be influential and offer new opportunities.

Professional associations provide a number of social capital benefits to immigrants. Membership endorses the credibility and standing of immigrants and provides a technical lingua franca, code of conduct and access to relevant business networks. All the participants recognised professional associations were essential to establish both their reputations and credibility while promoting their new businesses at this time compressed stage. This section illustrates the process and outcomes of networks accessed by five of the participants. The experience of the participant whose professional health accreditation was withheld has already illustrated this. To achieve professional standing without chiropractic accreditation, he networked with other health professionals, including a naturopath, an acupuncturist, homeopaths, a lactation consultant and local doctors. He offered to exchange treatments with them to provide an understanding of his health therapy. This open collaborative approach with other health professionals promoted awareness and confidence in his health therapy.

We actually got out and spread ourselves around and talked to a lot of people about what we did and how we did it. Once we got a small flow of people coming, they brought their wives, husbands and children and so on. It just escalated from there ... We had another big boost [as in] one of our reflexology groups there was a lactation consultant. She was talking about the difficulties with feeding babies which might be due to birth trauma. So she started sending babies to us and, of course the results were quite startling to her. We thought they were the norm, but the results were so outstanding that they just built up ... Word of mouth is the most accepted form of advertising in our business ... Then one of the [patients] happened to be one of the announcers on the local radio station and he commented that he'd been here and had praised his results. So you know all sorts of good things happened to reinforce our own efforts (GB7M).

This participant recognised the issues involved in getting his therapy recognised to establish its reputation. Therefore, he deliberately targeted professional groups and significant social organisations. His form of chiropractic therapy was unknown in New Zealand so he offered to exchange professional services with doctors and other therapists so others could assure themselves of its effectiveness. This resulted in the reputation of the therapy being amplified by other local health networks and even the local media. This participant was very thorough and astute in his network marketing approach and was also confident of the benefits of the therapy. It often takes considerable time to establish a reputation yet he appeared to accelerate that process. His previous experience managing a large financial organisation, may have informed his marketing strategies. Significantly, his personal values aligned with the organisations he joined and contributed to.

Recognition of the effectiveness of professional networks was clearly evident to a second participant. While preparing his visa application, he visited New Zealand to make presentations to potential clients in a particular business sector. The participant was introduced to potential clients by his well placed government mentor, who provided him with a high degree of credibility in this sector.

We made friends very quickly here because the [transport] community is very small but that almost worked against us because we ended up very quickly with actually more work than we could handle and without any expertise [staff] ... It is quite easy when you are in a consulting market, if you know what you are doing, to actually attract work. Of course, we were the new boys on the block and we had something different to bring to everybody. We got ourselves into a position where we had too much work (GB4M).

In addition, this participant instrumentally networked at international conferences to promote his reputation, thereby minimising consultancy advertising costs.

We were involved in setting up an International [Professional] Association ... I have just been over to Russia ... from a networking point of view I always go through that type of structure, the organisation so I will give a very good presentation. I will put six months into it almost to make it funny, entertaining and informative about something we've done. Over the years, that's earned me [invitations] to be the keynote speaker ... it gives me the ability to network internationally (GB4M).

This participant exemplifies the creative processing and strategic decision-making dimensions of human capital. He identified the appropriate milieu in which to perform,

designed his speech to meet his audience's needs, consequently achieving his goal of winning international contracts.

A range of professional networking, based on relationship building, was demonstrated by a third participant, who described his relationship with his Asian equipment manufacturers: "I'm like a bridge, working with both sides. Both sides are very close" (C1M). He mentioned that it was better to own his company, as he did currently, than to be a part of the large Asian company (as he was previously), as he would then have to do what the boss wanted. As the owner of a business it meant the manufacturer had to listen to him. Building strong business relationships was very important to him:

My partner in China say, "Perhaps you misunderstand. We made [that equipment] 30 years ago in [Asia]." So I brought them here [to New Zealand] to have a look. I also invited two of the mechanics-technicians who provide the service after the sale. Makes the boss, the manufacturer and market close ... At the moment we make the circle: the manufacturers, the customer, my partner, my company, the operators make everything go smoothly, smoothly. Not supplier and customer. Just like a big family (C1M).

In addition to this participant's national and international business sector networks, he was a member of an inclusive ethnic business association. Memberships were open to all business people, of whatever ethnicity, involved in Asian markets. However, etiquette within the association meant that business conversations were circumscribed as certain topics were inappropriate. To protect social relations within the association, it was not appropriate to discuss potential business opportunities:

Normally we don't do [discuss] business as whatever I can do, he can do. They are also in competition with you. Normally they don't discuss business. Keeps a good relationship (C1M).

However, advice could be sought and provided within the association. If he had problems, he would ask his friends in the association for advice.

They are like consultants but free. No charge anything – just friends ... We co-operate together (C1M).

In turn, he reciprocated by providing advice to others in the association. The majority of the association's membership comprised "Kiwis", with only one-third being Chinese from Hong Kong, Taiwan and other Asian countries.

A fourth participant had established links with New Zealand over several decades before moving here. He had bought some land and had holidayed in New Zealand with his family for over a decade prior to deciding to move to New Zealand on his retirement.

We made a tremendous amount of friends and contacts and that began really the intense footprint here – not a common footprint but a family footprint and I bought property. I had some clients here (US2M).

His networks included membership in the local Rotary Club. He also mentioned establishing business connections with similarly interested New Zealand investors and groups of professionals.

The final example is of a participant who bought into a partnership supplying specialised equipment to horticultural growers and producers. He recognised the value

of his New Zealand partner's networked social capital in helping to establish his own reputation.

He introduced me to all the players in the game. We did Tiki⁹ tours throughout the whole country from Central Otago all the way through to Marlborough, Hastings, Nelson and so on and introduced me to all the big players in our industry and that is how I was formally introduced as such to the industry and as a younger face to the company. It was then up to me obviously to take it further from there ... [on paper] it was a new business, but it was an old, going concern so to speak, so no time was lost. I think obviously trust takes a bit of time. As a newcomer people are always a little bit cautious. I think one has to earn trust and respect within the industry. Also the industry didn't know me from a bar of soap, didn't know what my level of expertise was and that obviously took a bit of time. But they came round pretty quickly and I would think today that I am reasonably well respected by the industry out there as being someone who has got a good knowledge base and I would hate to think that anybody thinks out there that I've fudged them or forced them into a direction they didn't want to go into (SA1M).

This participant also recognised that while introductions were very helpful, trust and credibility still had to be earned to sustain or enhance the company's reputation. Evident too was his concern that his integrity and expertise be recognised in his field by forging strong relationships with clients over time and earning their respect for the quality of customised service.

⁹Tiki tours – A term used to describe the visiting and seeing a number of sites quickly.

However, not every participant had a positive story. The consequences of a rushed application, the lack of a local mentor and no pre-established connections, are reflected in the following experience. Contrasting with the previous positive networking experience was the situation of one participant who had arrived in 2006 and commented on his first year:

It was rather harsh ... we didn't know anybody. We didn't have any family. We didn't have any networks at all [so] I joined the Chamber of Commerce, BNI [Business Networks Incorporated], cold calling, that sort of thing. Basically that helps me maintain a reputation of being a heavy duty networker. I'm at most events, wherever there are people ... I ran for election for the Chamber of Commerce board ... [I was] very close to being elected, as close as (GB9M).

This participant was finding it difficult to establish a franchised management consultancy. His networking had not borne fruit despite his considerable efforts. However, it is possible that, despite his considerable determination, the obstacles he encountered were too great to surmount. Unexpected difficulties with his own United Kingdom business had preoccupied him, distracting his focus from preparing for his New Zealand enterprise. Ley (2006) had noted the entrepreneurial immigrants in Canada who maintained business operations in their home countries were not as effective overall at establishing businesses in Canada as those focusing entirely on their new venture. Coping with emergencies and having to manage his enterprise in the United Kingdom before he had been able to get his New Zealand enterprise established, made it very difficult for this participant to succeed. His lack of a New Zealand mentor or networked connections compounded his challenges.

Generally, the deliberate networking strategies of the participants proved effective for promoting their businesses and developing trust in their professional reputations. Social capital, which was developed through systematic, deliberate, targeted networking, was due to the participants' networking skills. They identified appropriate networks, companies and individuals likely to be most relevant to their needs at that time.

7.3.5 The benefits to communities

Most participants described how they contributed to their local communities. Commensurate with business and migration goals, contributions demonstrated goodwill and a desire to 'fit-in'. Even the participant struggling to establish a management consultancy in New Zealand, although distracted by concurrently managing his United Kingdom business, still volunteered to help in a local restoration project. His rationale for volunteering was that he derived pleasure from contributing his skills and time to the restoration project while *not* having to make decisions. Many participants expressed a desire to fit in and contribute to their 'communities' including various types of community activities such as sporting, environmental, or simply the local community generally. A few participants successfully integrated their work and leisure networks for greater effectiveness.

Social capital, created from the range of participants' social activities, is typified by the following stories. Since its establishment, an ethnic food shop had become an informal immigrant advice and community drop-in centre, where teething babies were soothed, troubled teenagers counselled, anxious newly-arrived immigrants, suitcases-in-hand, sought advice. "It is somewhere to come. People can get desperate,

that's a fact" (SA2M). Another participant deliberately joined the local Rotary to both access and participate in his local business community. A third participant, living in a smaller regional community, joined mountain-biking, surfing and wake boarding¹⁰ enthusiasts when he was not working: "I know pretty much everybody up here" (US1M), hence there was no need for him to join other more formal organisations.

Possibly the most significant community contribution was provided by the participant who operated a restaurant in a financially challenged provincial community. He and his wife ran charity nights once a month and also provided a Christmas Dinner for which most of the labour was provided by the participant as the chef and his wife.

We run charity nights ... every third Thursday of the month where [guests] pay ten dollars and five dollars goes directly to charity, the other five dollars pays for the food. Whatever alcohol is drunk we halve it straight down the middle and half of that goes to charity. So if we get 40 people in, usually a local area charity on the Thursday will walk away with between \$400 and \$500. We've done a year now of charities and we've put \$4,500 into local area charities. [It] is quite a poor area. The average wage here is \$22,000 a year so there are quite a few poor people and the local housing centre has a food shop. It takes two days to put all the questions together on the internet. Then you're into the quiz. Then you have to clear down that night and don't get to bed until about 1.30am as you have to set up the tables for the next day's business. Then you are off again (GB8M).

At Christmas, they gave out food to the local community who could not afford to enjoy "that sort of Christmas".

¹⁰Wake boarding is towing a type of surf ski behind a boat to surf the wake of the boat.

Last year we gave them \$520. Actually it went not into the food but they got Christmas dinner cooked as well. We had all the decorations up, all the trappings and it takes a day to set up. You get up at seven, get the kids off to school. You get all the food ready. Set up the tables (GB8M).

Although this is effective marketing, it also represents a significant, personal contribution when the labour, skills, ingredients and time are considered. This participant had selected the region for its proximity to the bush and mountains as he enjoyed exploring the outdoors. However, while he was committed to getting his business functioning and developing a cash flow he had little spare time to go tramping and climbing as he had intended. He and his wife were also involved in local community organisations including the local school and business development committees. The entrepreneur's contribution to the community was both generous and considerable. The participants' general attitude to their local communities is encapsulated in this participant's comment:

We've really tried to help the community if we can. If there's something going on we give our support. I think that's really why we've got so many friends and we've been so well accepted (GB3F).

Migrants' aspirations to participate in their adopted community in serious ways are strongly reflected in these examples.

7.4 Role of cultural capital

Embodied entrepreneurial cultural capital and affiliate cultural capital emerged at the preparation stage as being distinctively significant to the success of LTBV

participants. During the time-pressured second LTBV stage, both forms achieved greater significance as the following examples illustrate in more detail.

7.4.1 Entrepreneurial embodied cultural capital

Previously, I identified an amalgam of distinctive entrepreneurial embodied cultural capital dispositions of *self-belief*, *determination*, *optimism*, *pride in problem-solving*, *adaptability* and a *desire for autonomy* as being significant to the success of LTBV participants. These dispositions emerged consistently in the interviews with all the immigrant entrepreneurs at this crucial second stage, as the following examples indicate:

I'm an optimist. Let's stop listening to all the negative news and just get on with life and ... get going (US2M).

I call myself an optimist. I am optimistic about just anything. I can't see myself being negative. I hate it if people are negative. I don't like it. I immediately get all coloured up. I say, why must one be negative? Ok be negative if you have to sum up, add the plus and the minuses, but don't make it that it affects your life, like you can't smile (SA2M).

Determination and adaptability enabled entrepreneurs to overcome what may be perceived as surmountable odds. Someone who had recently opened a high-end B&B was assessing and adjusting to her market's requirements. She planned to attract overseas tourists during the tourist season and urban professionals or wealthy retirees during the off season. To adapt to the challenges involved, she commented:

You've got to be a bit of a fighter ... we adapted ... You've got to be aware and watch. Just change things if necessary – adapt to the market (GB3F).

Autonomy was almost non-negotiable for all the LTBV participants, most of whom had previously been self-employed, as the following indicates:

I had always done freelance work since I was 15 in computers. I worked for a salary then decided that this salary thing wasn't for me and I wanted to be on my own when I was about 23. I like to be my own boss. I've got tons of ideas. It's just the way I roll (US1M).

I wanted to be my own boss ... I don't [want to] work for the man again (GB1F).

I'm committed to being self-employed and have been for a very long time as nobody can sack me. If business was easy then anyone could do it (GB9M).

The pressure felt by the previously self-employed craftsman when faced by the necessity of relinquishing his autonomy to earn for his family and becoming an employee, was intense.

The participants' pride in the quality of the service or product they provided through ongoing problem-solving and refinements was evident when the participant tailored his imported equipment to fit New Zealand's smaller scale needs. To align the New Zealand operators' feedback with the Asian design technicians' understanding he flew the technicians to New Zealand. The internet designer wove feedback from each client into her website marketing to enhance her company's reputation. The restaurant owner sought feedback on meals to refine his menus to fit the gastronomic tastes of his regional customers. The participants' pride in the quality of their work and a desire to learn how to improve their performance is reflected in their openness and responsiveness to feedback:

If I see something that's got to be done to better the whole thing, I'll do it immediately ... I've got the biggest ears in the world. I listen to everybody's little talks and I remember what they say and sometimes I even write it down (SA2M).

There was a huge resistance to change in New Zealand which makes our business I think hard to sell but vastly more interesting to achieve (GB4M).

I solve problems. I'm a design draughtsman [which is about] solving problems. Take me to your problem. We've got to solve this problem. In entrepreneurship you've got to be able to solve problems (SA2M).

This implied a willingness to adapt in response to the feedback they received. Significantly, no participants described themselves as risk-takers, a characteristic often attributed to entrepreneurs by Luthans (2007) and others. Instead, the participants saw themselves as effective risk managers who were confident they could strategically problem-solve "It's what we do for our customers" (GB5F).

In addition, the LTBV participants had an ability to relate to people, an *outgoingness* that engaged others. This is inferred from the willingness of people who did not know them to be helpful to them and to welcome them into their respective communities. Not only evident at the pre-migration stage in the recruitment of mentors, it becomes highly significant in the development of social capital during the time-pressured LTBV second stage. It is not only evident in the participants' ability to recruit trades-people who would promptly respond to their requests for help, but also in their interactions with their communities. Therefore I add the quality of *outgoingness* as a final disposition to the amalgam of entrepreneurial cultural capital exhibited by the participants.

7.4.2 Affiliate cultural capital

Affiliate cultural capital provides timely access to social networks. While ethnic cultural characteristics may be visual or vocally distinctive, less obvious are the markers of professional cultures and their embodied knowledge and value standards. The standards, values and beliefs of ethnic and professional cultures are generally invisible until manifested in language or behaviour. By conferring network access to those sharing similar values socially, ethnically and professionally, affiliate cultural capital moderates the social capital available to an individual. For example, the participant who achieved access to the finance he urgently required to establish his premises within his first week of arrival, achieved this initially through affiliate cultural capital.

A second example occurred when an Asian participant, visiting New Zealand for the first time on a business visa, was introduced to the “Kiwi” president of an inclusive ethnic New Zealand business trading association. Motivated by the goal of supporting Asian business people in New Zealand, and New Zealand’s business links with Asia, the president mentored the participant often by accompanying him to business meetings to “translate” English to English for him. “There are many kinds of English, American, New Zealand English” (C1M). The participant subsequently reciprocated by mentoring others and fostering cultural business connections between Asia and New Zealand.

7.5 Role of financial capital

Financial capital, although not a central resource in this study, is essential to IWR immigrant entrepreneurial success. This section indicates the participants’ efforts to

stretch their financial resources to implement their business plans, discusses their reactions to provisional tax requirements, and provides an example of an unusual investment. Although no minimum investment is stated in LTBV requirements, adequate financial capital is required for the establishment of the enterprise and to maintain the self-sufficiency of the family until supported by the business. In 2002 the average financial capital required was nearly \$450,000. As we have seen with the case of ethnic capital support, access to finance may be moderated by the participant's cultural, social and human capital. The participants' financial imperative was to establish a cash flow. Participants were determined to achieve or surpass the goals they had set in their business plans and to minimise losses. A number of participants minimised their set-up costs by using their own range of skills. One participant serviced international contracts via the internet as an interim income strategy to support her prospecting activity until adequate income could be generated in New Zealand.

Financially astute participants expressed a strong dislike of any added visa or permit costs. To avoid the imposition of extra fees for visa modifications they worked assiduously to meet LTBV deadlines. However, they still incurred unanticipated compliance costs despite the range of strategic solutions discussed elsewhere.

Inland Revenue's income prediction requirement in order to pay provisional tax in the first year of operation particularly upset some. Tax obligations for one participant were a major disincentive. The participant contrasted the tax-free encouragement given to start-up companies in their first year in Great Britain, with the discouraging provisional tax requirements especially in the first year of operation in New Zealand. He received payments for contracts which had been undertaken when living overseas,

but were concluded after his arrival in New Zealand. Disputes with Inland Revenue regarding the tax payable clouded his decision to immigrate. He was not the only one to mention taxation in the first year as a problem. However, others with low discernible early cash-flows appeared to be less concerned. However, the requirement for a projected cash-flow for tax impositions in the first year of operation could function as a disincentive to larger companies starting-up in New Zealand.

In one unusual situation, a participant first became an angel investor, then a reluctant business owner when he took over his business investment when it was on the verge of bankruptcy. Originally he had intended to withdraw once the business tourist attraction became financially sustainable. However, his investment required his business skills. Applying his business acumen acquired from a professional background, he improved the product to enhance the attraction's sustainability and marketability. Other enthusiasts, alienated by the previous owner, returned to provide support. Asked why he had taken on such a venture, which reduced his overseas travel in his retirement, he responded, "Regret avoidance" (US\$3M). He explained that enthusiasts had invested decades into developing the attraction so he did not want to be responsible for its demise. Entrepreneurial cultural dispositions of determination and pride are reflected in this response. As a retired health professional, owning and operating such a tourist attraction was not part of his retirement plans when he and his wife arrived to tour New Zealand. The examples provided elsewhere in this chapter demonstrate how the participants' financial capital resources were extended by their capabilities and creativity.

7.6 Discussion and analysis

Although closely aligned and mutually influential, each form of symbolic capital has a distinctive differentiated function which moderates participants' success at this critical intensive nine-month stage. I identify the significant dimensions of human, social, cultural and financial capital which enabled the participants to implement their business plans within nine months to renew their LTBV. I conclude by examining the adequacy of each form of capital by analysing situations where the participants faltered in their progress.

7.6.1 Role of human capital

This chapter has shown that a breadth and depth of subject knowledge and business capabilities comprising human capital is critical to LTBV participants' success. I identify the significance of the participants' dimensions of knowledge and capabilities by examining four specific issues: business partner selection; business plan modification; cost minimisation; and continuous product improvement. In doing so, I also reveal the participants' contrasting levels and adequacy of human capital.

I show how industry, market and business knowledge are essential to IWR immigrant entrepreneurs generally and to LTBV participants specifically at this critical second stage of their visa process. I review whether the essential capabilities identified at the preparation stage remain the same at the plan implementation stage. Both knowledge and capability requirements are discussed in terms of their functions during business partner selection; business plan modification; cost minimisation; and continuous product improvement.

The skilled, complex issue of choosing an appropriate business partner requires considerable industry and market knowledge of the specific industry, plus knowledge or acumen as indicated in *Human capital* in Figure 9. In addition, choosing an appropriate partner involves a high level of self-awareness, an ability to analyse unfamiliar markets to identify opportunities and potential risks indicated in Figure 9. This requires the ability not only to identify what is known but what is unknown, in order to find and access relevant information as required. To access information and develop an effective partnership requires an ability to build trusting relationships with culturally different, comparatively unfamiliar people.

Astute business people with business acumen as indicated in Figure 9, recognise the significance of clarifying and documenting decisions during the formation of the partnership process. This caution was demonstrated in the case of the participant buying into a partnership in an existing company. The prudent deliberate contractual arrangements reflected his risk management strategies. The judicious financial and legal documentation process initiating the partnership prevented any relationship, reputation damage or legal costs which could have arisen from disputes which could irreparably harm the partnership. Another participant's incautious documentation of two businesses he bought and sold occurred despite the participant's experience in buying and selling businesses. It resulted in a legal dispute and a damaged relationship which demonstrates that business experience does not automatically equate to business acumen, as the latter is acquired through constant learning from previous experience.

Figure 9 Human capital

Human Capital		
<i>Industry knowledge</i>	<i>Market knowledge</i>	<i>Business Knowledge</i>
<i>Capabilities:</i> Analytical Strategic planner Self aware, Creative problem solver		Effective decision maker Technology adopter Relationship builder Have business acumen

Key □ All capabilities are significant at the implementation stage.

Dimensions of human capital were reflected in the modification of business plans which demonstrated strategic business decision-making as shown in Figure 9. The Asian participant forced to explore alternative business options, used his international industry and market knowledge, as shown in Figure 9, to identify a potential market niche he could compete in. His capabilities included his analysis of the situation which revealed an opportunity to strategically undercut the opposition. His business acumen enabled him to quickly identify and consult potential customers before implementing his plan. His considerable human capital knowledge and capabilities as shown in Figure 9, plus his self-belief, courage and determination, enabled him to implement his plan successfully.

A range of human capital skills and capabilities enabled participants to minimise their establishment costs. The breadth and depth of the participants' human capital was particularly evident in cost minimisation efforts post-arrival. A broad range of trade

competencies in building, renovation, redecoration, plumbing and electrical wiring were demonstrated which considerably reduced participants' costs, despite requiring certification by New Zealand approved trades-people. Astute business administration skills as indicated in Figure 9, in addition to professional skill sets, reduced participants' costs. Creative networking and ways of using networked information were well-utilised. The participants were prepared to undertake work themselves – from painting to cleaning toilets. Although a number of the participants were likely to have had adequate resources to pay someone to do the work, they chose to do it themselves.

Creativity was evident in the imaginative ways participants both solved problems and marketed themselves as indicated in Figure 9. Product placement signs on fences, web site endorsements, trade show exhibitions and swapping therapies with other professionals were low cost but effective strategies. Where many people might see a small country community with no obvious attractions, another participant imaginatively envisaged the range of potential visitors who might be enticed to visit his regional restaurant and accommodation. His prospective clients included vintage car enthusiasts, river rafters, canoeists, trampers, bikers, bus trippers and conservationists. The creative processing dimension of human capital enhanced the strategising, long-term planning, problem-solving and decision-making human capital essential to all the participants as identified in Figure 9. Consequently, to implement their plans, the IWR immigrant entrepreneurs required the knowledge and capability dimensions of human capital depicted in Figure 9.

7.6.2 Role of social capital

In this chapter, I have highlighted the distinctively significant development of social capital during this time-pressured stage of the LTBV. It was imperative for newly arrived participants to develop their social capital networks expediently. As indicated in Figure 11, social capital performs three important functions for LTBV holders: it creates trust; facilitates the promotion of business; and provides access to information. To undertake business in their new communities the participants needed the credibility and trust indicated in Figure 11, which can be gained by word of mouth testimonials. Networked promotions are a cost effective strategy to promote new businesses which is critical at this stage. The third function of social capital is in its provision of information which may include feedback on the product or service, or information regarding threats or new business opportunities.

Figure 11 Social capital

Social Capital		
<i>Trust</i>	<i>Promotion</i>	<i>Information</i>
Credibility	Product or service	Feedback on product/Service
Introductions	Identify new markets	Threats & opportunities;
Performance		Weak ties
Strong ties		

Key □ More significant at the implementation stage

Networking was instrumentally targeted to maximise the participants' limited time and energy, and focused on creating trust, promotion and eliciting feedback as shown in Figure 11. While the value of networking was recognised, it was not always directly expressed. For example, the restaurant owner who trialled his menus prior to opening his business, did not state that he was networking, but as he selected the participants "from all walks of life" (GB8M) in his community, that is what he was effectively doing. Through the contacts he made during the remodelling of his restaurant and accommodation premises, he created introductions and credibility. He reinforced these through his trial evenings as he built trust, by demonstrating his ability to perform. In addition, while promoting his new service through the networks, he also sought critical feedback on what he was providing. The multiple local networks he drew on for his guests ensured word of mouth promotion of his service. By seeking feedback from his guests he created trust and amplified word-of-mouth promotion through the guests' networks. Guests invited from multiple local networks were likely to result in redundant network ties, which would enhance the level of trust through strong ties as indicated in Figure 11. Instrumental judicious networking strategies strongly emerged at the second stage of the business plan implementation process, initiated by all the participants to establish credibility and market their businesses cost effectively.

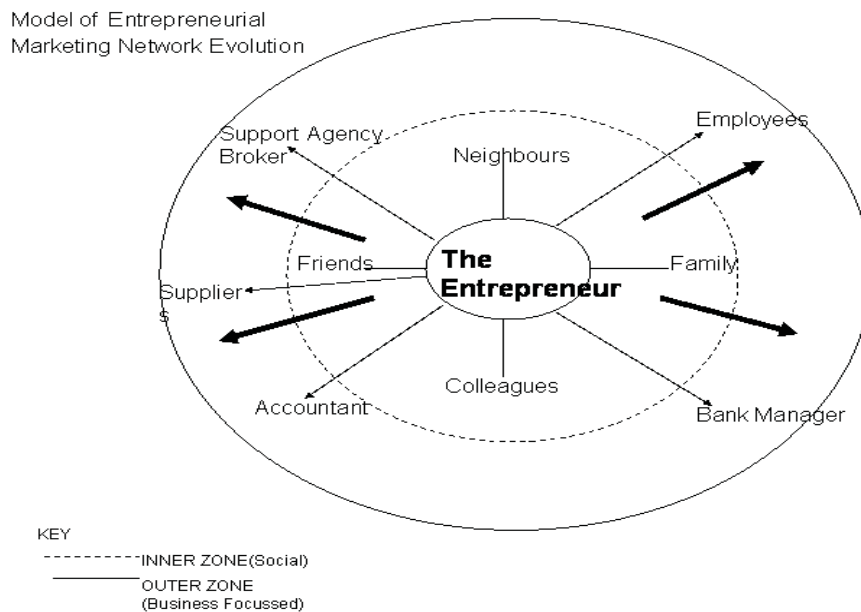
Networking could potentially harm a LTBV holder's credibility and reputation. However, at an individual level, the evidence supports Hunter's (2007) observation that entrepreneurs appear adept at converting social and relational capital into positive economic outcomes to enhance the establishment of their start-up businesses. The outgoing disposition of entrepreneurial cultural capital facilitates this positive dimension of social capital. I next discuss the networking challenges facing the

participants, before discussing the mentors' role in providing credible access to networks.

The relational challenges facing newly arrived LTBV intentional entrepreneurs are considerable. To fully appreciate their challenges, I compare the experience of resident start-up entrepreneurs with networks of family, friends, neighbours and collegial relationships providing credibility and support for start-up businesses. These inner zone networks identified by Hill, McGowan and Drummond (1999) in their *Entrepreneurial marketing network evolution* are depicted in Figure 5. Local entrepreneurs are likely to have established relationships with professionals such as bankers, accountants and lawyers to provide advice and contacts. In contrast, the LTBV participants had only nine months to establish credible personal and business reputations in order for customers and suppliers to trade with them. Initially, business partners and mentors partly provided the requirements of Hill et al.'s (1999) inner zone or circle of support in the *entrepreneurial marketing network evolution* framework by facilitating introductions. LTBV participants with family members resident in New Zealand could draw upon their credibility by association, even if they did not provide business connections. Participants with existing business networks could access more diverse information. Business partners and mentors facilitated introductions to professional and community networks, advising which networks to target, similar to the development of an 'inner zone' for the participants. Participants' strategies included prioritising networking to develop their profiles and reputations in the marketplace, while soliciting feedback on their product or service.

Figure 5 Entrepreneurial marketing network evolution

(Hill, McGowan & Drummond, 1999)



To substitute for the trust inherent in an ‘inner zone’ network, one participant without such networks creatively and contractually aligned himself with a major building contractor in the area to promote his service. His original motivation for visiting New Zealand was outdoor recreation, so he had effectively used his affiliate cultural capital when becoming involved in mountain biking, surfing and wake boarding with other local enthusiasts to establish trust and credibility, effectively recruiting his own inner zone of networks. This is easier to achieve where participants speak the same language and share similar values. This process would be much more difficult if the person did not speak the language fluently or share similar values.

Similarly, the “restaurant” participant effectively created his inner zone of networks. Not only with his strategic invitations to selected community people to sample his

meals, but also his instrumental participation in the local fire brigade and school committee which helped to establish a networked 'inner zone'. By including the tradesmen involved in the renovations, plus representatives from every sector of the local community, the restaurant was promoted by word of mouth by people who already knew him. These endorsements replaced those of friends, family and colleagues of Hill et al.'s (1999) inner zone. This was cost effective and reputation-building as the clients' were perceived as trustworthy sources. After the restaurant opened, monthly charity evenings continued to promote the business. Each charity had its own network, which may well have overlapped in the local community, but the redundancy of connections may have enhanced and strengthened the reputation of the restaurateur.

The participant's deliberate strategy to integrate both his business and his family into the local community, meant he first developed positive working relationships with the local tradesmen involved in his renovations. He then used his armed-forces fire-fighting expertise as a local volunteer fireman, while also serving on the local Home and School committee. His wife was voted onto the local school's Board of Trustees, joined the local cycling club and volunteered at the local information centre. Their children obviously attended the local school:

The two kids love the school ... they've got freedom you don't get in the UK nowadays ... they're very sporty, they climb trees, they run riot on the land which we never had in the UK. They walk to school by themselves ... here you can [trust people], everybody knows everybody. It's great (GB8M).

This family exemplified how newly arrived participants could instrumentally integrate into a community in order to achieve their migration aspirations. In

return they enjoyed the freedom provided by the high level of community social capital:

7.6.3 Role of cultural capital

A major differentiating requirement between LTBV entrepreneurs and other immigrants and entrepreneurs, is their need to speedily develop credibility in order to meet their time-bound visa requirements. Entrepreneurial and affiliated dimensions of cultural capital play significant roles in ensuring the success of this process. To achieve the LTBV the research participants overcame many challenges. However, the plan implementation stage multiplied and intensified the obstacles they encountered.

From the data it emerged that the determination of entrepreneurial cultural capital was essential to establish a business within nine months. If the participants had lacked the motivation or desire to problem-solve or had wavered in their determination to overcome obstacles, then it is unlikely that LTBV holders, no matter what their levels of human and social capital, would have succeeded. Despite their detailed planning the participants encountered unanticipated structural barriers, such as codes of compliance requirements, forcing them to constantly problem-solve. The characteristic dispositions of entrepreneurial cultural capital (self-belief, determination, optimism, adaptability, autonomy, pride in problem-solving and outgoingness, as indicated in Figure 10, consistently emerged during the second stage. While visible networking processes and documented business plans, budgets, services and products provide tangible evidence of social and human capital activity, intangible entrepreneurial embodied cultural capital was critical to LTBV holders' success. Despite the diversity of the participants' backgrounds, professions and settlement locations, the dispositions

identified as comprising entrepreneurial capital consistently emerged from the participants' descriptions.

Figure 10 Cultural capital: *entrepreneurial and affiliate*

Cultural Capital	
<i>Entrepreneurial</i>	<i>Affiliate: Ethnic & Professional</i>
<p>Characteristic dispositions:</p> <p>Self belief, determination, optimism, adaptability, autonomy, outgoingness, pride in problem-solving.</p>	<p>Ethnic, Professional, Interests</p> <p>Shared values, shared knowledge & language; conformance with behavioural codes</p>

Key All dimensions significant at the implementation stage

Affiliate cultural capital identified in Figure 10, enabled the English speaking participants in this study, to settle more easily. Although participants from the United Kingdom inherit a similar political, legal and literary heritage to New Zealand's, those from South Africa and the United States of America may share aspects of a colonial heritage. In contrast, immigrants from Asian backgrounds encounter language, regulatory, social and cultural differences and challenges as Meares, et al (2010a, 2010b) confirmed. The English language barrier made business and social interactions with non co-ethnics more difficult, potentially impeding the settlement process, so deliberate ethnic strategies were employed to overcome this.

One form of affiliate professional cultural capital is acquired through membership in professional organisations. The spectrum of professional capital ranges from the disciplined acquisition of expert human capital which is specified in the restricted membership subject to a certified body of knowledge and compliance with an ethical code of conduct. Membership of business organisations may be subject to peer approval, or have more informal arrangements. In special interest organisations membership may not be formally codified or subject to formal rules. Professional memberships enable qualified expert immigrants to join professional networks in New Zealand, particularly if they are fluent in English. The value of affiliate cultural capital to the participants was the speedy access and credibility it conferred on them post-arrival, enabling them to cloak themselves in the integrity of the organisation's reputation. Membership meant that trust accorded to the organisation was transferred to the participant. Similar affiliate capital may also apply informally to sporting and interest groups such as surfing, biking, model, restoration enthusiasts and environmental conservationists. In these contexts there may be no formal written rules but informal etiquette may be observed. Invitations to participate may be offered or withdrawn. Affiliate cultural capital provides access for immigrants into ethnic, professional, sporting or special interest groups, where they subsequently may need to prove their credentials.

Cultural and human capital perform complementary roles. Entrepreneurial and affiliate cultural capital motivate and provide access to participants to maximise their capital resources during this critical, intensive second LTBV stage. It appears unlikely that any one form of capital would adequately resource participants. It requires the synergetic, complementary forms of forms of human, cultural and social capital to enable IWR immigrant entrepreneurs to resolve the time-pressured challenges and

achieve success. The next section discusses whether one form of capital is so critical to success of LTBV holders, that its absence or minimisation would endanger the success of the intentional entrepreneurial immigrant.

7.6.4 Adequacy of forms of capital

In addition identifying and demarcating the forms and dimensions of symbolic capital essential to successful outcomes of IWR immigrant entrepreneurs, I next attempt to identify what constitutes an inadequate level of capital for a LTBV participant. Determining the adequacy of each form of capital is a fraught exercise for LTBV applicants, governed by an enterprise's context, complexity and the owner's capabilities. However, the absence of one dimension of cultural capital is decisive. The absence of the motivational disposition with embodied entrepreneurial capital is critical factor. Reduced motivation or determination may affect self-confidence. Unlike gaps in knowledge, or lapses in judgement which may be overcome by the synergy of symbolic capital, there is no substitute or synergetic replacement for the absence of the motivational disposition of entrepreneurial cultural capital. Without the will to resolve problems, knowledge and capabilities are ineffectual.

At the pre-migration stage, adequacy of the forms of capital was evaluated by the participants' ability to obtain a LTBV on their first attempt. The few participants unable to implement their business plans within nine months in order to renew their visas for the remaining 27 months were examined more closely.

One struggling participant presented a puzzle. Educated, trained and with successful New Zealand business trade experience, plus overseas business experience, he appeared to be well resourced for the LTBV, yet he struggled to establish his business. It transpired that the internationally successful craftsperson was unaware how extensively trade agreements had radically changed the New Zealand market, despite being asked to rework and resubmit his marketing plan. Although this person appeared not to lack human capital as he had the requisite trade skills, plus innovative and creative marketing strategies, he appeared to lack critical market knowledge. Market analysis was not his strength as he described his efforts to reshape his marketing plan, but he remained ignorant of the paradigmatic changes to his market. Ironically, his entrepreneurial capital comprising his determination, optimism and self-belief blinded him to market realities. His successful businesses overseas made him over-confident of his abilities to overcome adverse market conditions in New Zealand. While he had eventually found himself a self-employment niche, his pathway to that discovery painfully tested his resolve. His determination to work autonomously highlighted how important this disposition was to the participants. However, while his entrepreneurial embodied cultural capital was strongly in evidence, there is no evidence of his using his New Zealand contacts to discuss the market with people he knew, beyond asking for letters of support from relevant acquaintances. He therefore did not appear to use his market contacts effectively.

Entrepreneurial cultural capital did not appear to be lacking in the case of another participant, but rather a series of major obstacles had to be overcome. Following successive setbacks during the application process, this participant pragmatically bought a franchise business. Unexpectedly, he had to manage his UK business by night and his fledgling franchise by day. He focused his resources on resolving the

obstacles he encountered, which stretched his human capital, time and energy very thinly. Unusually amongst the participants, he had neither mentors nor current connections in New Zealand before he arrived which made it more difficult for him. Despite his challenges and exhaustion, his entrepreneurial characteristics still emerged:

I'm committed to being self-employed and have been for a very long time ... [you] can have good times so you have to have the bad times or the world wouldn't have any meaning in life ... It wouldn't challenge me any more ... [At the Chamber of Commerce, Lower Hutt] I'm accepted as someone who has got qualities and experience (GB9M).

His lack of detailed preparation, lack of connections or a mentor, may have all affected his level of success. His achievement in nearly winning an elected position on the Chamber of Commerce executive appears to reflect an outgoing disposition. However, his responsibilities to his United Kingdom firm crucially diverted and absorbed the time and energy he needed to invest in developing his New Zealand business. In this case, it may have been the size and succession of obstacles encountered, rather than the lack of any particular form of capital that was making progress difficult. Without the United Kingdom business to supervise at the same time, this participant may have been much more successful.

7.7 Conclusion

In this chapter I have effectively delineated the distinctiveness of the LTBV participant experience as an example of intentional well-resourced (IWR) immigrant entrepreneurship. The intense pressure of the nine-month period to open the business

has identified the dimensions of human, cultural and social capital essential to achieve a successful outcome. The participants' experiences provide an early indication of their potential contribution on multiple levels to the New Zealand economy.

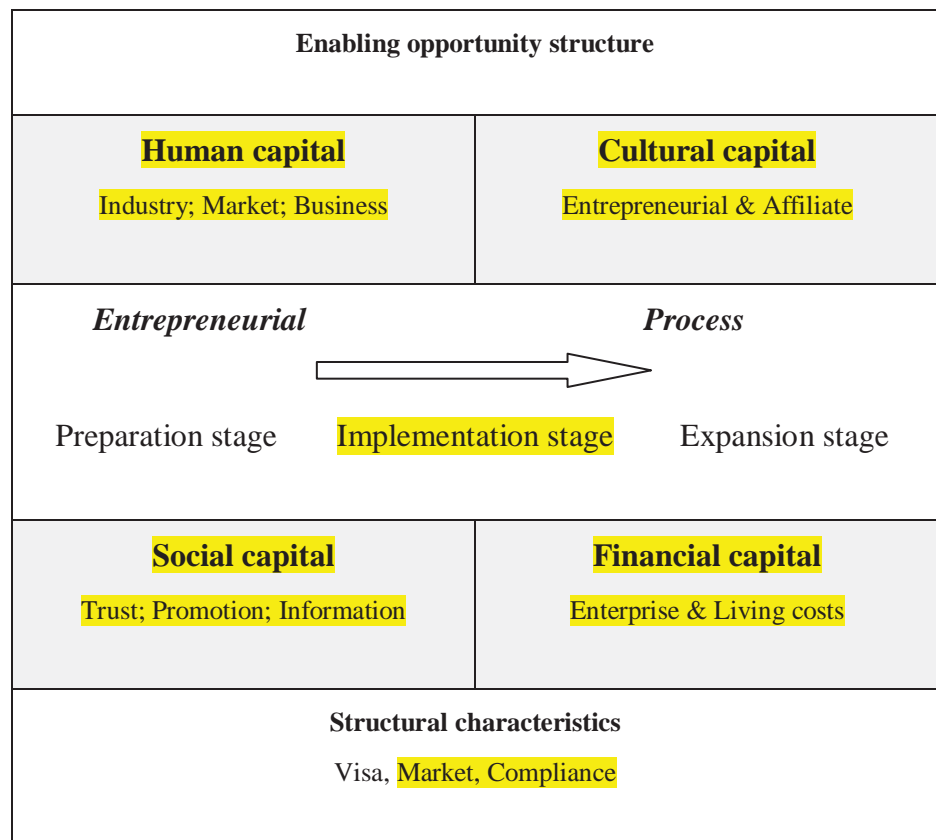
The intense second stage of the LTBV demonstrates the distinctiveness of IWR immigrant entrepreneurs. LTBV holders must astutely utilise all dimensions of their human, cultural and social capital to implement their business plans within nine months in order to renew their visas. Those needing or seeking extensions had encountered extenuating circumstances which had fully tested their resource limits. None had given up despite the challenges a few were continuing to encounter.

To capture the distinctive process of the IWR immigrant entrepreneurs as typified by the LTBV participants in this study I adapted Volery's (2007) framework to create the *intentional immigrant entrepreneurial process* as shown in Figure 7. It acknowledges that IWR immigrant entrepreneurs require an opportunity structure which enables the initiation of an enterprise, with low or no barriers to enable enterprises to become established.

The capital resources required by potential IWR immigrant entrepreneurs are identified as human, cultural, social and financial, indicating the functions each provides. The three preparation, implementation and expansion stages of the entrepreneurial process depicted in Figure 7 each need the symbolic resources indicated, but not to the same extent at each stage. Figure 7 also identifies significant structural characteristics which influence immigrants' decision making such as the visa options and conditions, market factors and regulatory requirements.

Figure 7 Intentional immigrant entrepreneurial process

(Adapted from Volery (2007).



Key All dimensions significant at the implementation stage

The time pressured, second stage of the LTBV process requires the engagement of all forms of symbolic capital for participants to be successful. However, this crucible of constrained time reveals the critical nature of motivational entrepreneurial cultural capital to IWR immigrant entrepreneurial success. Without the amalgam of entrepreneurial cultural dispositions depicted in Figure 10 *Cultural capital*, the other forms of symbolic capital are unlikely to be sufficient to overcome the myriad of challenges encountered at this intensive stage. Losing or faltering motivation and determination could inherently lead to failure.

Self-confident, adequately resourced LTBV participants are the embodiment of IWR entrepreneurial immigrants who can instrumentally network to implement their business plan. They can strategically exploit their affiliate cultural capital to develop networked social capital. Astutely exploiting their affiliate cultural capital to obtain trustworthy introductions to professional, ethnic and social networks, they implemented their purposeful, strategic networking plans. As indicated in Figure 11 *Social Capital* and Figure 7, *Intentional immigrant entrepreneurs' process*, the resulting social capital enhanced participants' credibility, promoted businesses, while enabling access to new information. Networking behaviour dramatically increased at the implementation stage, reflecting systematic, instrumental networking strategies undertaken to establish credibility, promote the business cost effectively and elicit feedback.

Reciprocated networking exchanges developed trust expanding the participants' social capital. By recognising their time and energy were scarce resources, participants prioritised and deployed their networking strategies carefully, temporarily at least dispensing with networks which did not meet their short term goals. All the participants recognised the value of networking as a marketing tool and its effectiveness in establishing a reputation and building trust. They judiciously invested time and energy networking, while engaging in other productive activities. Participants able to incorporate leisure or sporting activities into their networks were able to combine their life style and business goals.

Ironically, by examining the adequacy of the different forms of capital to the success of the participants at stage two, it revealed that it is possible for a participant to be over confident. In addition, despite being well-resourced some obstacles may be

insurmountable or a succession of obstacles may drain the resources of IWR immigrant entrepreneurs. Although no participants had had their LTBV terminated, one was at risk of not making sufficient progress regarding the establishment of his business.

As indicated at the beginning of this chapter, if starting-up a new business is challenging in familiar networked business environments, it takes exceptional people to start-up businesses under such pressure in unfamiliar environments. While governments dream of attracting entrepreneurial immigrants capable of establishing high-tech and high-growth businesses, few LTBV participants met these aspirations. However, as the business plan implementation stage serves as a crucible, testing the resilience and resources of LTBV participants, those who qualify for residence are remarkable achievers whose modest businesses may mask considerable expertise and connections.

Chapter 8

Establishing the business:

Residency

8.1 Introduction

The purpose of Long Term Business Visa (LTBV) participants in their final stage of their conditional visa is to consolidate the financial sustainability of their businesses in order to qualify for residence. My three purposes in this chapter are first, to identify the dimensions of cultural, human and social capital enabling intentional well-resourced (IWR) immigrant entrepreneurs to expand their businesses to qualify for residence. Second, I ascertain whether the participants in this study met the aspirations of the business immigration policy by finding evidence of their innovative and enterprising contributions to New Zealand. Third, I seek indications of a cycle of entrepreneurial business creation, possibly as part of transnational activity. The chapter concludes by considering the evidence substantiating the strength-based perspective of IWR immigrant entrepreneurs as represented by the LTBV participants.

Having successfully renewed their LTBV for a further 27 months, the participants' next goal was to qualify for residence. An application for residence required verifiable, reliable evidence from an independent agency to show that a legally compliant business had been established which benefitted New Zealand (New Zealand

Immigration Service, 2006). Specifically, applicants for residence had to demonstrate that they had:

established, or purchased, or made a substantial investment in a business operating in New Zealand and that the principal applicant had been self employed in New Zealand in that business for at least two years (New Zealand Immigration Service, 2006, s BD3.1).

A substantial investment is defined as the purchase of 25 percent or more of the shareholding of a business. Passive or speculative involvement is specifically excluded, as principal applicants must be “lawfully and actively involved in the management and operation of their New Zealand business which they established or purchased” (New Zealand Immigration Service, 2006, s BD3.5.5). Reliable, independent evidence could include a certificate of incorporation, audited accounts, or GST and other tax records (New Zealand Immigration Service, 2006s BD3.20.1 b). Benefits to New Zealand’s economic growth might include evidence of the introduction of new technology, management or technical skills, products, services, export markets or increased employment (New Zealand Immigration Service, 2006BD3.25).

8.2 Role of human capital

To examine the human capital requirements during the consolidation and growth of the participants’ businesses I consider three aspects: the strategies employed to expand the customer base to expand the business; the knowledge and capabilities required to resolve staffing issues; and the human capital required by serial and transnational entrepreneurs.

8.2.1 Strategies for business expansion

Strategic planning was essential from the business application stage. The original business plans focused the participants on their longer-term goals, enabling them to monitor their progress towards business growth and financial sustainability. By regularly reviewing and refining their business plans the participants tracked their progress towards their goals.

I am going back and redoing the plan every so often. ... It's been a living process for us. I do a 30 day, 60 day and a 90 day plan which I've used in other businesses and have worked very well (GB1F).

Observing seasonal trends, one participant diversified his local client base supporting his restaurant and accommodation facility by targeting specialised bus groups to increase his business. This participant imaginatively identified a broad range of interest groups who might appreciate his hospitality and accommodation facility newly available in the area. He used cost effective promotions through golf clubs and sought website linkages with potential interest groups such as the fishing fraternity, thereby alerting them to a new recreation destination. He managed the expansion of his business by attracting larger and diverse groups of people to sample his hospitality, judiciously using his limited staffing resources.

We got the restaurant up and running. Got the accommodation and the websites up and got involved in the local community and slightly further afield. Now we are in our second year of our three-year plan. This year we are starting up the golfing aspect. We have sent out pamphlets to 80 golf clubs around New Zealand telling them about experiencing our golf course ... With the groups, we're

growing all the time. We are getting bigger group parties now, more than just coming in for a nice quiet meal in groups of two and four (GB8M).

Evaluating the tourist potential of the natural attractions in his area, he identified a range of possible interest groups. These included visitors on bus trips to a well known bird sanctuary, vintage car and motorcycle club members seeking day trip destinations, quad bikers, white water rafters, hunters, trampers and fishermen:

New Zealand Trout Fishing have asked us to join their website ... There's fantastic fishing in the area. Then there is also hunting in the area. There's quad biking and there's white water rafting up the road and then there's also the Tararuas to go tramping in. We also want to invite bus parties who come up from Wellington to [the bird sanctuary], have morning tea there, then come here before lunch and go back in the afternoon. Here they could watch the eels being fed and the calves being fed and other bits and pieces. We have a museum, a cliff walk, artists in the area and other bits and pieces When it's warm in summer people have barbeques at home or head for their holiday baches by the beach which slows down the restaurant trade. However, once the weather gets cold and wet, people don't want to cook for big parties of 10, 12, 14 so then they come to us (GB8M).

Another participant continued his marketing momentum created by his initial marketing strategies to increase his customer base, based on the number of building permits issued for the area. Although the economic downturn was affecting local builders, it had not yet affected him:

In the second year of business, since more money was coming in, I just increased my marketing budget ... Then I was in a position where I bought a second [major core machine] so we don't have to spend as much time in preparation. And now I

just continually advertise because I want to really want to grow my business ... I can see a lot of builders that have slowed down. I know guys in town that don't have as much work as they did this time last year, but for some reason I keep getting busier and I don't know if it is just because I don't have many competitors ... I thought I'd be really slow, to be honest, when everything slowed down, I was a bit worried but it's just been continually busy (US1M).

His business's growth was partly due to his strategic choice of a regenerating product and service. His product created on-going maintenance contracts which enabled him to expand not only his local market share, but also into neighbouring regions. In addition, his company renovated old products which in turn required on-going maintenance contracts which provided 30-40 percent of his business. His strategic decision-making proved very effective in the longer term.

A health therapy business also expanded geographically. It offered weekly clinics outside its regional base in order to grow the business, drawing clients from Hamilton, Palmerston North, Fielding, Dannevirke and Paeroa. Geographical expansion was not limited to New Zealand. One participant, who already had a number of contracts in Australia said,

We could easily expand into Australia ... there is a lot of work we could do there and it would create a centralised market (GB4M).

Internet websites enabled expansion, particularly in the hospitality sector where internet bookings enabled global travellers to book locally. One participant found that his lodge-style accommodation had found favour with Canadian visitors who had promoted it by word of mouth to other Canadians. Another website enabled one participant to export nearly 50 percent of his speciality food product:

We've got people [with] relatives in South Africa, England and America and so on. We deliver it. They pay for it, no problem (SA2M).

Not all expansion efforts were successful. In one case a successful business expanded by opening a specialist seven day a week fast food outlet. However, it never became financially sustainable so was closed after seven months and the business retrenched to its manufacturing and retail base. This experimental expansion in New Zealand replicated the participant's previous successful business expansions overseas prior to migration. In this case, New Zealand's smaller market forced its closure.

A regional participant, involved in website design, initially undertook considerable face-to-face networking to establish her credibility and get contracts. Her growing credibility amongst her colleagues was reflected in the leads passed to her. She expressed her expansion goals:

I just want to get further into the community really to grow the business. We have got affiliations with all sorts of businesses. We have leads passed to us from design agencies to design things for customers who also want websites. ... Plans are just for growth really (GB1F).

This participant's strategic goals included taking market share from established competitors. She methodically surveyed her customers after completing contracts to ensure they were satisfied with her delivery and then promoted the positive feedback on her website enabling her to steadily take market share from her competitors and become a significant key regional provider.

The participant, who upgraded an unprofitable tourist attraction, derived considerable personal satisfaction from rescuing, maintaining and enhancing it. Without his

involvement this distinctive attraction, representing a considerable investment of time and skills over decades, could otherwise have been lost.

We took over in January 2006 and started construction the following month. ... We built a [new] layout ... strictly aimed at getting more children.... They go wild about it ... So little by little we improved the experience ... At least 20 people have spent significant time [developing the exhibit] ... We never meant to reach this degree of involvement, but just little by little, each time there was a crisis, it was abandon [the attraction] or put in more time and more effort. I guess I'm not a quitter (US3M).

By investing his financial capital, time and business acumen, this retired professional rescued an attraction lovingly developed by enthusiasts over decades, to again delight a new generation of visitors to the region. His investment earned him minimal monetary gain, but the local community benefitted from the amenity and the tourism generated by the unique attraction. This hobby enterprise contrasted with the participant's professional career prior to his 'retirement' but benefitted from his business acumen and willingness to undertake even the menial work involved.

By contrast, another participant's arrival was timely as the industry sector serviced by his company was about to expand dramatically.

Compared to where the industry was seven years ago when I first got into it, it has now grown by, I would say, 200 percent (SA1M).

Since this participant's arrival, his company had also expanded into Australia through his New Zealand partner. Fortunately, all the participant's skills had fully transferred so he focused on becoming an expert on New Zealand's specific industry issues.

These examples indicate how the participants increased their human capital by deliberately learning about New Zealand conditions and requirements to enhance their industry sector and market knowledge, identified in *Human capital* in Figure 9. They modified and refined their strategic plans by critically analysing the effectiveness of the strategies they have employed. These IWR immigrant entrepreneurs demonstrated an astute use of limited resources, including creative problem solving to achieve cost effective solutions to their challenges. This is further illustrated in their responses to staffing issues resulting from business growth.

8.2.2 Staffing issues

A significant problem for the participants at this third LTBV stage was finding staff with the appropriate skills and work ethic to enable businesses to expand. Understandably, the highly motivated participants set high work standards for themselves and their staff. By examining the participants' strategies for recruitment, retention and staff development to resolve this problem, I identified which dimensions of human capital were significant.

Effective forward planning and mentoring resulted in one participant consultant being quickly inundated with work, which created specialised staff recruitment and retention challenges. Although New Zealand lacked people with an adequate skill base, appropriately qualified people were available in the United Kingdom from where the participant recruited staff to join his team of seven. However, he acknowledged that global influences made this difficult:

It's very, very hard finding people with expertise ... The internationalisation of the marine industry has resulted in cheaper crews [which] has reduced the

numbers of skilled people in the industry ... [finding] somebody with his Chief's qualification is becoming harder and harder to find ... In the UK I could have just effectively opened another box of engineers. I advertised, got the skill base and got it all in train very quickly. Here, we could take people on but they couldn't do the job ... The NZ Navy people are very, very good but there are very few and they do not understand the needs of large ships and the commercial side of the business. There is a need for people who can manipulate databases and GIS systems and who can interpret the information. The combination of skills is rare as you need people who understand shipping and can interpret the search results intelligently (GB4M).

Having incurred the costs and effort of successfully recruiting staff from overseas, he needed to retain them. He was particularly frustrated by his newly recruited staff being head hunted only months after they arrived in New Zealand which jeopardised the sustainability of his successful consultancy:

What would make me go back [to the UK] is the lack of [trained] people and the frustration factor that we have to do so much work to keep it going and the lack of people in training. If I said, to hell with it, let's close the office and we go back to the UK I'd run a successful business and get the people in tomorrow and probably carry on expanding it. ... It doesn't mean I'm going to give in, but it makes a bigger frustration (GB4M)

The rationale for 'poaching' or head hunting staff came from another participant:

In New Zealand there are fewer skilled people here so you almost have to poach them. The lack of skilled hairdressers is important [to us]. There are hairdressers but not necessarily skilled or experienced hairdressers. One of

the problems is the low wages which sends people scurrying off to Australia (GB5M).

When asked about recruiting appropriate staff, a third very successful participant acknowledged the work ethic challenge:

I don't know if it is just [this] area [but] the work ethic of what I was used to and what the same calibre of personnel is offering in New Zealand is very, very different. I got the feeling that they were doing just enough to stay in the position and I was paying just enough [for them] not to go away ... I would prefer to see someone that is highly committed to the business and ... pay accordingly to achieve that, but I couldn't find anybody for quite a few years. Eventually I did find somebody and she happened to be a foreign girl from the UK ... She had the type of work ethic that I was looking for (SA1M).

Although a number of participants commented on the problem they faced finding trained staff with the right attitude, a few were satisfied with their choices. A particularly positive recruitment outcome was achieved by one participant who described her strategies in employing up five people in her second year. She subsequently reduced her staff numbers to two full-time, plus herself, because her staff had improved their skills:

In the second year we grew, our expenses grew, but our business grew too. I was really lucky to find the right people. The first full-timer I found is fantastic. She is my 2IC and she loves problem-solving. She can do everything. I found her through a recruitment agency two years ago. The other core member was studying at a little church college doing web development. I used a contact. He has been with us for 18 months and has been growing in skills and experience. We have just had part-time students helping us out when we have needed extra

work. We have had to exit one person formally through lack of performance and dedication... I got advice on the exiting obviously from our lawyer at the time who was a specialist in HR law. I had managed teams before for large corporate so it wasn't a big thing (GB1F).

This participant not only recruited but also trained her staff. In the second year, she wrote an operations manual and encouraged her staff to attend networking meetings when she could not. This pregnant participant deliberately built staff capacity to maintain her business' expansion momentum, so she could reduce her long hours when she started a family. When required to exit a staff member, her professional approach in seeking local legal advice ensured that the process was executed appropriately.

The growth of the landscaping business required that participant to seek staff he could entrust his expensive, specialised equipment to. After trialling different employment options, he eventually decided that the most reliable 'staffing' arrangement in his weather-dependent business was using two local reliable subcontractors.

I do all the application still. I am hoping that next spring I will find somebody that I can trust that I can send off with a machine and spray ... but so far it has been just me doing the application, but I have other guys doing the prep work (US1M).

This participant explained that once the product has been created for the customer, his company provided an optional full after-care programme which maintained the quality of their customers' investment. While maintenance contracts expanded the business, finding the right staff was difficult.

Around here it is a bit tough because the good guys are usually taken and then you get the kind of the surfer mentality up here where a lot of guys, when the surf's

up, drop their tools and you can't find them ... [However] I've got a guy [self-employed contractor] who does all the [maintenance]. It becomes a self-perpetuating business ... Basically I give him the [maintenance] contract, so we kind of piggy-back on each other (US1M).

This participant's mutual co-operation with reliable self-employed people who had their own landscaping businesses meant they mutually benefitted. By effectively adding a new product to the region it increased the need for a maintenance service which in turn, increased work for other contractors. The participants in rural regions had fewer labour options available.

The lack of recognition of specialist skills again stymied the participant therapy practitioner who, in order to take holiday or professional development leave, required similarly trained locums to replace him. However, the same credentialing obstacles which had prevented him from practising as a chiropractor in New Zealand frustrated the recruitment of similarly qualified locums or partners from the United Kingdom. This participant, who was nearing retirement, had anticipated a succession plan which would enable him to gradually reduce his workload and hand over the practice to more recent immigrant graduates.

You could accommodate 100-150 chiropractors here in New Zealand easily. Frustratingly, because the New Zealand Chiropractic Registration Board will not recognise our [particular method of] trained chiropractors, which is why we are practising as holistic therapists. Arranging for similarly trained locums to come to New Zealand proved exceedingly difficult. It's a pity, because if it wasn't such a closed shop we'd have 20 – 30 [specialist] chiropractors out here now. As it is, there are two or three prepared to come out and do what we've done. I would like to have another [specialist] take over here so that gradually over the next few

years, we could pass over much of the work that we do to them and thinking into the long-term, maybe when I'm in my late 70's early 80's, of cutting down our workload (GB7M).

The New Zealand Chiropractors Association's refusal to recognise the qualifications certified by the United Kingdom's General Chiropractic Council created a significant barrier to the participant's expansion in New Zealand. It also prevented potential competition from immigrant chiropractors. The participant felt thwarted in his efforts to see his practice continued and expanded, offering the benefits to clients in regional communities throughout the North Island.

Asian participants employed particular staffing strategies to overcome English language challenges. One participant employed a bilingual co-ethnic staff member who had been in New Zealand for 13 years. A second participant deliberately left staff employment to his New Zealand partner who employed 15 staff in his separate partnership company. The partners equally shared in the ownership of both companies, but each managed a company apiece, enabling each partner to exploit his strengths.

The unpredictability of demand in the hospitality sector in a regional location made it difficult to maintain full-time work for employees. In addition, finding and training appropriate staff in a regional locality was challenging, which created a risk management situation for this participant:

There are three of us. There's me, I'm the chef and pot washer. My wife does front of house and then we have a young lady, who is currently a student and another fellow we're just training up to use when we get bigger groups ... Once you get over 24 people it can get very, very busy and sometimes very fraught ... I

don't want to start employing people permanently as a chef. We did have one in the beginning but he didn't come up to what we wanted and they are very hard to get in New Zealand ... If I was ill then we've got no-one else to do the cooking. We can still run the front of house, serve people as we have some people we can use at short notice and they're quite happy to work and do bits and pieces for us, but if we actually lost myself in the kitchen, that would be a [catastrophe] (GB8M).

This highly resourceful participant did not disclose his solution (if he had one) to this problem, other than staying healthy. The limited staffing options available led to creative solutions. By strategically negotiating set-menus for bus tour parties during quieter lunch hours, this astute participant increased his patronage by using his current staff more effectively.

Volunteers provided another staffing option. Members of a supportive local model club, who had been alienated by the former owner of a tourist attraction, were again assisting with its maintenance. A retired club member, who had previously maintained a similar historic attraction, regularly dropped-in to resolve maintenance problems. But, not only older people were attracted:

There is the young man that's worked on the scenery. He adopted us because he just enjoyed [models] so much and it was a chance for him to express himself where the public could see his ability... He's extremely bright and knew an awful lot about [models] ... When we had an Open House when we took over the young man came in. He was only 12 and he started tinkering and the first thing I knew was that he was better than I was at fixing. I had been very anxious to have [the offer of a historical attraction] and would have gladly taken it, but I didn't see any way that I could do the job by myself. But the young man who had been helping

and working on scenery, talked his father into taking the entire school holidays in May to dismantle it and getting the Marineland staff ... to move it and reassemble it [here](US3M).

Without community voluntary help this participant might not have succeeded. Perhaps the community responded in recognition of the participant's efforts to retain the attraction in the community.

While striving to expand their businesses, participants used their problem-solving human capital to resolve staffing challenges which were sometimes complicated by location and limited employment options. These various experiences and pathways to business establishment show the diversity of challenges in this area. Finding qualified and knowledgeable staff with the appropriate industry knowledge was part of the challenge. The other was finding staff with the appropriate work ethic who were sufficiently trustworthy and reliable to meet the high performance and product standards set by the participants. Balancing uneven cash-flows, particularly in tourist ventures, made the permanent hiring of staff more problematic. The participant who trained and entrusted her staff to network on her behalf, found as her staff developed, she could hire fewer people. Her urban location enabled her to supplement her permanent staff by employing tertiary students to undertake part-time work as required. Hiring temporary or part-time staff during peak times was more difficult in the regions outside the urban centres.

Staffing issues required creative problem-solving such as the use of subcontractors, or creating a tailored demand which could be catered for by the existing staff resource. These staffing decisions followed a period of trialling different staffing options to identify which would work most effectively in each situation. The IWR immigrant

entrepreneurs demonstrated effective staffing and business decision-making following a period of experimentation and adaptation. In these examples, the participants were able to recognise unsustainable situations regarding staff and manage them appropriately.

8.2.3 Requisite knowledge and capabilities for success

In addition to the human capital employed to resolve staffing issues, the participants commented on aspects of human capital they perceived had made them successful. One participant acknowledged her own knowledge, capabilities, including her ability to develop those of her staff and converse appropriately with her clients.

Many things [have made me successful]. The skills we've got in my team. I'm very lucky with my staff. Having the confidence to go out and talk to people. Many people in my industry are quite geeky and quite hidden and don't want to talk to people. They are not business people, but because of my broad business background I can understand a lot of different businesses and I can talk to people at these networking meetings and can find something that is interesting to them. So that has probably helped. A lot of businesses come to us because I don't talk internet to them. A lot of customers come to us as they like that we don't talk technical rubbish at them. A number of people have said that your business won't survive when you are not around. Perhaps they are trying to give me a compliment. I have confidence in my team and I think it will be fine (GB1F).

This participant's confidence in her staff is unusual amongst the participants, for whom the major issues were revealed as a lack of appropriately skilled staff, or finding staff with the appropriate attitude. Her urban setting provided a wider range of staffing

sources which regional ventures did not have. Many participants demonstrated a breadth of expertise, in addition to being flexible and adaptable, as detailed below:

I had 31 years' experience in the Navy, catering for anything from four people to 2,500 at a barbeque, cooking for Royalty, cooking for everything. As a caterer you weren't just a chef, you were also a steward and also an accountant so that all pulled it together (GB8).

Ironically, it should be remembered that this participant was refused a skilled visa as his catering skills were considered outdated. His breadth of catering experience made it possible for him to cater for the wide range of customers his business sought. It also made it difficult to recruit sufficiently skilled people who could equally meet the range of demands.

At the expansion stage, in contrast to the range of problems encountered at the two previous stages, there appeared fewer obstacles to resolve beyond staffing as the participants had become more familiar with their environment. However, one participant had an unexpected setback. Close to retirement, she was seeking to "wind back" (GB3F). She had transitioned into a partnership as part of her sibling's B&B business in New Zealand and had applied for residence, when they had to unexpectedly sell their shared business. Fortunately, she achieved residence just in time, but urgently needed a new venture with an adequate income. Fortuitously, or perhaps presciently, during the quiet visitor times in winter while running the B&B, she had investigated whether any local research survey work was available. Consequently, she had developed:

a little network, doing benchmarking and customer satisfaction surveys on the Coast and I luckily got residency. So I just changed paths and boosted my

freelance work which I was able to do because I had residency and I wasn't tied to the company (GB3F).

LTBV holders could not leave their company until they achieved residence so once she achieved residence she was no longer "tied to the company". At this juncture, unusually for a LTBV participant, she took the opportunity of employment by running several projects for the local tertiary institution on a part-time basis. However, in surrendering her autonomy:

[after] 30 years working for myself basically it really makes you sort of [tired] of company politics which you can avoid when you are working for yourself. You expect to have problems with clients - that's what clients are for. It's really hard after working autonomously, to work for someone else (GB6F).

The flexibility and adaptability of this participant is evident in her quickness to adjust and take expedient employment in the short-term. Even though she perceived herself heading for retirement, she had used her ability and energy to create research networks during her business downtime. These enabled her to speedily replace her B&B income. Unusually for an entrepreneur, she accepted part-time employment, but chafed against the loss of autonomy and the monotony of repeating courses:

I'm getting bored with the [tertiary institution] because it's repeat, repeat, repeat.

I want a bit more of a challenge. I just want to get out there and do more (GB6F).

Pragmatism is a feature of the participants. If it becomes necessary to do something repetitious or menial such as cleaning toilets, painting walls or washing the pots to achieve the bigger goal, these participants are prepared to do the work themselves in the short term.

To resolve staffing issues the participants experimented with the options available to find and refine solutions. When staffing arrangements were not effective, these participants recognised and managed the situation appropriately, demonstrating their business acumen.

8.3 Role of social capital

The participants' instrumental networking strategies initiated during the implementation phase continued to develop social capital during the expansion stage. Marketing momentum continued but the emphasis shifted to extending and diversifying the client base. I next outline participants' instrumental networking strategies, supportive New Zealand connections and the participants' contribution to community social capital.

8.3.1 Instrumental networking

To reiterate, all the participants recognised the value of networking to quickly build their reputation while promoting their businesses:

You have to network. It is being in the right place at the right time, talking to the right people. You have to be prepared to talk to people and getting new business is a numbers game. The more people you talk to the more likely you are to get it. Here on the coast recommendations and word of mouth are essential. ... But when it is a business service then you have to talk to people. You have to have good word-of-mouth. I really do think I'm going to concentrate more on doing a bit more networking (GB6F).

Networking is a constant. It can't stop. Finding customers [is an issue]. Yellow Pages has been a strong one and being found in Google and word of mouth in that order (GB1F).

Another example of deliberate networking for expansion comes from one experienced, highly self-confident participant:

If we want to go and do something in Melbourne or Sydney, we just basically have to turn up at a conference and speak and make a lot of sense and the next thing is we have [contracts] in Sydney and Melbourne where we've had workers now for a year and a half. When one job finishes we've got another lined up for them. (GB4M).

These examples indicate the significance participants' place on strategic networked communication to enhance their credibility and expand their businesses:

I think obviously trust takes a bit of time ... I think one has to earn trust and respect within the industry. The industry didn't know me from a bar of soap, didn't know what my level of expertise was and that obviously took a bit of time ... Today I think I am reasonably well respected by the industry as being someone who has got a good knowledge base (SA1M).

Communication with the team and customers [is important]. We send out monthly newsletters and always get really good feedback on how interesting they are ... we get a lot of people reading and forwarding them to others. I think that's it, communication, skills and reviewing the business, the market (GB1F).

The second year was sweet because things were in place and I didn't have to hustle as much as far as trying to just make sales. The work flow just kept going. The phone never stopped ringing basically. It just kind took off really. (US1M).

These examples illustrate three different purposes of networking and communication: The first is to earn then retain trust and respect. The second is to promote the business by strengthening relationships with clients, who amplify their satisfaction by informing others. The third purpose is to obtain information. According to Hill, McGowan and Drummond (1999) and Honig (1998), when clients become advocates for the participants' credibility and reputation they market products or services more cost effectively and credibly than forms of commercial marketing. The example of the website developer getting referrals from other colleagues illustrates how new business opportunities are obtained through networks.

Collaborative networking was practised by a participant operating a newly established upmarket B&B in order to develop referral contacts with similar B&Bs in other parts of New Zealand.

We've got somebody in Christchurch ... somebody from Queenstown ... And we're about to contact somebody in the Marlborough Sounds because I think it is two lots of our guests actually stayed there before they came to us, so we feel that would be quite a good contact because they are mostly English people ... Guests came over from Wellington, then went to the Marlborough Sounds and then came over to us from there, so we could make a network with them (GB3F).

This participant intended to visit the Marlborough Sounds to visit or stay in the other establishment to discuss the possibility of networking. Seeking to diversify her client base, the participant had met a flying and sky diving operator at the local airport who owned a hotel in Auckland and was happy to network by referring customers.

Networking to access information or identify new business opportunities is exemplified by the participant who actively networked for these purposes. An active

participant in an inclusive ethnic New Zealand Asian Association, he checked the website daily to stay in touch with friends or exchange information.

They are very helpful. They guide me to the best websites and I help others ...
Then I copy these files to my friends, both Kiwi and Asian friends so it's easy for them to get the information. I get information from my Kiwi friends and mainly help my Chinese friends (C1M).

He selected his networks judiciously, choosing not to join the Auckland Chamber of Commerce or the Employers and Manufacturers Association as he did not consider that they offered him value. Instead, he joined the Business Net and attended some meetings, although he did not perceive it as directly beneficial to his business. He joined a specialised building association aligned with his business interests where members included builders, concrete stressors, architects, engineers reflecting the professions involved in his business specialisation. However, as his New Zealand business partner actively participated in these meetings the participant did not always attend. Instead, he met regularly with a different partner, originally from the United States, specifically to discuss new business opportunities they could explore together.

Participants found creating time to socialise for relaxation was difficult. In contrast to active participation in an ethnic community, one participant declined the invitation to join her regional ethnic group multiple times:

I would rather mix with Kiwis. Maybe if I had joined New Life New Zealand it might have been useful. I may have found out the answers from previous immigrants (GB1F).

As this person was newly married to a New Zealander and focusing on establishing her business, her time and energy may have been fully committed. However, affiliate cultural capital facilitated entry to the social mix of outdoor sporting and work networks of a younger, single participant who explained his instrumental social networking strategies:

The first group I joined was the mountain-biking club because I'm really into mountain-biking and that's been a good group because we have built trails and stuff and one of the landscapers designed a little bike part. [I] met a lot of people that way and we go down to Taupo every year for the mountain-bike relay race ... You've got to be social. See, I'm from a small town so I'm totally at home here. I pretty much know everybody up here through wake-boarding and surfing. A mate and I get together and discuss fishing and stuff. I'm too busy to go to any [business groups] if they exist (US1M).

The importance, the skills and attitudes required for networking and the feedback derived from it, are recognised and expressed by these participants:

[Networking] is really important. I think it is very, very important. If you are an entrepreneur a good entrepreneur has those skills. I think each personality is different but I do believe that [you need to] get [involved] in, participate, get out and network so people know who you are and you get to know them (US2M).

It's really quite easy to make contacts ... If you're a shrinking violet and you're scared of talking to people you're not going to do it. So, I'm a fairly outgoing sort of person so I'm used to talking to people and just asking questions. In general in life, you've just got to go out and do it (GB6F).

The judicious networking begun post-arrival was continued and diversified in the establishment and expansion phase. The instrumental use of networks to achieve particular outcomes was also evident. While websites, the Yellow Pages and diverse channels augmented the marketing strategies, networking remained at the core of the consolidation and expansion phase.

The majority of participants described altruistic community contributions, but one had chosen to become strategically involved in his industry:

We are very, very deeply involved in the industry ... with sponsorship programmes. We take part in the Winery Engineering Association and in trade shows in Australia as well because Australia is very, very important arm of our business. I would think that while the industry has grown and it is probably impossible to remember everybody that's in it, as far as the company is concerned it has got a certain respect out there that people say, "If you need something, go and talk to [us]" (SA1M).

This involvement more accurately reflects an instrumental marketing sponsorship strategy to achieve brand awareness rather than altruistic community goals.

Supportive connections, which included mentors and others who proffered early advice, were initially very helpful. However, over time, as the participants diversified their advisors they established other empathetic relationships.

You need to have a nice friendly accountant who can explain it to you. Look this is the way that it happens over here and you can do this, that and the other. Sometimes that's really quite helpful ... You enter into relationships with people you feel comfortable with of course. I had some of my brother's connections

[but] some I haven't continued with and I've found myself more comfortable with contacts I've made since (GB6F)

Mentors may also represent risk factors:

Now that there is a new [government appointment] ... who I am mainly contracted to professionally. I could be best of friends with that person but I am also very much aware that that relationship might also be an impediment to our expansion. I just don't know (GB4M).

Mentors were still helpful, but as information sources were augmented, their role appeared to diminish as the participants progressed through the stages of the LTBV. The mentors who acted as supportive friends remained friends but the importance of their business advice appeared to decline.

8.3.2 Contribution to community

As previously mentioned, most of the participants contributed to community projects. Further examples discussed here range from specialist camp counselling to the contribution of survey methodology to a West Coast bird project. This participant's survey methodology for a comprehensive census of a declining bird species now serves as a model of best practice:

We enlisted enthusiasts [over a wide regional area]. We sent out a questionnaire especially to older residents to provide some anecdotal evidence of how they felt the population of [birds] had dwindled in their lifetime. Then just by getting some of the little local schools, some of the local families and especially where they had [birds nesting locally] ... everybody had a 48 hours period at a certain time of the year and they all went out and observed [a range of conditions] ... and whether

they heard calling or whether they saw tracks, or whether they saw birds themselves and how many ... If there was any road kill then please pick up the poor little carcass, pop it in your freezer until you can get it to DOC (GB6F).

Her intellectual property contribution was acquired by the Department of Conservation through its funding of this benchmark project. The methodology is now available to similar bird studies in New Zealand and overseas. Most participants contributed their time and skills to their communities. One participant contributed in a less public capacity by annually acting as a counsellor and mentor at a men's camp held outside his professional 'catchment' area thereby accruing no obvious marketing benefits.

I go every year to a men's camp up in [a particular] forest and I act in a semi counselling role there, a mentor. It's an organisation that is run out of Auckland. Last year I was the camp elder, more by accident than design, but it enabled me to meet a lot of people on a lot of different levels and to assist people, particularly young men find their role in life. So doing work like that also helps because it's part of integration into the community (GB7M).

Another participant, whose wife undertook the professional work while he managed the businesses, was quite strategic in contributing to the community:

I volunteer for the Citizens Advice Bureau. I was very pleased to be able to come to New Zealand so I wanted to put something back. I've been at the CAB now since I've been out here and now I'm the treasurer and on the management committee. It is another tool because you have to learn an extreme amount of information as you are bombarded with questions you don't know the answer to and you have to seek the answers out so that is useful to me (GB5M).

An Asian participant actively sought to develop not only business relationships with other partners, but also to build bridges of understanding between China and New Zealand.

We help some Chinese students to study here. Most are studying at a language school or high school through the Foundation. The other way [is for] the students in your schools go to China to visit companies. Kiwi students go to Chinese companies also some foreign venture companies to get some more information. To know how to open the Chinese market to follow the foreign companies, get some information. I also gave the suggestion if after a group goes there to meet with Chinese factories maybe most of the local people will know where New Zealand is and something about New Zealand. Sometimes meeting face to face makes the conversation very easy, can trust each other. Must set up the net for business or life so mixed together, get to know each other (C1M).

This participant also taught Mandarin part-time at a local high school to not only help local people study Mandarin, but also to help them to do business with China. These examples and others earlier described, illustrate the diverse contributions made by the participants to communities throughout New Zealand. Instrumental networking might have motivated community connections, but many participants indicated a desire to contribute to their local community.

8.4 Role of cultural capital

In this section, I examine how entrepreneurial and affiliate embodied cultural capital, as identified in *Cultural capital* Figure 9 motivated and resourced the expansion stage of the LTBV. In addition, the data reveals the development of new businesses and

evidence of transnational interactions, as the applicants' entrepreneurial capital motivates them to seek new challenges.

8.4.1 Entrepreneurial cultural capital

I have already identified entrepreneurial dispositions of embodied cultural capital as the motivating force behind the participants' success. The establishment and expansion stage reflects similar determination to resolve staffing challenges to enable growth. Pride was evident in comments made above, in relation to participants' ability based on their reputation and the quality of their product or service, to win market share. Despite the easing of the time pressure, the participants were motivated to seek new challenges. Pride and determination to succeed continues to underlie the efforts of all participants as articulated by this participant describing the importance of attitude to success:

When you say, "I'm coming to New Zealand. I want to live there. I want to become a New Zealander," we commit part and parcel to what New Zealand is, which is what we love. You're going to give 150 percent. You're going to get stuck in. You're going to do everything. I was giving that to the Navy and [my wife] was giving it to the B&B when we had it. It was also her job, so to actually take the step to one side was very, very difficult but it has also been very enjoyable because everything is down to us. If there's a mistake it's ours. And it's also simple ambition (GB8M).

Similar pride and determination is reflected by another participant. A craftsperson all his working career, he was loathe to make modern furniture as part of a production line. In fact, it was such an anathema he had strenuously resisted. Finally, he

recognised that the inevitable effect of cheap imported furniture on the New Zealand furniture market was endangering his craftsmanship:

All through my whole working life I have never wanted anything to do with making modern furniture. Through circumstances I've kind of been forced into it and you know, the funny thing is, I actually enjoy it. There is still enough variety to keep it interesting. I am still able to put my best into it and make a good job and feel good about the furniture that I do. The company that I'm working for has the same ideals that I wanted in my own business. They make a New Zealand product and as much as possible, use New Zealand grown wood for the timber frames and New Zealand tanned leather. I still have pride in my work and it is lower stress ... There is good rapport amongst all the people who work in our workshop. It's a very pleasant place to work on contract (GB2M).

A very important value to this participant craftsman was the quality of his workmanship and the materials he was using. He could not see how these values could be met in the making of modern furniture until he undertook subcontracting for a modern furniture making business which honoured these values.

Persistent problem solving is another key behaviour of the participants:

How do I deal with problems? It depends on what it is. I normally find out what the problem is, ask around to see if anyone has got any advice if I need to and then deal with it. Depends what it's about ... You have problems every day (GB1F).

I like a challenge. It must be part of my life-style, I've only had challenges. I am persistent. I think you've just got to be determined (GB3F).

As the energy to achieve, take the initiative, persistently problem-solve are characteristic behaviours of entrepreneurs (Frederick, et al., 2007), so inaction causes

entrepreneurs frustration. This is illustrated by one of several B&B participants, just ending her first year of trading:

I think the hardest thing at the moment is waiting for bookings to come in out of season. The hardest part is the waiting. We've got to make it a success. I think I have done more or less everything I can do. I am an organised person anyway and I am here raring to go and do this. The usual price for most B&B places is around \$80-\$0 sort of market and we're \$350 and one room is \$300, so it's a totally different market. I thought it was going to be just the international market but we did have one or two New Zealanders last year ... We'll just change things slightly to adapt to whatever market becomes available (GB3F).

Evident is her initiative and self-belief. She is also adaptable as she identified and responded to potential markets. A high energy level was evident in the workloads of all the participants. An example of long hours is provided by this participant:

The pressures? Long hours because it's such a mobile business. I'm on my network here, on the internet, I can carry on working 24 hours and in the first few years I did. I have really cut back especially since have been pregnant. I want this business to succeed (GB1F).

In addition to the embodied cultural dispositions of determined problem solving, working autonomously, being adaptable and investing high levels of energy, something else was identified:

Starting business is a different matter. To start a business we need courage, confidence and ability, self-esteem and thought, experience (K12M).

Courage and self-belief were especially needed by participants from non-English speaking backgrounds. Not only was the language a challenge but also the cultural and

structural differences within the environment. The participants' language captured and epitomised their attitudes and dispositions, reflecting the significance of entrepreneurial cultural capital to their success.

8.4.2 Entrepreneurial culture creates additional businesses

As this study focused on the participants establishing the businesses approved in their visa applications, the participants were not directly asked about their other enterprises. However, it emerged that:

One business is not enough as I have enough time. I have time and experience therefore I should do more (C1M).

This was typified by those who had been in the country longer. At least seven participants alluded to an involvement in overseas businesses. This participant effectively operates as a transnational:

We have a number of other companies in the UK over which I have oversight, although that's not quite true because I get involved in day to day work [but] I'm handing over more and more and more as I get busier and busier here. The time difference is perfect as I might send a report doing a tender as they wake up and they send it back to me just as I wake up. (GB4M).

In addition to extending his consultancy business to New Zealand and servicing the Australian market, he was always alert to other entrepreneurial opportunities:

As a sideline now I import swimming pool heaters from Canada which are solar powered. We have a swimming pool which we needed to heat and I couldn't find the solution we needed in any form of cost effective way locally, so we started importing the stuff (GB4M).

Another, so called ‘retired’ participant from the United States, had formed several companies to assess products from around the world that reduced carbon emissions by using hydrogen:

Look at all the broom and gorse out there that could be converted to methanol/ethanol especially if there was a spike in oil prices. I employed professionals [such as] accountants, lawyers, surveyors, engineers otherwise I did everything myself (US2M).

Similarly, an Asian participant retained and developed international business connections. He met regularly with another long-term resident from the United States to identify and exploit import business opportunities:

We work together. We meet every couple of weeks to discuss what business we can do (C1M).

Another participant said that his internet business in the United States was being managed by a friend. This participant was in the process of applying for his residence, so was frustrated by not being able to implement “many other business ideas” (US1M) until his current business was established. Once he achieved residence he was planning to transfer his web company to New Zealand and work with New Zealand “web guys”. He was also considering another landscaping company which would complement his current business after he had achieved his residency.

Even within this modest sample of participants, a diversity of new business creation and expansion became evident, in many cases involving international connections. The participants appeared very open to identifying and exploiting new opportunities.

Despite the interviews not seeking specific information, evidence of new enterprises emerged particularly from those who had been in the country longer.

8.4.3 Affiliate cultural capital

Ethnic cultural capital enables intentional immigrant entrepreneurs or immigrants generally to affiliate with their ethnic communities. Similarly, professionals and those with special interests can affiliate with particular networks and communities of interest. Each affiliation is not exclusive of others so theoretically a United States web designer, from a particular regional background, who enjoys surfing and bike riding, may choose to affiliate with particular groups in New Zealand who reflect similar values, exchange professional information with other web designers, while participating in team bike races and the surfing fraternity. Therefore, the broader concept of affiliate cultural capital is appropriate for IWR immigrant entrepreneurs. At the expansion stage, different affiliations offer access to diversified networks, potentially offering greater market reach through new opportunities. Fluency in the host language is likely to assist this process.

One example of the instrumental use of affiliate professional cultural capital was the participant who was involved in establishing an international, highly specialised, professional association. By attending this association's meetings and conferences and impressing the attendees, he received invitations to be a keynote speaker at other specialist conferences where he could promote his services.

We're [marine] specialists ... we were involved in setting up an international [association] ... I have just been over to Russia, St Petersburg which I needed to go to like a hole in the head work-wise, but I always, from a networking point of view, I always go through that type of [organisational] structure ... I will give a

very good presentation, which I will put six months into almost to make it a funny, entertaining and informative presentation ... Now over the years, that's earned me [a reputation] as a keynote speaker. In two years' time it is in Perth ... it gives me the ability to network and helps us into Australia (GB4M).

This participant identified the strategic value of establishing a highly specialised international association related to his specialist expertise. He recognised the targeted marketing opportunity it offers to effective keynote speakers and therefore invests his time and expertise to develop a presentation to impress potential clients. Inevitably, he draws on all his forms of capital to impress his potential clients. Significantly, he initiated the establishment of an international professional forum in which he could flourish.

8.5 Financial capital

LTBV participants were cost-conscious and careful with their financial capital. Participants who closely followed and modified their business plans appeared to be meeting their financial targets:

We have been in the black all the way from day one. I have put the money in initially when we started the business. We haven't had any loans, nothing. I think to have grown to the point where we are now and we are only three people and our income is not where I would want it to be, I think I would have gone in and been a bit brasher with finances. I think that is a business learning process for us, more so than anything to do with New Zealand. My husband is very conscious of money. He is our finance watcher. (GB1F).

The greatest challenge was generating a constant cash flow.

The most difficult thing I find is that I haven't got a regular income. When we sit there on a Thursday, you've done your shopping, got your deliveries and you are all ready to go for Friday, Saturday and Sunday and you've got nobody phone up. Then the phone calls start coming in because New Zealanders round here seem to leave things like having a 50th birthday party for 14 people until the last moment. They phone up an hour beforehand and ask can you take 12 of us tonight? Can you make a cake? Well I can't make a cake, but we can take 12 of you. We've actually had that. (GB8M).

According to one experienced participant, although pricing a product or service competitively was important, it was only one of three critical components for the customers. Quality and delivery were the other critical components. If the quality was inadequate, the delivery late, then the price became incidental. Staying competitive had to be a consideration of all three factors.

As no financial issues were disclosed during the expansion stage of the LTBV process, it would appear that the financial requirements of the LTBV application had ensured applicants had adequate financial resources by this stage. Those who did not have may have been unable to renew their LTBV. It has been previously noted that the participants worked diligently to meet visa criteria to avoid incurring extra fees associated with extending the LTBV.

8.6 Business immigration policy aspirations

Moving to the second aim of this chapter, I examine to what extent the participants met the objectives of New Zealand's business immigration policy as the LTBV is one of

the New Zealand business visa options. The objectives of New Zealand's immigration policy are:

to contribute to economic growth through enhancing the overall level of human capability in New Zealand, encouraging enterprise and innovation and fostering international links, while maintaining a high level of social cohesion (New Zealand Immigration Service, 2006, s. 10-1).

Both this study and the annual *Migration Trends* reports (Department of Labour, 2005b, 2006b, 2009) provide evidence that the LTBV encourages enterprise by the establishment of new, and the expansion of existing businesses. Both new and existing businesses benefit from the financial capital investment plus the introduction of a broad diversity of expertise. It is evident that businesses are established or expanded through considerable enterprise and innovation, which might in some cases draw upon international links for support. In addition, the participants made considerable efforts to enhance social cohesion through their efforts to support community enterprises.

A particular revelation was the indication by longer-term resident participants of their involvement in more than one business, mainly on a small SME scale rather than a multi-national, or international scale. Significantly, as this study did not actively seek this information, a higher level of business activity may be present than that gleaned from the data. A 2012 search of the internet using *LinkedIn* profiles of the participants show the years that many of the participants have been and continue to be, involved in several businesses. This indicates a continuum of practice in which the LTBV enterprise has been only one business amongst several.

Although innovation is present, high levels of innovation are not apparent during this study of the start-up stages of a business in an unfamiliar environment. However, once

businesses are established and residency gained, it appears highly likely that new business opportunities will be explored. Participant's innovations included the angel financing of alternative fuel research, a new process of landscape gardening, the introduction of a new food process to New Zealand and a maritime engineering consultancy which introduced significant navigational systems while facilitating the development of marine technologies involved in electricity generation. Regional tourist attractions were being identified and promoted which benefitted local communities through the development of enhanced amenities and contributions to the local economy. Certainly, considerable human capital has been introduced to New Zealand which has the potential to generate employment options, often in provincial areas.

Despite government rhetoric regarding the desire for immigrants to contribute innovation and creativity to grow the New Zealand economy, government surveys undertaken to capture innovation appear to exclude any direct reference to immigrants. A survey of innovation in business omitted to ask how many employers, staff or investors were immigrants, so could not identify their contribution (Statistics New Zealand, 2005).

Regarding the fostering of international links, the LTBV participants maintained and fostered international connections in a number of ways, as the following examples indicate:

I should expand yes. In the field of fish selling fish products I have friends in Korea and in Taiwan in the fish export/import market I can discuss with them (K1M).

Italy is the world's biggest producer of wine, follow by France ... If one looks at Australia there is a huge Italian community out there. If you go to Barossa, South Australia, there are a lot of Germans. If we come back to New Zealand where the majority of winemakers are New Zealanders, but there's a hell of a lot of foreign winemakers making wine in New Zealand, whether they are fly-in winemakers just for the season, or whether they are full time, they are all exposed to what's going on in the most important markets of the world (SA1M).

The participant who ordered customised equipment from China to meet specific Australasian needs, achieved success through his close relationship with the Chinese company. A fourth participant was signing contracts in Australia, while maintaining several businesses in the United Kingdom and networking at an international level. A fifth participant had a friend managing his business in the United States while he established his franchise business in New Zealand. Two further retired North American participants maintained small businesses here, but actively maintained their overseas business connections. One participated in a circle of like-minded entrepreneurial business professionals drawn to New Zealand from a range of countries who discussed angel investment prospects. The results of their discussions were not explored in this study. Suffice to say that all the participants had overseas connections, although some were more connected to business than others.

Selective social integration was evident in their considerable combined contributions of the participants to their various communities. Many participants mentioned wanting to contribute to and be accepted into, the communities they settled in which they appeared to do very successfully on their own terms.

8.7 Issues for consideration by policy-makers

Immigration policies have both short and long-term effects on the lives of immigrants and the receiving population. One advantage of qualitative studies like this one is that they offer insights from the immigrants' perception of their immigration process. The participants took the opportunity to comment broadly on their experiences and observations of the visa processes, beyond what has already been commented on. While negotiating New Zealand's cultural values, participants identified issues related to compliance requirements, different expectations, aspects of the visa process and the cost of failure.

Compliance was not an insurmountable barrier for participants as applicants were required to research compliance issues relevant to their business for their business plan. However, unanticipated compliance requirements which did not exist in the participants' countries of origin, mainly arose in relation to modifying new business premises so therefore were not obvious during the preparation of the business plan. One expensive compliance issue was found galling by one trained participant:

I've got 31 years' experience of fire-fighting in the Royal Navy. I'm a volunteer fireman [in New Zealand] and I'm fully qualified to inspect fire-fighting equipment. [Yet] I have to employ Chubb to check all my fire-fighting equipment (GB9M).

Compliance requirements were not the only cultural challenge as there were different expectations of local government in China and New Zealand.

In China local government and mayors must help local enterprise grow and they will be measured on their success, but not in New Zealand (C1M).

This participant commented on the visa hurdles perceived by Asian business people when faced with reconnoitring New Zealand for business opportunities. He suggested that the New Zealand Department of Immigration could facilitate the granting of a short term business visa, instead of the current tourist visa which he criticised for its inadequacy:

Every month I meet some of them here on a tourist visa as they are just in Auckland a couple of days. I go to their hotel at night to explain, but I have no time to go with them to meet some of the companies (C1M).

The participant explained that potential business visitors pay “lots of money but it’s only for tourism” (C1M) which did not provide sufficient time to effectively critique the business environment to enable good decision making. Instead, this participant recommended that visitors be separated into those with tourist goals, from those with business goals to better cater for the purpose of each group. He suggested that an organised mini business tour be arranged so visiting potential investors could meet with potential partners and visit their businesses. Such tours could include having discussions with local business people about the opportunities and obstacles. Something similar is done in China when ex-patriot Chinese are invited back to create business partnerships in mainland China to promote Chinese manufacturing sales abroad. This participant suggested that business visas be extended to two weeks.

If they are genuine business people they won’t mind. If not genuine, they will not be interested to come here. The first time it gives them some idea... It’s difficult to get a business visa for the businessman. The Beijing/Shanghai offices will ask for lots of documents plus a minimum of \$10,000 just for a two week visa. [Applicants] think they may lose face (C1M).

In his bridge-building efforts to assist his countrymen to set up businesses in New Zealand, this Asian participant had invited more than ten people to New Zealand on business trips.

One has been successful, set up a business, the others are just thinking about it.

But it's still good. It's good for this country (C1M).

Difficulty finding adequate information was identified as an obstacle by a British participant. In acknowledging her challenges in seeking information, she recognised how difficult it would be for those from non-English speaking backgrounds. She suggested that the Immigration Department provides website-links to local business development centres, or establishes its own advisory service. This applicant was unaware of the government's advisory service, the *Business Migrant Liaison Unit*, confirming its low awareness rating amongst those interviewed in 2002 (Department of Labour, 2002, p. 46). The participant suggested that an advisory service could provide:

basic points: recruitment help, premises, accountant, lawyer, all these sorts of things. Wouldn't need to be much – just a simple pointer (GB1F).

There was a perception that Immigration staff members were more competent dealing with small and medium enterprise (SME) business plans than larger organisations. A successful participant commented that while staff members in the Immigration Service were able to deal adequately with propositions for small businesses, they were not well prepared to advise applicants wanting to set up larger organisations. This expertise could reflect the predominance of SMEs in New Zealand. Another participant also commented on the size of businesses being approved but from a different perspective. He commented that at the beginning he could only start a small sized business because:

I don't know immigration office people, what they think ... If I [knew I] can get the Residence visa before starting the business I can plan some big business (K1M).

When asked to advise other people contemplating coming to New Zealand an Asian participant suggested:

In the first stage I would say ok don't start a business here because of the small market. I think most Koreans staying in Auckland are well-educated and very high level people. About 90 percent have graduated from university – even so they just operate some small dairy and small restaurants ... mainly due to English [difficulties]. The first generation should do their best for the second generation. The second generation will be better with English... I want my kids to [be] skilful in English and also in Spanish (K1M).

He described the high intellectual capabilities of many Korean immigrants in Auckland. The goal of Korean immigrants was to do well for their children. Despite the language difficulties that well-educated Korean immigrants encountered, this Korean participant suggested that:

[The] New Zealand government [should] open the gate toward the world, including Asia, Korea. I'm talking about just the immigration regulations. Most Koreans think New Zealand people have [a] more open mind [than Australians] but immigration regulations are very strict (K1M).

One participant had also encountered internal obstacles in his efforts to export New Zealand milk and timber to Asia. Whether these were due to monopolistic or structural reasons was not clear.

The participants' suggestions indicate the difficulties facing policy-makers who endeavour to balance the social and economic needs of New Zealand's social welfare economy, against its ability to compete internationally for appropriate immigrants. As discussed at the outset of this thesis, setting appropriate immigration policies and regulations is a highly complex task with long term implications for the individuals involved and the society they join. New Zealand's comparatively small local market makes it a less attractive option for IWR immigrant entrepreneurs seeking an appropriate return on their investment of resources.

8.7.1 Cost of failure

The cost of failure is high. Although none of the participants in this study had failed, not all had qualified for residence and one at least was struggling to meet the requirements to renew his visa after nine months. Unsuccessful immigrant entrepreneurs suffer considerable losses both financially and socially through loss of face. Equally, New Zealand's reputation is damaged when unsuccessful immigrants return to their country, or migrate to a third country with negative stories of their New Zealand experience. Consistent advice from LTBV participants is the necessity for potential immigrants to visit New Zealand to assess the situation for themselves. It was considered particularly important for business people from China who typically have much larger businesses and many employees and operate under different legal requirements. In New Zealand employees are more expensive, labour laws are different, so often the same businesses are not possible to establish. Some Chinese immigration agents had given clients inaccurate information which became evident when Chinese immigrants said it was easy for them to get their visa and that they only had to have \$10-20,000 and have some experience in business. Unfortunately, as soon

as these badly advised immigrants arrived in New Zealand, they saw everything was different. Consequently:

Some people come here for several months, then ... fail and go back to China (C1M).

Another participant sadly commented on a Korean family forced to leave:

They couldn't make it here whatever their business was. I think this is a very difficult area to make a living in this area. It made a big difference that I didn't have to make a living here (US2M).

The last comment is significant as 'making a living' can be challenging for New Zealanders, so is even more difficult for immigrants. The stresses and strains on families and individuals as they try to adjust to a new lifestyle, culture and business can be considerable.

8.7.2 Adapting to New Zealand culture

Cultural adaptation takes time whether the immigrant's culture is similar or not. British immigrants were more culturally aligned with its former colony than immigrants from Asia and appeared to value New Zealand's quality of life, its physical features and the social capital in the community:

We found [this place] luckily. [It] has got the quality of life that we want and the community is fantastic, it is second to none. I don't believe there's anything like it I've come across before because they all support each other. If something goes on in the community they are all there to help each other out (GB8M).

I like the beautiful looking country, the green grass and the beautiful rivers. I like New Zealand is nice and clean. You can smell the air. You haven't got the smog like in England. [New Zealand] has got everything going for it (GB5M).

We are ambassadors of New Zealand. We highly recommend it as a wonderful place to live. Less stress and no pressure. It's just a relaxing place to live with these lovely people (GB3F).

We had to come as this is where [my husband] is based. I had no choice. It's a lovely place. We are very rich at home and it has made us successful as it is a fairly smallish market (GB1F).

At the end of the day, our success is down to being in New Zealand. Being in New Zealand is what we want and if it meant coming to New Zealand another way, we would have found it, but we've got here. We want to be here. We love it. We think it's a fantastic place and it's the quality of life for the kids, although we are working a lot harder now than I was [before]. Now I'm home with the kids. We're flat out all the time and they are very good, but we do get stuck in. We work hard and the end result is that ten years from now we'll be New Zealand citizens hopefully. (GB8M).

What was clear was that these participants socially integrated and participated on their own terms and values. This participant was particularly appreciative of the Department of Conservation:

As far as the pristineness of New Zealand or the clean greenness of New Zealand is concerned, I think if we look at what DOC (Department of Conservation) does, I think I have never, ever experienced so much passion and commitment to nature like our Department of Conservation. I think they have done a wonderful job if you look at the hundreds of thousands of travellers that come from all over the

world every year purely to be able to tramp through the Milford Sound or whether to go to the Able Tasman Park or do the Tongariro Crossing ... We certainly have some very, very, very good DOC staff who look after the country. (SA1M.).

One Asian participant, who had lived in New Zealand for over ten years on reissued business visas, eventually persuaded his daughter and wife to migrate. The father encouraged his daughter to first come on her own to New Zealand and function in a homestay environment for a month to learn to live like a “Kiwi daughter” with the homestay family. In her first month, under the guidance of her homestay mother, she enrolled into school, bought her uniform and opened a bank account. When her parents arrived the father said,

You can do everything by yourself. Fine, we will follow your system. So that is why she has continued to do very well in her study. I told her, I can give you help and be a safety net for you but the rest you can do for yourself. (C1M).

Perhaps this approach confirmed his daughter’s reluctant decision to migrate. It is likely to have helped her mother to adapt by following her daughter’s lead. In addition, the carefully selected homestay mother was available to offer advice. The father’s rationale was based on his own teenage experience when he was forced to work in a provincial village.

The participants may have had to adapt to the New Zealand culture, but immigrants too can be influential. The following anecdote illustrates one participant’s persistence to provide a lesson in the value of honesty. In a traffic accident situation a young New Zealand male damaged the participant’s car:

In China if there is an accident you can't move. The police will come and check and then decide who is wrong and who will pay whom. But here it is quite different. A couple of years ago I had another business import cars from Japan to here. One time there was a crash with a Kiwi boy who ran away. I wrote down the registration number and took that to the police. One month later, nothing. I had to go several times [to the police] to ask what had happened. They had written a letter to the boy who had to go to the court as he didn't have insurance. You don't have to go to court in China. They showed me a copy of the letter and explained the system. The car had just been imported and wasn't insured ...After two years, going to court two times ... I had taken photos and also asked my neighbour to state that the car hadn't been damaged before. I had to go to the police station several times. Finally the boy said it was his fault. After he confessed it was his fault I told him that if he had just stopped to say sorry, he needn't have paid anything. "But then you run away. Then, when you were in court you didn't say that it was your fault, then you only needed to pay half. But now you need to pay two thirds. Tell the truth in the future, that's why I must let you pay". He is about 22-23. He is only paying off \$15 per week. He has just started this month. It will take two or three years (C1M).

The persistence and determination shown in this person's business was being demonstrated to make a point to the perpetrator and the system, even though it cost the participant time and money.

While the emphasis in my study has been on demonstrating how the participants adapted to ensure their success, adaptation is a two-way process as immigrants also modify the culture they enter. As a nation of immigrants, New Zealanders can usually relate to those more recently arrived who enter their community, but subconsciously

assess the newcomers' ability to enhance or deplete shared resources. These participants have indicated the richness of their valuable contribution.

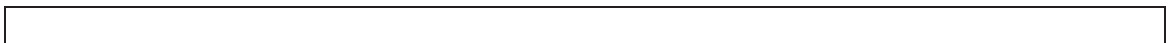
8.8 Discussion

The significance of a dimension of any form of symbolic capital is determined not only by its presence, but also by the effects of its absence or diminution on the success of the LTBV holder. In this study, I have identified the particular dimensions that are responsible for the success of IWR immigrant entrepreneurs as summarised in Figure 12 *Dimensions of human, cultural and social capital essential to intentional immigrant entrepreneurs* which are discussed below.

8.8.1 Role of human capital

To successfully establish and expand a self-sustaining business the participants' required particular human capital comprising specialist industry knowledge, market sector knowledge and business expertise plus specific particular capabilities. By stage three, as depicted in Figure 12, *Dimensions of human, cultural and social capital critical to intentional immigrant entrepreneurs*, the participants had expanded their industry knowledge to include knowledge of New Zealand conditions, regulations and practices. The participants' had analysed and developed an understanding of their clients' needs to be able to recommend effective business solutions to enhance their relationship.

Figure 12 Dimensions of human, cultural and social capital critical to intentional immigrant entrepreneurs



Dimensions of human, cultural and social capital critical to intentional immigrant entrepreneurs								
They linke d their globa l mark et know ledge to their detail ed	Human Capital			Cultural Capital		Social Capital		
	<i>Industry</i>	<i>Market</i>	<i>Business</i>	<i>Entrepre- neurial</i>	<i>Affiliate; Ethnic & Professional</i>	<i>Trust</i>	<i>Promo- tion</i>	<i>Inform- Ation</i>
	<i>Knowledge</i>							
	Capabilities Analytical; self aware; strategic planner; creative problem solving; effective decision maker; technology adopter; relationship builder; has business acumen.			Self-belief; determin- ation; optimism; adaptability; autonomy; outgoingness & energy; pride in problem- solving	Ethnic; Professional; Interests	Credibility Introduc- tions Perform- ance Strong ties	Product or service Identify new markets/ opportun- ities	Feedback on product/ Service
								Shared values; knowledge & language; conformance with codes of behaviour.

local market knowledge, refining their strategic plans in response to the range of options available locally and globally. This included knowledge of the local competition, market size and relevant regulations. At this stage, new technologies already introduced or modified to better suit the New Zealand conditions, were refined and bedded in. All the participants appeared open to new ideas that would enhance their product, service or expand their market.

The participants continued to enhance their local information through new networks and experience which better equipped them to resolve obstacles and explore potential opportunities. The major obstacle at the third stage related to business expansion was

the recruitment of appropriate staff. Participants resorted to creative problem solving while experimenting with different employment options to select the most effective for their particular situation. Participants demonstrated astute business decision-making as unsuccessful recruitment experiments were quickly and appropriately resolved as part of the adaptation process. The participants set high performance standards for their staff. Significantly, at the third stage, if their human capital was under-utilised, resident participants were likely to seek new business opportunities.

The range of human capital employed by the participants in Figure 12 is illustrated by the participant whose specialised industry knowledge was based on an extensive skill-set developed as a chef in the military and his wife's management of their shared accommodation business. He developed market knowledge from meticulous online research to identify the potential for a hospitality business in the area, which included the number of travellers on a nearby highway, plus the location's proximity to diverse outdoor activities. His business skills derived from managing catering for the military, his previous accommodation business, plus his specialist human resource function in the military prior to emigrating. His practical capabilities were demonstrated during his property's conversion into accommodation and a restaurant. His business analysis, planning, creative problem-solving and decision making enabled him to achieve economic sustainability through systematic expansion in a volatile market. His strategic response to staffing constraints was to develop pre-booked bus tour-group lunches allowing him to plan and prepare ahead without affecting his casual evening clientele. His expansion plans involved targeting certain sporting networked websites to amplify his marketing by word of mouth advertising, thus providing a cost effective promotion to scattered potential niche clients. Using these strategies, the participant's

human capital strategically developed local, national and international networked connections. Meanwhile, initiatives promoted by his local tourism committee marketed local tourist assets to both outsiders and the wider community as the participant's enterprise diversified the area's hospitality options.

Highly intelligent strategic planning was reflected in another participant's selection of a regenerative business where the product continued to grow, therefore requiring on-going servicing. His business was therefore self-renewing and expanding. His decision to invest in expensive specialised equipment reduced the labour required and facilitated expansion into other geographical regions.

Adapting to and exploiting new technologies reflects a significant dimension of human capital demonstrated by these three participants. Technology underpinned the 'specialist food processing' participant's business. The participant himself designed, built and imported his specific technology to process his food. He promoted internet ordering both nationally and internationally in order to increase his market. He avoided staffing issues by strategically employing adult family members to ensure their establishment in New Zealand.

The web design participant successfully moved from being an unknown on her entry to a significant regional market, to being in the top three companies in her region in a few years. This was achieved through her industry knowledge, her targeted market networking to win clients and by the practice of deliberately eliciting and displaying positive customer feedback on her web page. She strategically targeted increasingly larger companies to increase the value of her business. Her strategic development of her own staff met her staffing challenges.

The third example relates to the growth of the landscaping participant's franchise. In addition to his own business, the participant, acting as the franchise marketing director, redesigned the franchise website for the franchise owner who was an old school friend. Under the participant's marketing directorship, an increasing number of franchises were sold. While the influence of internet marketing on the growth of each of the enterprises is difficult to quantify, these examples indicate its potential to influence the business growth of IWR immigrant entrepreneurs.

Creative problem solving was used to recruit staff to enable continued business expansion. Problem-solving strategies included overseas staff recruitment, head-hunting staff, developing the capabilities of existing staff, supplementing with part-time staff, making more effective use of existing staff, employing family members, using volunteers and ultimately closing the business if no suitably qualified staff could be recruited. Two of the participants identified developing the capabilities of their staff and were pleased with the results. Mainly, participants appeared to rely on already trained staff. Uniquely, the schoolboy enhancing the tourist attraction appeared to serve an informal apprenticeship under the guidance of the owner and the supportive members of the model club. The participant's wife in a hairdressing business combined working in the salon with teaching hairdressing classes, which enabled her to recruit the best graduates as an alternative to "poaching" staff from other salons. All participants required their staff to demonstrate a positive, willing attitude reflecting their own high standards. All the participants set very high expectations and performance standards for themselves which they expected their staff to maintain. This proved a challenge if the staff recruited, although appropriately qualified, were not as highly motivated as the IWR immigrant entrepreneurs.

The age of some participants was interesting in light of New Zealand's aging population (Guest, Bryant & Scobie, 2003). Although no demographic questions were specifically asked, relevant demographic information was revealed through their activities and ages of their children. A significant dimension of human capital is experience, for which age may serve as a proxy. One single active participant enjoyed surfing and outdoor activities. Another participant was about to start a family, while another four participants had younger children or teenagers. The remaining ten participants had grown up families and grandchildren. Some advised they were entering their retirement era and others admitted to being in their sixties or seventies when they migrated or not being eligible for the skilled work visa because of their age. These senior participants included the health therapists, the angel investor cum entrepreneur, the specialist food producer, the participant who came to New Zealand to wind down, plus the participant who had spent decades holidaying in New Zealand, but had now decided to spend more time in New Zealand. Despite their age, all the participants described their active involvement in enterprises. Even after the pressure of the first nine months eased and the LTBV was extended, their business expansion efforts did not markedly slow down.

It might be asked why LTBV immigrants over 60 are admitted when New Zealand has an aging population (Guest, Bryant & Scobie, 2003). This study indicates that if applicants can fulfil the LTBV criteria, they will subsequently add value to the New Zealand economy and community. For example, had access been denied on age alone, New Zealand would be without an historic model attraction, a gentle chiropractic method, a means of counting rare birds and a distinctive meat processing method which adds value to a primary product, conserving it for global distribution.

The range of careers these LTBV participants represented included engineering, medicine, the law, property development, hotel chain management, web design, finance, life insurance, human resources, fire fighting, primary produce products, fast food chain management, marine engineering, hospitality, market research and the military. In addition, trade or craftspeople involved in furniture making, stone masonry, catering and hairdressing were represented. These eclectic skills, developed in corporate, institutional and small business environments, enabled the participants to draw upon hidden human resources as required to establish their businesses and minimise their costs. Moreover, this diverse human capital was scattered throughout the regions, possibly helping to offset local human capital migrating to urban centres or overseas.

8.8.2 Role of social capital

Next, I examine networking at the expansion stage to develop trust, promote the product or service and provide information as indicated in Figure 12. The participants clearly understood the significance of trust in the development of social capital which enabled them to more successfully promote their businesses. The participants also continued to seek relevant market information while being alert to new business opportunities. The participants appeared to be relentless networkers, instrumentally targeting their efforts to achieve business goals. Trust and credibility was achieved through face-to-face networking, reinforced by providing the best product or service possible, relying on the result to be broadcast by word of mouth. Association with professional and social organisations provided credibility which helped to promote the business or service. During the business expansion stage, the participants' strategic networking continued to promote the product or service to an expanding range of

clients. The participants explored new marketing opportunities, while soliciting feedback to refine their product or service. These strategies enabled the IWR immigrant entrepreneurs to identify untapped potential business opportunities.

Community involvement in addition to networking, helped reinforce credibility as the participants became known and trusted within their communities. Participants critically extended their networks, aware of those providing better financial, information or social returns. Networks were trialled but discontinued if they did not help achieve target goals, or possibly the fees outweighed the returns. Feedback on the participant's or competitors' products or services provided a considerable networking benefit as responsive participants could compete more effectively. It also enabled the early identification of potential threats from changes in legislation, new market entrants or new technologies as indicated in Figure 12.

Depending on the level of trust in the relationships established within such organisations, professional and social members of associations joined by the participants could operate as either an inner or outer zone of contacts according to Hill, McGowan and Drummond (1999). Where the interests of the members were not in competition, greater collaboration could be promoted. This may explain why one participant preferred joining a business network which allows only one of each type of business in the same network, enabling each member to mutually promote the other network businesses. Participants also developed informal chain business networks negotiated to promote similar businesses in other regions, particularly in the hospitality sector. Such networks enabled clients, who appreciated a particular style or standard of accommodation, to be referred to similar non-competing accommodation facilities in other regions.

In addition to selecting appropriate networks, participants also recognised the value of networking skills. One participant trained and encouraged her staff to network on behalf of the company. She recognised her use of non-technical language with her clients provided a competitive advantage. Another female participant recognised her ability to talk to a range of people as an asset. A third participant identified his ability to recruit clients through conference addresses. In each case, the participants confidently acknowledged their outgoingness enhanced their social capital abilities.

Social networks surrounded activities such as the Lions, golf clubs, pilate classes, outdoor activity groups, conservation groups, which enabled the participants to establish trusting personal bonds within communities. Although there may have been redundant connections, they served to promote trust and credibility. Participation within community networks developed goodwill and social capital for the participants, facilitating the informal transfer of information. Participants recognised the value of local community social capital, strategically accessing it for credibility and market promotion. The effectiveness of strategic marketing plans involving networking became evident as customer numbers and the value of the customers grew. The participants' networking behaviour creating social capital as indicated in Figure 12 appears similar to mainstream entrepreneurs, except for the assiduous networking required to establish credibility post-arrival. Participants with residence, who were already involved in other businesses, were likely to have identified these business opportunities from structural holes in existing networks.

8.8.3 Role of embodied cultural capital: entrepreneurial and affiliate

Embodied entrepreneurial cultural capital emerged as being crucial to the success of the participants for two reasons: it provided the determination to overcome obstacles in order to succeed and critical timely access to networks post-arrival. At the third stage the determined self-belief of entrepreneurial cultural capital enables the more established immigrants to access new spheres of influence to expand their businesses. Once admitted to the networks, immigrants might have to justify their inclusion by their demonstration of relevant human capital. For example, the well established Asian participant deliberately involved himself in a range of industry, business, ethnic and community networks to expand his sphere of influence and business opportunities.

As discussed in detail in the previous chapter, affiliate connections reveal the benefits that both professional and hobby networks offer immigrants to build trust and credibility. Membership offers access to professional training, plus extended contacts which reinforce relationships facilitating the exchange of valuable information. To avoid conflicts of interest arising within business associations, formal or informal codes of conduct guide relationships and topics of conversation. Membership enables immigrants to seek recommendations regarding other professionals, while their own reputations are endorsed by affiliation.

Entrepreneurial cultural capital significantly influences the success of the participants. Its value was extensively discussed in the previous two chapters. At the expansion stage, despite the easing of the time pressure, entrepreneurial cultural capital continues to drive growth activities. Inactivity appears to be an anathema, which may have contributed to the participants' decision to migrate in the first instance. At the expansion stage, the intellectual challenge of problem-solving is applied to creating

new products, services, technologies, or clients, while seeking new business opportunities or relationships. Taking pride in producing excellent product or services, the participants elicited feedback to refine or extend their products or services. Determination and persistence were significant dispositions, which, in combination with high energy levels, ensured few obstacles could not be overcome or circumnavigated.

As earlier mentioned, the importance of a dimension of capital is identified when its absence or diminution threatens the success of LTBV participants. In this study, this was illustrated by the participant whose energy and motivation were being sapped by needing to establish a business in New Zealand while continuing to manage his business in the UK. He had given himself a time frame within which he had to succeed or he would not apply for a visa extension. All the participants, whatever their ethnic or professional background, exhibited the characteristic dispositions of self-belief, determination, optimism, adaptability and a desire for autonomy. These dispositional attributes comprising entrepreneurial cultural capital acquired in *habitus*, were most evident at this third stage in relation to the development of new businesses.

8.8.4 New businesses

As the financially sustainable phase of their current business was being achieved, it became evident that some participants were looking for fresh challenges. Although I had not sought information regarding new or other businesses, such information emerged during the interviews. As the demands of problem-solving to establish and expand the client base and services or products offered diminished, new challenges were sought. The more established participants appeared alert to renew the cycle of

opportunity recognition; business plan implementation; and business expansion or consolidation. Neither Volery's (2007) nor Bolton and Thompson's (2004) frameworks recognise that entrepreneurs constantly improve and develop their existing business or look for new opportunities, although Hunter (2007) does recognise this in his *Lifecycle of the entrepreneur*. The participants' restless energy incorporates an intellectual curiosity which constantly scans and evaluates potential commercial opportunities.

It emerged that while my focus was on the LTBV current business, a proportion of the participants were concurrently involved in other businesses. The comments regarding expansions or new business developments suggested that the LTBV enterprise is part of a continuum of business enterprises that the participants are engaged in. It appears likely that a number of LTBV participants seek new opportunities once the major problem-solving challenges involved with opening and establishing a business diminish, creating a cycle or a spiral of entrepreneurial activity as indicated in Figure 13 *Entrepreneurial cycle of business creation*.

Figure 13 Entrepreneurial cycle of business creation

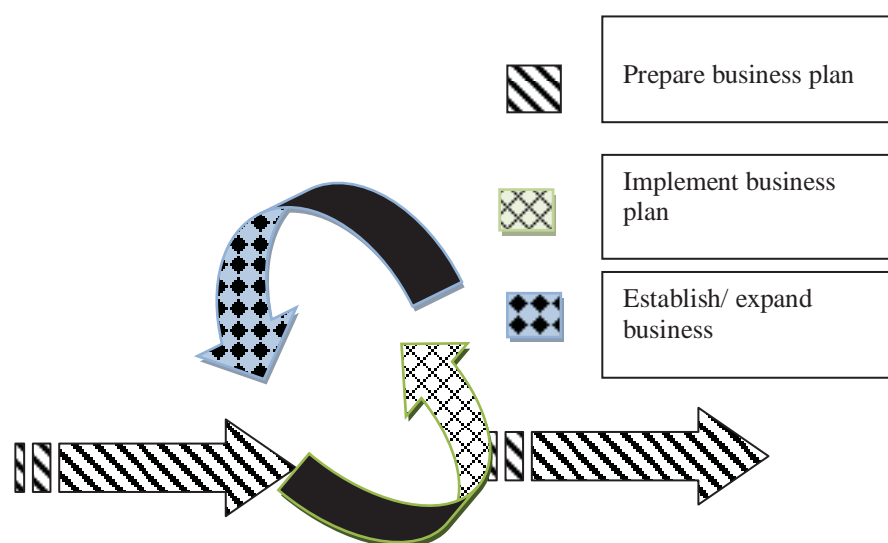


Figure 13 *Entrepreneurial cycle of business creation* indicates how IWR immigrant entrepreneurs first identify a business opportunity, in this case the business opportunity described in their LTBV business plan during the LTBV first stage. Next they implement their plan to develop the business opportunity at stage two of the LTBV. At the third stage the IWR immigrant entrepreneurs continue to establish and expand their business, a process which might identify new business opportunities which initiate a new cycle. It does not necessarily mean that they relinquish their previous businesses but may continue to manage those in parallel.

Those participants who maintained pre-existing businesses in addition to their LTBV business demonstrated how it was part of an on-going cycle. The longer the participants spent in New Zealand, the more likely it appeared they would become involved in other businesses. The extent to which participants were actively involved with their overseas business connections was not explored in the interviews, but some aspects became evident from what was divulged. Some participants could not resist establishing a new business if an appropriate opportunity presented itself. With more than adequate human capital, self confidence, capabilities and expertise, these participants assessed the financial opportunity which guided their investment decisions. This appears to reflect a mind-set encapsulated in entrepreneurial cultural capital.

8.8.5 Role of financial capital

LTBV participants did not appear to become financially wealthy from their businesses in New Zealand. One very successful participant commented that New Zealand did not bring the financial returns on the time, financial and human capital invested that unspecified 'other' countries could offer. All LTBV participants were very careful with their financial resources, resenting any extra fees or local government administrative costs or taxes. Whether New Zealand can retain the LTBV holders that it recruits by satisfying their non-financial aspirations based mainly on the quality of life in New Zealand, is unclear. Those closer to retirement with offshore enterprises may be adequately resourced to support their New Zealand lifestyle.

8.8.6 Business immigration policy objectives

Although the LTBV admits relatively few business immigrants, the participants in my study significantly fulfilled all the business immigration policy objectives. They contributed a considerable skill resource, creating new businesses which in turn created employment, provided new services and products throughout New Zealand. In addition, the LTBV participants' international business connections ensured they remained current with international trends and markets while maintaining trading links. The LTBV participants in this study appeared to integrate into their communities on their own terms. A major attraction for these participants was the quality of life, in addition to an adequate financial return on their investment.

Participants, who were able to achieve both their business, family and community participation goals, fulfilling their rationale for migrating, appeared satisfied with their migration decision. Participants with school children were strongly influenced by the

quality of education available in their region of settlement, including future tertiary opportunities. To attract LTBV holders with children, the significance of local schooling options should not be underestimated.

From the evidence provided by the participants in this study, New Zealand gained considerably from the breadth and depth of IWR immigrant entrepreneurs' human capital contribution. However, I am not confident that this is the full LTBV picture until the experience of a greater range of ESOL LTBV holders has been canvassed more fully. Issues which arose in the Canadian Business Immigration Program might well be occurring in New Zealand although this study produced no evidence of this.

8.8.7 Structural considerations

The focus of this chapter has been predominantly on agency factors related to the individuals' forms of capital to overcome structural obstacles. New Zealand's regulatory opportunity structure is considered highly enabling of new business opportunities which can be identified and acted upon without undue restrictions. In 2005, New Zealand was ranked third amongst countries surrounding the Pacific for the ease of doing business (World Bank & International Monetary Fund, 2005, cited in Frederick et al, 2007). New Zealand was ranked first in ease of starting a business (International Finance Corporation and the World Bank, 2012, cited in Frederick et al. 2013). These rankings indicate that New Zealand has few legal complexities to incur delays and costs establishing a business, providing low start-up business costs, which reflected the experience of the participants.

Structural barriers encountered by the participants began with the visa selection, followed by the recognition of qualifications, then regulatory compliance. Limited

market size did not appear to restrict any of the participants, perhaps because they started small businesses intending to expand them. The major constraint identified at the establishment and expansion stage was finding appropriate staff. Metropolitan characteristics as identified by Volery (2007) appeared to influence two participants. One promoted an ethnic food catering for a specific ethnic population predominantly within the Auckland metropolitan region. However, internet marketing extended his market nationally and internationally. The second participant provided a service for the construction sector which functions predominantly in large urban environments. Expansion into the Australian market was also indicated.

Community size was a factor in this study of IWR immigrant entrepreneurs, but had little to do with ethnicity. To many participants, “the community” represented the particular market that was being targeted. The significance of the social capital, inherent in communities in which the participants settled, was that it enabled the participants to reciprocate thereby enhancing their credibility and acceptance. In larger metropolitan markets, individuals’ may become associated with ethnic or professional groups or they may become indistinguishable within the population. However, in smaller regional communities in New Zealand, networked word of mouth was effective because of the dense and redundant networks which exist in smaller communities providing higher awareness of new arrivals.

New Zealand’s structural characteristics contrast significantly with the more highly regulated Western European and North American cosmopolitan cities with substantial ethnic populations (Dana, 2007; Kloosterman & Rath, 2003; Rath, 2000a, 2001). By comparison, New Zealand’s national population of over four million is equivalent to the population of a single major city in the northern hemisphere. In short, the structural

conditions in New Zealand bear little resemblance to those described in the immigration literature which has focused on North American and Western European conditions. New Zealand's domestic market size is a structural limitation, as is its physical distance from markets for entrepreneurs seeking to export. However, two participants took advantage of the time differential with Britain to work on British problem-solving projects overnight in New Zealand to have them ready for the next day in Britain. A third participant initially supplemented her income by working on British contracts she negotiated in Britain and continued to work on once in New Zealand. Therefore, enterprises employing intellectual property and transferring it digitally need not be disadvantaged by distance if the technology is adequate. However, such working relationships need to be underpinned by ongoing face to face interactions to maintain the relationship. Without the ability for face to face contact, the third participant had her contract discontinued.

The opportunity structure appeared to be limited to small and medium enterprises by the immigration officials having limited expertise with larger enterprises. Market size was a likely constraint and in some cases monopolies may have prevented enterprises focused on exporting milk and timber from New Zealand. However, New Zealand offers few impediments to start-up businesses having relatively few legal requirements. However, international agreements could impact on New Zealand markets as one free trade treaty demonstrated by almost eliminating the New Zealand furniture manufacturing sector.

As the IWR immigrant entrepreneurs always intended to open a business and not seek employment, their enterprises created employment so did not compete with unemployed New Zealanders. However, the participants were highly discerning in

their recruitment. As the participants tailored their enterprises to fit their own skills sets, they effectively resolved most of the structural obstacles they encountered. However, the lack of support from Inland Revenue for start-up business in their first year of operation remained contentious.

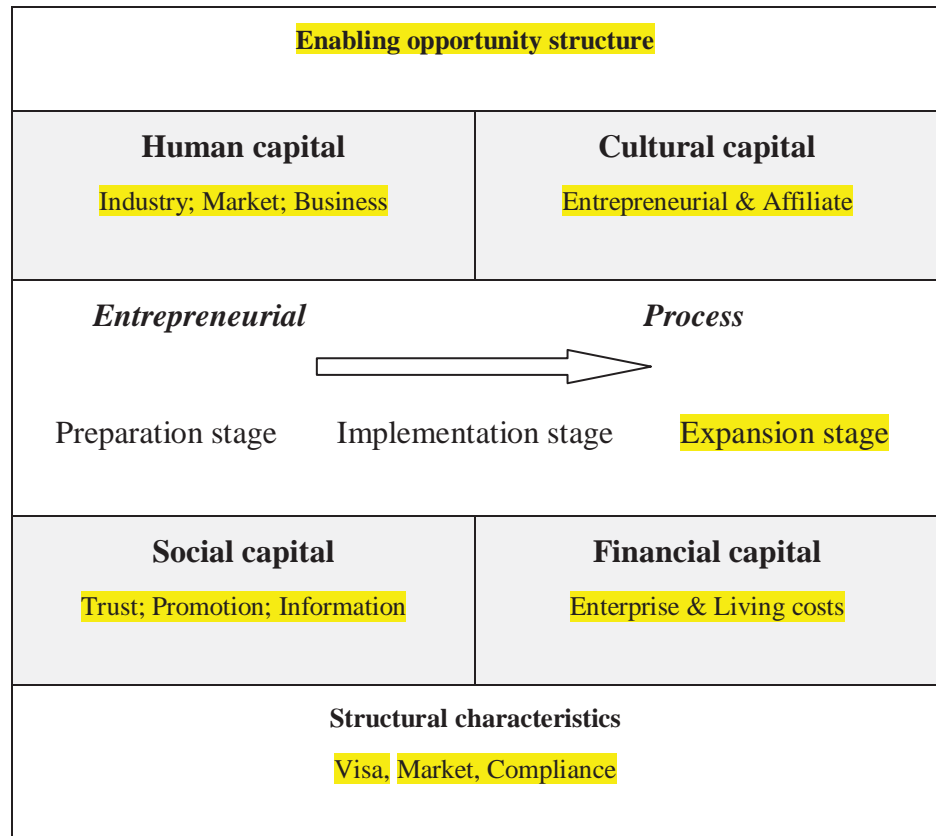
8.8.8 Intentional immigrant entrepreneurial process

The behaviour of these IWR immigrant entrepreneurs appears to broadly reflect that of mainstream entrepreneurs depicted in Figure 4 the *Entrepreneurial process* framework of Bolton and Thompson (2004). However, this model does not capture the range of symbolic capital involved during the three stage process. The *Intentional immigrant entrepreneurial process*, illustrated in Figure 7 incorporates the three stages of the LTBV process. Other countries' visa time scales might be more flexible. In order to successfully manage the structural obstacles and requirements encountered the participants required the *Dimensions of human, cultural and social capital essential to intentional immigrant entrepreneurs* summarised in Figure 12. The figure identifies IWR immigrant entrepreneurs' capital resource requirements during business plan preparation, plan implementation and enterprise establishment stages.

While the detailed requirements of human capital are highly significant in the development and implementation of the business plan, what has emerged as being critical is the entrepreneurial cultural capital of the intentional immigrant entrepreneur. Lacking this resource, LTBV applications are unlikely to be lodged, or business plans implemented. Particular human capital, encompassing industry, marketing and business knowledge is significant, including transferable knowledge and the ability to quickly learn a new business if adequately prepared and supported. However, without entrepreneurial cultural capital IWR immigrant entrepreneurs are unlikely to succeed.

Figure 7 Intentional immigrant entrepreneurial process

(Adapted from Volery, 2007).



Key More significant at this stage

The *intentional immigrant entrepreneurial process* as depicted in Figure 7, recognises that enterprise establishment is subject to the ability to negotiate the opportunity structure and structural obstacles. Figure 7 identifies particular dimensions of cultural, human and social capital within the *intentional immigrant entrepreneurial process*, which are further refined in Figure 12 *Dimensions of human, cultural and social capital essential to intentional immigrant entrepreneurs*.

My study has identified which dimensions of each form of capital are essential for the successful establishment of LTBV enterprises in Figure 12. Entrepreneurial cultural capital critically motivates and energises the entire entrepreneurial process. Human capital enables the process while social capital facilitates its success. The ethnic dimension, often prominent in migration literature and immigrant entrepreneurial frameworks, is represented here by cultural affiliation to provide access to networks, including ethnic networks. Access to adequate finance is required to fund the business and sustain the immigrant's family until the business can sustain them.

8.9 Conclusion

From this final of three data analysis chapters, I have drawn four conclusions: Firstly, that Pierre Bourdieu's (1986) concept of symbolic capital is highly appropriate to encompass the range of human, cultural and social capital resources, in addition to financial capital, essential to IWR immigrant entrepreneurial success. Secondly, the LTBV intentional immigrant entrepreneurs demonstrated distinctive dimensions of each form of symbolic capital to expand their businesses as indicated in Figure 12. Thirdly, once the initial enterprise goals had been achieved, a number of participants directed their energy towards exploring and developing new business opportunities, demonstrating the existence of an entrepreneurial cycle of business creation as depicted in Figure 13. Fourthly, by describing the breadth of capital contributions the participants made in the creation of new businesses and employment, the participants effectively fulfilled New Zealand's business immigration policy aspirations.

Motivating the immigrant entrepreneurial enterprise was the participants' determined energy representing their embodied entrepreneurial cultural capital. Once established,

their characteristic self-confidence and determination motivated a search for new business challenges. Their optimism in their ability to overcome obstacles was justified as they survived and succeeded. The participants' adaptability continued to be demonstrated in their newest enterprises while maintaining their existing businesses. The desire for autonomy was unspoken until an issue emerged which identified how highly valued a condition it was.

The participants clearly achieved the objectives of New Zealand's business immigration policy. Through their extensive human capital plus their innovations they contributed to creating or expanding businesses in New Zealand by introducing new technologies, expertise, international connections and creating employment. Moreover, for at least a third of the participants, international business connections were actively functioning in parallel with their LTBV enterprise. At least one participant was effectively operating a transnational consultancy in relation to his British consulting firm, but it was less clear with other participants as it was not a topic explored during the interviews. A valuable research project would be to identify the range and value of businesses created or expanded by LTBV holders over an extended period of time and including regional New Zealand.

A range of diverse feedback on the LTBV process was provided, which illustrates the complex task policy makers have in balancing the needs of a nation with the aspirations of individuals. LTBV application requirements appear to establish appropriate standards to ensure that the holders have adequate resources and capabilities to succeed. However, there is a caveat on that statement as the LTBV holders who volunteered to participate in this study were possibly more confident and successful than those who did not become involved. Although the participants

exhibited the clusters of attributes necessary for success, others less successful may not have. Therefore, specific research needs to be undertaken on LTBV holders, particularly those from non-English speaking backgrounds, to better understand their levels of success and the reasons for their reluctance to participate in surveys. As was alluded to at the outset, the cost of failure is very high for immigrants, both financially and socially, so it is ethically important to ensure they are not being admitted to New Zealand inappropriately as has been alluded to in some situations. It is also essential to New Zealand's reputation.

These LTBV participants represent a strength-based perspective which contrasts with the under-resourced perspectives of ethnic and immigrant entrepreneurship dominant in the ethnic or immigrant entrepreneurial literature. It is not only their resource levels but their intention to start a business upon arrival that differentiates them. Some countries, such as Canada, provide a longer period for business planning and establishment which may not require the same level of symbolic resources.

The inadequacy of any form of symbolic capital did not arise at this third stage. It is possible that the filtering effects of the visa application and its renewal conditions ensured that those who successfully achieved these milestones had adequate capital to resolve any subsequent obstacles. While staffing issues resulting from business expansion proved a distinctive challenge at the third stage, all the participants successfully resolved their issues after a period of experimentation or it could be an on-going process.

Having established one business, many participants had started another or were already involved in other businesses. In fact, it suggests that LTBV businesses are just one in a series of businesses demonstrating that the participants operate as serial

entrepreneurs, or they may have several businesses operating at any one time. The ability to create further businesses should positively benefit the New Zealand economy. Future research which follows up LTBV residents could provide useful information on this aspect of the LTBV policy. The iterative data analysis process has culminated in the *intentional immigrant entrepreneurial process* depicted in Figure 7 which encapsulates the particular capital resources required for IWR immigrant entrepreneurial success to overcome the structural obstacles.

Chapter 9 Conclusion

9.1 Aims of the thesis

In this concluding chapter on intentional well-resourced (IWR) immigrant entrepreneurs represented by the Long Term Business Visa (LTBV) participants, I first reflect on how the three aims outlined in Chapter One have been fulfilled. I then reflect on the significance of the key findings from this research, particularly the concept of symbolic capital, before concluding the contributions it makes and the possibilities of future IWR immigrant research.

The aims broadly refer to the distinctiveness of intentional well-resourced (IWR) immigrant entrepreneurship, the particular symbolic capital resources critical to immigrant entrepreneurship success and whether this study indicates that LTBV participants fulfilled the government's business policy aspirations. This study focused on successful immigrant entrepreneurs to identify the resources essential in the prevailing New Zealand business environment.

This thesis has achieved its first aim by identifying the specific characteristics of IWR immigrant entrepreneurs as a distinct category within immigrant entrepreneurship scholarship. Intentional immigrant entrepreneurs, as represented by LTBV holders in this study, reflect the particularities and pressures of this specific group of immigrants. Two key delineating characteristics of IWR immigrant entrepreneurship emerged: intentionality and resource adequacy. Intentionality relates to the goal of sustainable self-employment post-arrival, distinguishing IWR immigrant entrepreneurs from

skilled immigrants seeking employment post-arrival. Intentionality however, is insufficient unless supported by adequate and appropriate symbolic capital resources to facilitate the timely establishment of a sustainable business. The LTBV structurally establishes the intentionality and the adequacy of the applicants' resources by its conditional requirements.

The second aim of this thesis was achieved by identifying and demarcating the dimensions of human, cultural and social capital essential to the successful outcomes of immigrant entrepreneurs. The qualitative methodology effectively utilised semi-structured interviews to capture the participants' experiences. Using various frameworks, the iterative analytical process revealed the critical usage patterns of symbolic capital throughout the LTBV process culminating in the *Dimensions of human, cultural, social capital critical to intentional immigrant entrepreneurs* (as shown in Figure 12). This research identifies the particularised dimensions of symbolic capital at certain stages of immigrant entrepreneurial business establishment which enhance IWR immigrant entrepreneurial success. The significant dimensions of human, cultural and social capital are broadly depicted in the *Intentional immigrant entrepreneurial process* in Figure 7 representing the capital resources of the IWR immigrant entrepreneurs.

To achieve its third aim, this research has established that the Long Term Business Visa (LTBV) participants fulfil the New Zealand government's business immigration policy aspirations. They foster new strategic uses of technologies and introduce new knowledge and skills, while maintaining and developing international connections. Additionally, the participants promoted social cohesion by engaging with mainly non-ethnic communities on their own terms. The predilection of the more established

LTBV participants to establish new business enterprises further affirms their fulfilment of the business immigration policy aspirations.

9.2 Key findings

The value of Bourdieu's (1986) concept of symbolic capital integrating agency and structure to entrepreneurial immigration scholarship became evident during this research. While I focused on the participants' forms of capital as agency, it was the structural elements of the conditional stages of the LTBV which enabled the identification of the significant IWR immigrant entrepreneurial resources and their functions. This is particularly evident when forms of symbolic capital, representing aspects of agency, capably comply with the structurally imposed conditions of institutional cultural capital. Forms of symbolic capital, particularly embodied cultural capital, reveal their moderating influence on the successful establishment of entrepreneurial immigrants. In particular, this study has extended the understanding of cultural capital to encompass professional cultures, by identifying that acceptance and acknowledgement of professional capital may be critical to successful immigrant establishment.

Another aspect of symbolic capital pertinent to immigrant entrepreneurial studies is its recognition that the material world is perceived through a cultural lens. Adaptations by and to IWR immigrant entrepreneurs are influenced by subjective cultural understandings and perceptions of the value of their symbolic capital. Perceptions and institutional cultural capital influence IWR immigrant entrepreneurs' conversion of symbolic capital into economic capital, which was evident during the participants' transfer of symbolic capital to New Zealand to resource their new businesses. Cultural

capital conversions are ambiguous, negotiated transactions of key significance to immigrants needing to maintain their cultural capital value. Successful IWR immigrant entrepreneurs strategically apply human capital to negotiate this conversion.

Bourdieu's (1986) concept of symbolic capital incorporates the elements of a number of theories relevant to this study of immigrant entrepreneurs. Social capital encompasses not only the networked and networking aspects of Granovetter's (1985) recognition of individuals' networking actions embedded in networked relationship structures but also the redundancy of networks and the strength of weak ties. Each of these aspects were significant, but especially at the critical second LTBV stage. The forms of symbolic capital encompass both agency and structural aspects of Waldinger, Aldrich and Ward's (1988) *Interactive theory of ethnic entrepreneurship*. Symbolic capital incorporates aspects of Volery's (2007) *Enhanced interactive ethnic entrepreneurship* framework, particularly in relation to human and cultural capital. As symbolic capital theory conceptualises the relationship between the material and symbolic, it elucidates how the material structural obstacles encountered in this study such as LTBV requirements, were resolved by the appropriateness and adequacy of the participants' symbolic capital resources. It is created by the interaction of social and structural factors in immigrants' developmental environment therefore its efficacy may vary in a New Zealand context.

Although embodied cultural capital permeates all immigrant entrepreneurial activities, two dimensions, entrepreneurial and affiliate, emerged as particularly significant during the time-pressured post-arrival stage. Embodied entrepreneurial cultural capital is essential, enabling determined immigrant entrepreneurs to overcome multiple

obstacles in unfamiliar environments. Affiliate cultural capital provides validated access to networks at a critical time. Affiliate cultural capital, acting as a proxy for trusted relationships, comprises professional or interest group memberships to access networks. By gaining network access through affiliate credibility and tentative trust, instrumental networking affirms the credibility and consolidates the trust essential for the development of social capital. The methodical process of developing effective networks quickly was captured in this study. It involved the identification of networks appropriate to the participant's business, obtaining access, developing trust by developing more ties, while critiquing the value of the network at the particular stage of the business. This study clearly revealed the development of social capital through to new business creation by exploiting weak ties.

The LTBV enterprise appears to be part of a continuum of business ownership as this research identified a pattern of new business development by the more established participants. Driven by their entrepreneurial cultural capital to start-up new businesses, these immigrants confirm their value to the economy. Their capability to create businesses and potential employment is attractive to potential host nations.

The LTBV emerged as a valuable instrument to IWR immigrant entrepreneurial research. First, it contributed a New Zealand perspective to immigrant entrepreneurial policy research and development. In addition, it provided the sample frame, the LTBV conditions indicated the participants' success and the adequacy and appropriateness of their symbolic capital. It emerged that the conditions of the LTBV are likely to discourage potential immigrants lacking adequate entrepreneurial capital. However, the self-selected volunteer participants may represent only those most confident, as the large numbers of LTBV holders from China and South Korea are not broadly

represented. This study did not investigate whether the visa strategies which occurred in Canada have been implemented in New Zealand as there was no evidence amongst the participants of the practice.

Government agencies could note the structural factors which influence immigrants' destination choices include the quality of educational options and the requirement to pay provisional tax during the first year of operation. As indicated in this thesis, the LTBV participants were averse to any unnecessary fees or administrative costs.

While few in number, transnational immigrant entrepreneurs are especially significant when they introduce new technologies and services which facilitate the development of New Zealand enterprises. However, their active international connections link them to global developments which require commensurate technological infrastructure.

Two counter-intuitive factors arose from the LTBV self-selected sample. Despite, the considerable energy and effort required to establish a new enterprise in an unfamiliar country, a quarter of the participants were retired or approaching retirement. These participants' achievements were considerable as they continued to expand their businesses while some included succession planning to ensure continuity. In contrast with immigrant statistical data indicating a preference for immigrant settlement in Auckland, the second counter-intuitive factor was the participants' dispersed locations as only three lived in Auckland. The regional settlement of LTBV participants possibly indicates their self-confidence and the attractiveness of the regional environments.

9.3 Contributions of thesis

In meeting its three aims, this research has contributed to the continued development of entrepreneurial immigration theory. It has delineated the distinctiveness of IWR immigrant entrepreneurship within the conceptualisation of immigrant entrepreneurship scholarship. In doing so, it has added to the relatively small body of scholarship on intentional well-resourced immigrant entrepreneurs, particularly those who establish businesses outside co-ethnic communities. This study provides new insights into the resources of IWR immigrant entrepreneurs which may inform policy makers responsible for attracting this distinctive group. Despite their niche status within business immigration entrepreneurship, an improved understanding of the characteristics which enhance the success of IWR immigrant entrepreneurs contributes new knowledge to the literature on immigration business establishment and outcomes.

This thesis extends the scholarship regarding the symbolic capital resources essential to immigrant entrepreneurs generally and to intentional immigrant entrepreneurs in particular. It contributes new knowledge related to the specific dimensions of each form of capital which perform significant functions within the compressed LTBV entrepreneurial process undertaken in an unfamiliar environment. Sociologically, this thesis has contributed to a greater understanding of the social capital resources required by IWR immigrant entrepreneurs. It has affirmed the value of nuanced symbolic capital in studies integrating agency and structure. It has sought to integrate the IWR immigrant entrepreneurs' symbolic capital requirements as aspects of agency respond to the structural requirements of a conditional visa.

9.3 9.4 Possibilities for further research

This study of LTBV holders has identified gaps in government information regarding the value of their specific economic or symbolic capital contribution. While the economic contributions of skilled and investor business immigrant categories have been regularly assessed (Nana, et al., 2009; Poot & Cochrane, 2004), the contribution of LTBV holders has been overlooked, possibly due to their small numbers, their reluctance to respond to surveys or because there is no fixed visa financial capital requirement. Researching which factors enhance their success could enable New Zealand to recognise and publicise the capital contributions immigrants make over time. New Zealand's comparatively smaller population should make it ideal to study the outcomes of intentional immigrant entrepreneurs. Even more challenging to assess is the value of LTBV holders' human capital, international connections, innovations and the development of various companies and organisations they have initiated or contributed to. I found little evidence in the literature of immigrants' contribution to innovation in New Zealand as immigrants' contribution was not specifically identified in the government's *Innovation Survey* of businesses (2005).

Policy-focused possibilities for further research involve the continued development of intentional immigrant entrepreneurship scholarship in New Zealand and internationally. Although business immigration policies play a significant role in attracting intentional immigrant entrepreneurs in a competitive international environment, their effectiveness in attracting successful intentional immigrant entrepreneurs has received comparatively little attention from researchers (Collins, 2008; Sumption, 2012).

Although this study has revealed the capital resourcing requirements for successful LTBV holders, future research could indicate to what extent the experience of the participants' reflects that of other LTBV holders. Largely absent from this study are the perspectives of the majority LTBV holders who speak English as their second language. If they have chosen or been forced to establish their businesses within ethnic communities, they might not meet the strength-based claims made in this study for LTBV holders. This may lead to discovering the rationale of the enigmatic, untraced LTBV holders who "disappear" from bureaucratic contact amongst the New Zealand's population soon after arrival.

As little is known about the financial and symbolic capital contributions of LTBV holders either in the short or longer term, it is timely to evaluate their contributions. A study could confirm whether they are the highly valuable immigrants that this study has identified, or whether the participants in this study were exceptional. Such a study would further contribute to international scholarship on IWR immigrant entrepreneurs. In fact, as nations compete to attract intentional immigrant entrepreneurs, comparative studies undertaken with Australia and Canada's equivalent visas might indicate predictive success factors in particular structural environments.

As one of the traditional immigration countries, New Zealand is ideally suited to testing and refining immigration policies as its geographical isolation strengthens its immigration border control. It could statistically monitor the results of its entrepreneurial LTBV policy as one of a suite of business policies it offers. Such research could offer valuable insights into immigration policy effects, informing complex national immigration legacy debates which impact culturally and politically for decades.

Resourceful IWR immigrant entrepreneurs, highly sought after by nations competing for their business creation potential, succeed in spite of the difficulties they encounter. Successful business people in their own country, they risk money, reputation and sometimes their family's future to migrate to a new country to start a new business. As New Zealand competes to attract these immigrant entrepreneurs, this study is timely in its identification of the factors which enhance their success. This thesis informs immigrant entrepreneurial policy development while contributing to immigrant entrepreneurship scholarship involving IWR business immigrants. As immigration policy makers seek to balance global migrant pressures and international obligations against internal national economic and political demands, the results of this study could resonate with both government policy analysts and scholars engaged in immigrant entrepreneurship.

Appendix A



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Successful Immigrant Entrepreneurs

INFORMATION SHEET

I would like to invite you to take part in a research project on immigrant entrepreneurs. My name is Prue Cruickshank, and I am studying successful immigrant entrepreneurs as part of qualification for a Doctor of Philosophy in Sociology, at Massey University, Albany. My supervisors are Professor Paul Spoonley and Associate Professor Ann Dupuis, in the School of Social and Cultural Studies, Massey University. I work in the School of Business at Unitec,

This research is to learn how successful immigrant entrepreneurs from different countries, access sufficient relevant information to establish a business, I have been given your name by the Department of Labour as you had indicated that you may be willing to take part in a research project. I plan to interview a number of entrepreneurs who entered New Zealand on a Long Term Business Visa, from a range of countries. The interviews will take about 60 minutes, and will be recorded to capture the information accurately.

When I write up my thesis I will not identify you or any other participant by name, nor will I include any details that might identify you. This is a requirement of both Massey University and the Department of Labour. If you wish, a summary of the findings will be emailed to participants when the research is finished. This information should help make future immigrant entrepreneurs more successful. The results will be supplied to the Department of Labour, and

will form part of my doctorate thesis for Massey University. The information may also be used for other academic or professional purposes.

You do not have to agree to participate, but if you decide to participate, you would have the right to:

- refuse to answer any question;
- withdraw from the study within 30 days of the interview;
- ask any questions about the study at any time during participation;
- be given access to a summary of the project findings when it is concluded;
- ask for the audio tape to be turned off at any time during the interview.

I would appreciate the opportunity to interview you for this research. If you have any questions about the project please contact the research Prue Cruickshank (pcruickshank@unitec.ac.nz; Ph.8154321 x 8821; Hm 8499001; Mob. 021-1159106), or the Project Supervisors Professor Paul Spoonley, or Associate Professor Ann Dupuis, in the School of Social and Cultural Studies, Massey University, Albany, Phone: 441 8170.

This project has been reviewed and approved by the Massey University Human Ethics Committee: Northern, Application MUHECN 07/O56. If you have any concerns about the conduct of this research, please contact the Acting Chair, Massey University Human Ethics Committee: Northern, telephone 09 414 0800 x 9054, email humanethicsnorth@massey.ac.nz.

Appendix B



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Successful Immigrant Entrepreneurs

PARTICIPANT CONSENT FORM

This consent form will be held for a period of five years.

1. I have read the Information Sheet and have had the details of the study explained to me.
2. My questions have been answered to my satisfaction, and I understand that I may ask further questions at any time.
3. I agree/do not agree to the interview being audio taped.
4. I wish/do not wish to have my tapes returned to me.
5. I agree to participate in this study under the conditions set out in the Information Sheet.
6. I wish / I do not wish to view and approve any quotations from my interview used in any publications from this research.

7. Please email me/do not email me a copy of the summary of findings from this research to my email address (if required)

Signature:

Date:

.....

Full Name:

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