ASIAN IMMIGRATION TO NEW ZEALAND AND THE ROLE OF NETWORKS IN INTERNATIONAL TRADE

A THESIS PRESENTED IN PARTIAL FULFILMENT OF
THE REQUIREMENTS FOR THE DEGREE OF
MASTER OF APPLIED ECONOMICS
AT MASSEY UNIVERSITY

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1997

Abstract

This study investigates the influence of immigration on international trade, one area in which the frequently-claimed economic benefits of immigration may occur. While the literature reviewed is inconclusive on the existence of net economic benefits resulting from immigration, it identifies personal networks as an important asset of some immigrants, particularly ethnic Chinese. The nature of the personal networks which immigrants are part of, and the role these networks play in international trade, are examined, with particular reference to North Asian immigration to New Zealand. The experiences and opinion of recent immigrants, and others with current experience in immigration and trade, are collected through personal interviews and serve as the data for this work. The findings of this study support claims of the importance of personal networks and identify different methods by which New Zealand benefits from the networks of immigrants. This, together with the knowledge and attributes of immigrants, are assets with value and should be treated as a form of human capital. However, the value of these three is potential in nature and must be acted on for the value to be realised. This work also highlights the critical lack of theoretical and conceptual work on immigration, both of which are prerequisites for sound applied research, informed public debate and competent policy and political decision making. This study offers two small contributions to this shortage, a method for measuring the true level of immigration accurately, something which is not happening currently, and develops a definition for the term "New Zealander," useful in the immigration debate and a requirement for the development of any criteria for citizenship selection.

Title: Asian Immigration to New Zealand and The Role of Networks in International Trade.

Key Words: Immigration, Asian, North Asia, personal networks, economics

Author: Paul Seiler

Acknowledgements

Thanks is due to the following people/groups for their efforts which facilitated the writing of this work, either through direct involvement or through providing me with support:

- Professor Rolf Cremer, for supervision throughout the duration of this project. Your clarity of thought and quality of character are valuable. May they enable you to find truth whenever you search for it.

- APEC Research Grant and the Joe Walding Memorial Scholarships, for funding that enabled me to travel. The generosity is appreciated and has enriched my life. May it continue to benefit others.

- Kathryn, Rachel, Keiju, Dylan and Hilary, the other departmental graduate assistants of '96, for encouragement, friendship and fellowship. You have all added to the shape of my life and I hope some friendship will continue although we go separate ways. May you each find the real fulfilment life offers, which is not necessarily happiness.

- My flatmates and close friends, for everything they offered, including a sensitive avoidance when I was not so social, and a patient endurance of my outbursts of inspiration, even the few which were thesis related. Take hold of that for which you were taken hold of.

- To all the others who provided help and support throughout the research process.

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Abbreviations

AI	Asian immigrant
APEC	Asia Pacific Economic Co-operation
AR	Approved residency or approved resident
BIP	Business immigration policy
c&i	Commitment and identity
CAM	Capital assisted migration
DNC	Desirable non-citizen
EIP	Entrepreneur immigration policy
EO	Experienced other
EOHK	Experienced other in Hong Kong
EONZ	Experienced other in New Zealand
EOSK	Experienced other in South Korea
NPALTA	Net permanent and long-term arrivals
PALTA	Permanent and long-term arrivals
r&r	Rights and responsibilities
UC	Undesirable citizen

1. Introduction

> *Immigration has moulded our national characteristics as a Pacific country and given our community richness and cultural diversity. It has contributed to economic growth and prosperity... Immigration has been and remains an essential element of this nation's development.*
>
> K. Burke, 1986

1.1 Background and Motivations

On February 15, 1996, the Honourable Winston Peters made a speech in Howick, Auckland, promising that if elected, New Zealand First would "cut immigration to the bone." *The New Zealand Herald* recorded him questioning the high levels of Asian immigration "which sees rows of ostentatious homes in this very suburb, occupied by children whose parents have no ties to this country other than the price they paid for the house, and who prefer to remain outside its shores" (Young, 1996a). Later in the week *The Dominion* listed the likely course of action for New Zealand First; push immigration as an election issue, cut immigration from the current 70,000 per annum to about 10,000, slow family reunification, deter foreign investment in property, require a strong commitment to transfer skills and introduce a probation period to ensure compliance with entry conditions (Speden, 1996). Initial replies came from other politicians; "A crude appeal to base prejudices" (Trade Negotiations Minister, Philip Burdon), "...to foment ugly, racist attitudes which he hopes will transfer into votes" (Alliance deputy leader, Matt Robson) and "...capitalise on economic envy" (Labour spokesman on immigration, Chris Carter) (Speden, 1996). The Prime Minister, Mr Bolger, defended the government's record on immigration, saying they had tightened the English standards, strengthened the criteria for keeping investment funds in New Zealand and increased the weight given to advanced trade and professional qualifications (Laugesen, 1996b). Only Mr Laws backed Mr Peters' position, criticising those business people who parked their families in New Zealand and then returned overseas to work (Speden, 1996).

At the time, calls were made for the government to make public the research on which the immigration policy was based and to verify the claims that immigration was good for New Zealand. Nothing eventuated, except academics claiming there was not any convincing evidence (Gould, 1996).

By then, this research project had commenced and funding had been applied for. An initial literature search into immigration and the associated economic consequences revealed a frequent claim of economist that immigration results in macro-economic benefits (Anderson, 1988; Burke, 1986; Passaris, 1989; Simonford, 1989; Spencer, 1994; Swan et al., 1991).

One important supporting argument is based on the role of interpersonal networks (Fawcett, 1989; Gould, 1994). These are relationships between people, either family or business, that facilitate business dealings. When a person immigrates, these networks have the potential to foster bilateral trade links. If the immigrant continues to conduct business using these networks, then there is an impact on international trade. The focus narrowed to the North Asian area[1] because of its importance as a source of immigrants, the value of trade with the area and the importance and strength of personal networks to Asian people compared to non-Asians.

1.2 Aim, Objectives and Overview

This study aims to analyse immigration to New Zealand and determine whether the personal networks of North Asian migrants generate or are conducive to international trade. The specific objectives selected to achieve the aim are to:

- investigate the concepts of immigration, New Zealander and citizenship;
- identify the level of North Asian migration to New Zealand;

[1] The Asia 2000 Foundation defines North Asia as "the Chinas', Mongolia, Korea and Japan", and goes on to say that "for New Zealand, then, 'Asia' is first and foremost the populous eastern and southern portions of the physical continent. And accordingly 'Asians' are first and foremost Chinese, the most populous Asian community in Asia and the most populous in New Zealand" (McKinnon, 1996, p. 83).

- determine whether there are economic benefits resulting from immigration;
- determine whether the personal networks of North Asian migrants lead to an increase in international trade;
- quantify the strength of these network linkages.

The literature review consists of two chapters. Chapter Two concentrates on Asian immigration to New Zealand, with sections tracing the history of Asian immigration to New Zealand and presenting data and trends. Chapter Three examines the economic literature on immigration, data on New Zealand's international trade with Asia and the topic of personal networks. Chapter Four describes the methods used to collect data in this study. The results are presented and discussed in Chapter Five, followed by the conclusions of this study and suggestions for future research in Chapter Six.

2. Asian Immigration to New Zealand

> *What we choose today, and what we teach our children, will determine the differences that the cultural impact of today's immigration policy will have on New Zealand's future.*
>
> Sholeh Maani, 1990

Section 2.1 outlines the history of Asian immigration to New Zealand, from its genesis in the 1860's, through to contemporary New Zealand. There is a chronological progression from the origins of Asian immigration (2.1.1) through four different phases of Asian immigration to New Zealand; the initial period of gold-motivated migration (2.1.2), the easing of restrictive policies up until World War Two (2.1.3), the post-war years (2.1.4) and the contemporary development (2.1.5). Section 2.2 presents New Zealand data and trends on three measures of immigration and on Asian immigration. Some closing comments are found in Section 2.3.

2.1 The history of Asian Immigration to New Zealand

2.1.1 Origins of Asian Immigration

Although China has been the main source country of Asian immigration over the last century, due primarily to its dominance as a regional power and its vast population, Chinese only started immigrating in large numbers after England entered the area and created security (Sowell, 1996). The opening of trading ports in the mid-1800's bought many foreign ships to China, and with them came the opportunity of travel to other countries. For example, they first went to Great Britain in ships owned by the East India Company, and being seamen, settled in London, Liverpool, Cardiff, Bristol and Glasgow (Sowell). Kendra (1995) writes that the number were small and only grew slowly, from 78 Chinese people in England in 1851, to 1,319 by 1911. They tended to

run laundries, stores, restaurants and lodging houses for sailors. Porter (1948) states that Chinese migrants mainly originated in the seaboard provinces of Fújian and Guangdoug, departing with the foreign traders via the ports of Guangzhoú and Hong Kong.

Porter (1948) lists two common methods of immigration. One was the credit-ticket system. The cost of the passage was paid by relatives, friends or employers until the immigrant could afford to repay the cost from saved earnings. Another was the "coolie,"[1] or indentured-labour, system, where contracts stipulated the number of years one must work for an employer. This type of arrangement often involved very harsh conditions, with the Chinese labourer replacing blacks in slave-like conditions.

The motivations behind Chinese immigration were unlike those of Europeans at that time. China was not seeking colonies, there was no patriotism or thirst for adventure, no desire for overseas markets or intention to annex land for settlement. Official interest in overseas ventures was so low that in 1858, when the Chinese Emperor was asked about his plans regarding subjects wishing to immigrate, the Viceroy of Zhili replied on his behalf, "The Emperor's wealth is beyond computation, why should he care for those of his subjects who have left their home, or for the sands they have scraped together." Sowell (1996) describes three main motivations driving Chinese immigration in the nineteenth century as two push and one pull. The push factors were a rapid population explosion and the Taiping Rebellion (1850-64), which destroyed more than 600 hundred cities. The discovery of gold was the main pull factor, and Chinese migrants, along with hopefuls from other countries, rushed to California in 1848. By 1854, more than 40,000 Chinese had travelled to "Gum Saan" or Gold Mountain, as the Chinese called the United States (US) (Murphy, 1994). Outpourings also went to British Colombia, Australia and New Zealand, although the numbers were smaller than to the US. Therefore, it was overpopulation, unemployment, hunger, debts and poverty during a time of political upheaval which drove thousands of Chinese to consider leaving their homeland, and the lure of wealth overseas that drew them.

[1] Coolie is believed to be a derivative from the Chinese word "ku-li" meaning hard strength.

2.1.2 The Early Arrivals, 1866-1920

While it is thought the first Polynesian people arrived in New Zealand around 800 AD, it was not till about 1800 that the first Europeans arrived – whalers and sealers (O'Connor, 1990). By 1839, the first immigrants arrived in New Zealand with the intention of living here, organised by Edward Gibbon Wakefield and the New Zealand Land Company (Jackson, 1991). The discovery of gold, in Nelson and Coromandel in the 1850's and then in Otago in 1861 drew many miners from Australia, especially once the Victorian gold-rushes of the 1850's ran out. Mainly Irish, Scottish, English and American, these miners swelled the population rapidly. Numbers in Otago grew from 12,600 in 1860 to 70,000 in only three years, and the West Coast grew from 1,000 in 1865 to 20,000 by 1868 (O'Connor, 1990).

In researching Asian immigration, Taher (1970) identifies three main phases. The first is from 1866 to 1920. European miners were leaving the Otago area as the gold "ran out" in the mid-1860's, and the Dunedin Chamber of Commerce looked to Australia to find replacements, in particular Chinese, who were rumoured to be happy working the old tailings of previous mining activity (Murphy, 1994). The arrival of 12 Chinese miners in 1866 was arranged by a Victorian merchant and the start of organised migration of Asians into New Zealand.

The Chinese population in New Zealand rose quickly, to 1,219 by 1867 and 4,217 by 1871.[2] Due to the short-term nature of their stay, many more Chinese had passed through New Zealand, with these numbers only reflecting those actually in New Zealand at specific dates. While over 15,000 Chinese arrived in New Zealand between 1871 and 1920, with the numbers at any one time peaking at 6,000, almost 12,000 left over the same period. One trait of the Chinese people in New Zealand at this time was the overwhelming proportion of males. Between 1871 and 1920, under 3% of the Chinese arrivals were female, reflecting a dominance of temporary labourers (Taher, 1970). It was not only the receiving country that insisted on this, but the village headsmen in China who wanted their young men to return with their wealth. Knowing it most

[2] At this time there were almost no other Asians coming to New Zealand.

unlikely the men would marry a non-Chinese, the women were kept in China to act as an incentive to return (Porter, 1948).

Chinese gold miners coming to Otago in 1860's encountered many of the same Australians who were so opposed to them in Australia, where the worst attacks occurred at Lambing Flat in 1861 in which thousands of white miners attacked the Chinese migrants among them. The same type of anti-Asiatic sentiments rose in New Zealand. Even working the claims abandoned by other miners (made possible by their propensity for hard work, frugal living and team work), they were often bitterly resented (O'Connor, 1990) The reasons given included appearance, language, community style of living, and hygiene, although never were they accused of laziness. If anything, it was the length and severity of the work undertaken by the Chinese, far in excess of anything Europeans were prepared to do, that caused the resentment (Porter, 1948). Others were jealous when the Chinese succeeded where they could not.

Feeling grew so strong that an official investigation into the legitimacy of the complaints was started.[3] In 1871, the Parliamentary Select Committee on Chinese Immigration reported that "there was nothing to indicate that the Chinese were carriers of contagious or loathsome diseases, a menace to public morals, or even an economic threat," since their diggings were located in areas too unprofitable for Europeans to work. However, such findings failed to stem the tide of prejudice and the next 50 years saw endless legislative attempts to limit Asian immigration. The first Chinese Immigration Act was passed 1881, imposing a £10 tax on all Chinese landing in New Zealand and restricting ships to one Chinese per 10 tons of weight. As this failed to stem the flow of immigrants, the restriction tightened to one Chinese per 100 tons in 1888, and then to one per 200 tons plus a £100 poll-tax in 1896. In 1899, the Immigration Restriction Act decreed that people not of British birth or parentage must be able to sign an application in a European language, and in 1907 the Chinese Immigrants Amendment Act required a reading test in English. By 1908, all Chinese had their thumbprint taken when entering or leaving the country, with photos allegedly unsuitable because all Chinese looked the same. In 1920, the Immigration Restriction

[3] See either Roy (1970) or Murphy (1994) for a detailed account on the legislative history around this issue. The remainder of Section 2.1.2 and Section 2.1.3 is based on these accounts.

Amendment Act was passed, introducing a permit system for Chinese migrants and giving the Minister of Customs sole discretionary power for granting entrance approvals for all applicants not of exclusively British birth and descent.

One author wrote of this era, "So complete a collection of qualities was required of the immigrant that a humorist caused much amusement by saying that if Jesus Christ and his twelve Apostles were to come to New Zealand they would certainly be classed as undesirables immigrants under the Act" (Siegfried, 1914, p. 207).

While the gold started to run out by the late 1880's, many Chinese stayed in New Zealand, either by choice of out of necessity (i.e. still in debt or without enough money for the fare home) and moved into occupations such market gardening, fruit and vegetable retailing and laundries. This necessitated even more frequent interaction with the very people who disliked them. Combined with the political measures, personal and institutional racism became an everyday reality for Chinese during this period.

2.1.3 The Easing of Legislation, 1921-1945

All the measures outlined in Section 2.1.2 exerted a considerable stifling influence on the patterns of Asian immigration to New Zealand, and the flow of migrants almost dried up, with an average annual inflow of only 67 Chinese migrants between 1926 and 1930, compared to approximately 400 per year between 1871 and 1920. In 1926 the conditions started to ease, with the admission of wives and children of Chinese who were New Zealand citizens and then fiancés (i.e. prospective wives, often by arranged marriages) soon after. The poll tax ceased to be enforced in 1934 and was repealed ten years later. While the annual arrivals remained low throughout the 1930's, the proportion of women and children were much higher.

This chain migration[4] that occurred once legislative barriers were removed involved the movement of family or village members to join those already in New Zealand. These strong ties between places of residence were important, to both the migrants, who gained support, and to New Zealand, by facilitating the assimilation of new residents into New Zealand life. The Asian communities in New Zealand grew in number and became more balanced in terms of both age and gender.

2.1.4 Post World War II, 1945-1983

The US, Canada and Australia all had restrictive legislation regarding immigration, which were in effect barriers to limit Asian immigration and the migration of other "undesirables" (Ong, Cheng, & Evans, 1992). These restrictions and exclusions, which were cornerstones of immigration policies for much of this century in the fore-mentioned countries, contributed to the unsettled international environment. Brawley (1995, p. 327) writes, "How different the world may have been if race equality had been enshrined in the League of Nations, if Japanese 'national pride' had not suffered from exclusion, and if Australia and North America had not persisted with the excuse of domestic jurisdiction to defend exclusion, thereby impairing international organisation."

It should be noted that Chinese migrants all through South East Asia experienced mixed fortunes between the end of World War II and the 1970's. While often welcomed for their commercial acumen and willingness to do jobs that others would not do, they were simultaneously resented for their financial success, the amount of money remitted back to China and simply for being Chinese. Discrimination against Chinese occurred all over South East Asia, with mass killings and starvation in Cambodia, violence in Indonesia, economic discrimination in Malaya and extreme, racist government policies in Vietnam (Skeldon, 1991). However, despite this persecution and the typically strong ties to their ancestral home, most Chinese did not return to China, often being without the resources to do so and averse to communism. Therefore, they endured the discrimination and waited for it to abate.

[4] Chain migration refers to the immigration of family members resulting from the initial admission of

The types of discriminatory policies in place in many countries, including New Zealand were only maintainable as long as they remained unquestioned. Since the end of fighting in World War II many questions have been raised, and countries have made gradual concessions, but although policies started to change, it took another two decades before Asians had the same rights of entry as whites. Large numbers of Asian immigrants have entered these previously closed countries since the 1970's, proving the success of genuine attempts to establish non-discriminatory immigration policies (Yarwood, 1967).

A characteristic of late twentieth-century migration to developed countries is that the migrants tend to be more educated, better skilled, and have higher-level job experience than previously in history (Sowell, 1996). The rapid economic expansion in East Asia has transformed previously third world countries into an economic powerhouse in the world economy. The people of these countries are wealthy, educated and keen to discover what the world has to offer. In addition, political and quality of life issues have acted to push some Asian people to search for greener pastures.

2.1.5 Recent Developments, 1984-1997

Taher (1970) mentioned three stages, presumably up until 1970 when it was published. However, a new pattern has emerged in the last ten years. As far as New Zealand is concerned, the third phase may have lasted until 1984. While no significant changes were made to the immigration policy at this stage and the data do not reveal any change in patterns (see Section 2.2), the breadth of the changes in New Zealand's economic reform make this an appropriate changing point. Therefore, stage four runs from 1984 until the present.

Because the immigration issue is so complex, people such as Lidgard, Bedford and Ho (1995) have attempted to use a holistic approach to analysis recent developments.

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workers.

Using a world-systems approach,[5] they investigate the economic environment around immigration flows and geopolitics in order to understand immigration. They found that the increase in short-term population movement into, out of and within New Zealand coincides with changes in government policy. The opening of economy (post 1984) reflected a regrouping within the global economy, with new regional groupings designed to foster the accumulation of wealth. The 1986 Immigration Review rejected the preference for traditional sources in favour of cultural enrichment from many different ethnic heritages (Burke, 1986). Ever since the United Kingdom entered the European Economic Community and excluded former preferred colonies, ties with Australia have strengthened, New Zealand business has looked to Asian markets, and hence new trading blocks have emerged. With these came the associated impact on the pattern of international migration.

One of these changes is the growth of business migration. Based on the belief that business migrants offer significant employment-creating potential, New Zealand started a small scheme to attract such migrants in 1979, known as the Entrepreneur Immigration Policy (EIP). In September 1986, this was replaced with the larger Business Immigration Policy (BIP), which received criticism for not being as strict as the corresponding Australian and Canadian policies regarding the migrants obligation to invest capital in productive enterprise (Poot, 1993). A survey was carried out to respond to the criticism (Ministry of Commerce, 1991), and it concluded that while the BIP was successful in terms of a net economic benefit to the native population, the effect per migrant was less than the EIP. However, the performance of the BIP might have been better if the survey had been carried out later, with many of the migrants under this policy having only recently arrived in New Zealand. Starting any commercial enterprise takes time, especially in a new country, where the immigrant must become familiar with the market conditions as well as the legal and economic climate (Cremer, 1996).

The BIP has been particularly successful with immigrants from Hong Kong and Taiwan, who together made up 75% of successful applicants (Poot, 1993). Trlin and Kang (1992) identify four main types of business migrants and group them according to their

[5] World-systems analysis is "a materialist approach to social change ...[which regards the world] as a single entity, the capitalist world economy" (Johnston, Gregory, & Smith, 1994, pp. 667-78).

primary motive for migration or the proposed investment plans. "Haven seekers" are those fleeing from the 1997 deadline in Hong Kong or from uncertainty and social/environmental problems in Taiwan. Often these people only shift the minimum required investment funds, adopting a wait-and-see approach to the future, with New Zealand as an extra option. "Resources seekers" have the primary motive of setting up an export-oriented trading company, often with close links to a "home-company." Some are "market seekers," and as either manufacturing or wholesale/retail, these operatives hope to avoid restrictive policies and use New Zealand to gain entry to the Australian and/or American markets. Lastly, "opportune service providers" believing they have identified a niche suited to their own current activities, interests and expertise. They seek to service either the Asian tourist coming to New Zealand or the new immigrants residents. This study concludes that the full potential of these migrants is remains unrealised. Some of the reasons for this are: the absence of strict capital transfer and investment requirements, a lack of English language ability, confusion over New Zealand's complicated business practices,[6] and a lack of resident relatives and friends.

In order to bring immigration in line with the economic restructuring that began in 1984, a new system was introduced in 1991, making a "clean break from the protectionist framework of past public policy" (Leaver, 1996, p. 183). It involved the removal of a source country preference and the introduction of a points system for scoring applicants (Trlin & Kang, 1992). The intention was to broaden the range of countries migrants came from by making it easier for people from non-traditional source countries to migrate here and the new policy was much more active in enticing the skilled and wealthy to this country. The move to a points system tended to favour people in the early-to-middle working ages with appropriate qualifications, work experience, proven business skills and with the ability to be self-supporting on arrival in New Zealand, or with the capital to invest or set up a business. With a explicit aim of an annual net immigration of 20,000 people, a government target that has come under heavy attack, all applicants who achieved the required number of points (28 in 1991, increasing to 31 by 1994) automatically qualified for entry. Many Asians met these requirements and the numbers of approvals for residency for Asian people increased markedly (see Section 2.2).

[6] Presumably compared with the free environments of Hong Kong (and Taiwan?).

The number of new arrivals was so high, particularly in Auckland where many choose to settle,[7] that acute assimilation problems forced the government to conduct a review of the points system in 1994 (Spoonley & Bedford, 1996), but not until other authors had also drawn attention to the problems (Garnaut & Drysdale, 1994; Poot, 1993).

Published by the New Zealand Immigration Service (NZIS) in 1995, the report states the goal of immigration policy as "economic growth with social cohesion" (p. 3). This means that a good policy is one which makes New Zealand a better place, both for those people already here and for the new residents. The strategic objectives of immigration policy are listed as:

- building New Zealand's human capital;
- strengthening international linkages;
- encouraging enterprise and innovation;
- and maintaining social cohesion.

Effective from October 1995, the revisions are designed to restrict the number of approvals and rectify criteria that had caused selection problems. They include:

- a quota management system to ensure numerical control;
- an extension of the minimum English requirement from only the principal applicant to include all adult (16 year and over) general and business migrants;
- and the establishment of a link between residence and tax status.

This last measure is an attempt to prevent abuse of New Zealand's welfare system by immigrants leaving some family members here, returning to work in Asia and not paying any tax in this country. "Ongoing residence entitlement will be broadly based on the statutory definition of what constitutes a New Zealander for taxation purposes... This policy should make it easier for genuine and long-term residents to move freely around the world whilst discouraging those who are not genuinely committed to New

[7] It is estimated that 80-90% of migrants settle in Auckland (Laugesen, 1996a).

Zealand" (NZIS, 1995, p. 15). This is only a part of the larger issue of "bilocality," (i.e. more than one place of residence), but may be responsible for much of the negative public opinion which surfaced in the media early in 1996. Bilocality also raises serious questions regarding public finance, the economics of immigration and problems for the New Zealand government in determining national allegiances (Lidgard, 1996).

Although there were some reports investigating these high levels of immigration, such as the North and South feature article in 1994 (McLoughlin, 1994), the public debate gained new momentum when Mr Peters made his speech in Howick during February 1996. Ironically, this occurred after the revisions were in place.[8] Although he was careful to state he was not xenophobic or racist, media reports and opponents played on this idea. Mr Peters' response was clear, "We have become a country where protection of hurt feelings is more important than debating the truth" (Young, 1996b). However, on this occasion others joined the fray to debate the "truth," and feelings were hurt in the process. Over time, more informed replies were made, with the investigative news media devoting time and space to the immigration issue. This uncovered the erroneous use of data (see section 2.6), reported the views of both anti-immigration groups and immigrants themselves and increased the knowledge of the immigration issue of the general public. Some of these findings will be referred to in subsequent chapters, but for now it is sufficient to say that the outpouring of feeling surprised many people and posed questions to all New Zealanders that were difficult to face and even harder to answer.

2.2 Immigration Data

The reports of Mr Peters' speech listed differing facts for the number of immigrants that entered New Zealand in 1995. *The New Zealand Herald* reported that New Zealand First would reduce immigration from 50,000 per annum to 10,000 (Young, 1996a),

[8] While changes to the immigration policy were made late in 1995, approved residents are allowed up to two years to enter New Zealand. Therefore, large numbers of immigrants have continued to arrive even after the conditions for entry were tightened.

whereas *The Dominion* stated that immigration would fall from 70,000 to 10,000 (Speden, 1996). Subsequent media reports quoted a variety of different figures, creating a confusion as to the true size of immigration to this country. This left many people with an unanswered question, "What is the actual level of immigration to New Zealand?"

Even the head office of the NZIS was unable to identify how many immigrants actually arrived in New Zealand in any particular time period. The primary figure of interest to them is the number of applications for permission to reside in New Zealand permanently that are approved, known as approved residency (AR)[9]. While this is the measure used to specify their targets, it is not the same as the number of people entering New Zealand. After receiving permission to reside here, migrants have up to two years in which to take up the AR. Many do not arrive in the first year and some even decide not to come to New Zealand. Therefore, the number of people arriving in any one period is not the equal to the number of AR in that period. Although details of the people actually entering New Zealand are collected, computer incompatibility is the reason given by the head office in Wellington for being unable to measure the actual levels of immigration. Currently the NZIS estimates that 95-100% of AR actually enter New Zealand, but this is only a hunch.[10]

However, there is an alternative method to measure immigration. Although the most common is the AR, with the short-comings already described, the "permanent and long-term arrival"[11] (PALTA) data available in the *New Zealand Official Yearbook* is also frequently quoted. However, there are two major short-coming with the use of this series. Firstly, the number includes anyone returning to New Zealand who has been gone for 12 months or more, and intends to remain in New Zealand for 12 months or more. Therefore, young people returning from their big "OE" (overseas experience), anyone back from extended holidays or people who have been on foreign work contacts are all counted as PALTA. The second problem could be more accurately referred to as

[9] While the North Asian data and some subtotals are presented in the following sections, the entire data set is provided in Appendix A.
[10] A senior staff member at NZIS said it is technically possible to gain some indication of immigration by sampling the AR and manually checking these against entry records.
[11] PALTA is defined as 12 month or more by Statistics New Zealand.

a misuse of the data series. In talking about PALTA, the permanent and long term departures are ignored. It would be more accurate to use the net permanent and long-term arrivals (NPALTA). However, after an examination of all publicly available data, the conclusion is that it is not possible to obtain an accurate figure for immigration in any one year. This would help to explain the conflicting reports in the media.

The data for each of these various measure of immigration is presented in Table 2.1. For AR, the trend has been a steady increase in the numbers, with almost 50,000 granted in 1995[12], but is still considerably smaller than the 67,500 PALTA for that year. However, the adjusted NPALTA is under 22,000. This column reveals a very changeable situation over time, with New Zealand experiencing a net loss of almost 25,000 people in 1989, a volatility probably correlated with the prevailing economic conditions.

Table 2.1 New Zealand Annual Immigration as Measured by AR, PALTA and NPALTA, 1985-1995.

Years	AR	PALTA	NPALTA
1995	49482	67591	21697
1994	42388	57257	15587
1993	29246	49562	6848
1992	25673	49010	4287
1991	10313	57088	11616
1990	24000	52001	-4018
1989	20811	46233	-24708
1988	26613	47844	-15625
1987	14419	44360	-14269
1986	12285	35982	-21613
1985	8467	36243	-8084

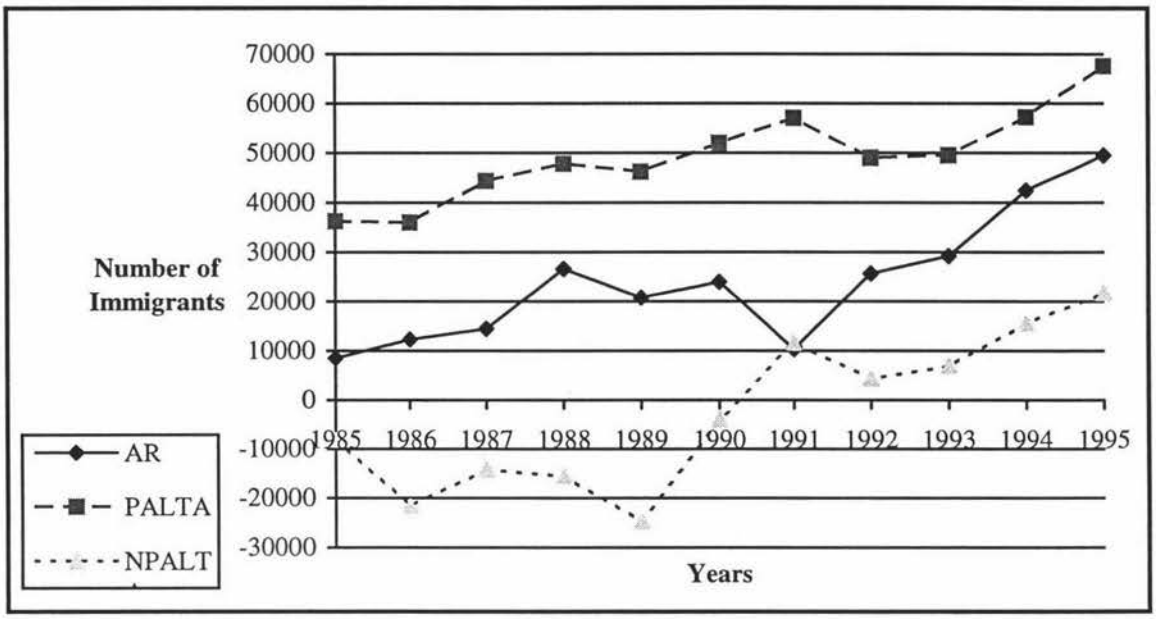
Sources: Appendix A.
Statistics New Zealand, 1995a.

This same data is visible is in Figure 2.1, with the large gap between PALTA and NPALTA indicative of the magnitude of error in quoting the former as a measure of immigration and making no mention of the latter. New Zealand actually experienced a negative NPALTA of more than 28,000 over the period shown (i.e. the area above the

[12] A recent newspaper article states that AR are trending downward. For the year to June 1995, numbers were 55,888, 43,240 to June 1996 and on target to be 35,000 to June 1997 (Immigration approvals 'on track', 1997).

NPALTA curve when it is below the x-axis is greater than the area under the curve when it is above the x-axis). All three measures show growth over the last few years, reflecting the trend towards greater global mobility, as claimed by Martin (1994).

Figure 2.1 New Zealand Annual Immigration as Measured by AR, PALTA and NPALTA, 1985-1995.



The rapid growth of AR in North Asian countries is very visible in Figure 2.2. An important trend that becomes obvious on the graph is the near-parallel lines of PALTA and NPALTA. The difference is the number that leave each year, approximately 1000. The gap between the AR and PALTA is ominous. It indicates the number of Asians with AR who are entitled to enter New Zealand over and above the number of North Asians who do enter New Zealand with the intention of remaining. Presumably, either their circumstances have changed and they do not wish to immigrate, they applied to more than one country and New Zealand was not their first choice, or they view their AR like an insurance, allowing they to move if their current situation deteriorates. At any point of time in the past five years, their have been tens of thousands of people who were entitled to enter New Zealand if they desired, with the entitlement remaining open for two years after approval.

Table 2.2 shows the same series of data as in Table 2.1, but for the North Asia region specifically, the area with the highest levels of recent immigration growth. The AR

growth has been especially high since the 1991 regulation change, climbing from 5,600 in 1991 to almost 30,000 in 1995. The growth in PALTA and NPALTA has been smaller and much more constant, although a country breakdown would reveal inter-country differences.

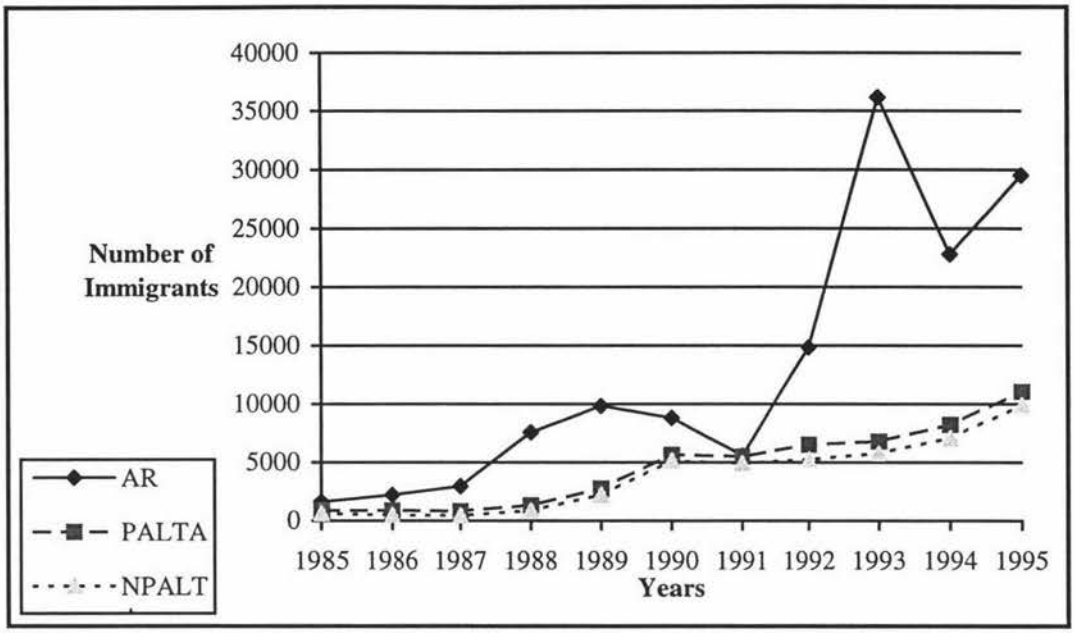
The rapid growth of AR in North Asian countries is very visible in Figure 2.2. An important trend that becomes obvious on the graph is the near-parallel lines of PALTA and NPALTA. The difference is the number that leave each year, approximately 1000. The gap between the AR and PALTA is ominous. It indicates the number of Asians with AR who are entitled to enter New Zealand over and above the number of North Asians who do enter New Zealand with the intention of remaining. Presumably, either their circumstances have changed and they do not wish to immigrate, they applied to more than one country and New Zealand was not their first choice, or they view their AR like an insurance, allowing they to move if their current situation deteriorates. At any point of time in the past five years, their have been tens of thousands of people who were entitled to enter New Zealand if they desired, with the entitlement remaining open for two years after approval.

Table 2.2 New Zealand Annual Immigration from North Asia as Measured by AR, PALTA and NPALTA, 1985-1995.

Years	AR	PALTA	NPALTA
1995	29507	11075	9894
1994	22778	8219	7092
1993	36153	6789	5752
1992	14828	6512	5250
1991	5572	5499	4897
1990	8808	5663	5123
1989	9824	2751	2224
1988	7569	1314	875
1987	2943	837	431
1986	2211	881	510
1985	1630	883	608

Sources: Appendix A.
Statistics New Zealand, 1986-1996.

Figure 2.2 New Zealand Annual Immigration from North Asia, as Measured by AR, PALTA and NPALTA, 1985-1995.



Focusing in on the AR for North Asia, Table 2.3 provides a breakdown of the country-specific AR figures.[13] Hong Kong and Taiwan both experienced tremendous growth in AR after the 1986 changes.[14] In Hong Kong the increase was 12 fold growth between 1986 and 1990, and a 128 fold increase for Taiwan. Over this period, total approvals doubled, approvals for Asia quadrupled and approvals for North Asia increased 17 fold. Between the introduction of the point system in 1991 and 1995, a large growth in AR occurred in, China (7 fold), South Korea (24 fold) and Taiwan (25 fold). By 1995, AR for Asia were at almost 30,000, or 60% of total AR, compared to 40% in 1994, 35% in 1993, 29% in 1990 and under 5% in 1985. This demonstrates the increasing importance of the North Asian region as a source of immigrants.[15]

[13] The data for North Korea, Macau and Mongolia was left out of Table 2.3 to simplify it. These countries only contributed 148 immigrants in 11 years, 102 of which were from North Korea in 1990.

[14] Almost every category in each table experiences a change in pattern in 1991, the year that the new points system was introduced.

[15] Data from the last six months indicate a change in this pattern. China is the only North Asian country to feature in the top five source countries for migrants, mainly due to changes the government has made to the entry criteria (Immigration approvals 'on track', 1997).

Table 2.3 AR for North Asia countries, 1985-1995.

Country	China	Hong Kong	Japan	South Korea	Taiwan	North Asia	Total Asia	Total
1995	4394	2803	330	3581	10785	21901	29507	49482
1994	4285	2781	296	4178	4993	16541	22778	42388
1993	1782	2902	294	2684	2505	10175	36153	29246
1992	2451	3129	306	1915	2307	10111	14828	25673
1991	640	2303	133	151	436	3669	5572	10313
1990	1042	3249	200	194	2118	6905	8808	24000
1989	567	1975	154	94	2588	5381	9824	20811
1988	654	993	264	47	993	2961	7569	26613
1987	233	352	55	29	43	712	2943	14419
1986	156	162	53	16	17	406	2212	12285
1985	125	157	42	22	23	369	1630	8467

Sources: Appendix A.

2.3 Closing Comments

Dr Maani was quoted at the start of this chapter as saying that it is us who will determine how the cultural impact of our immigration policy will shape the future of New Zealand. This chapter has provided an overview of how, from the most humble beginnings in 1866, through prolonged periods of persecution, and now welcomed for the capital and skills they bring, Asian migrants have travelled to New Zealand and remained. History reveals the public outcry and debate in 1996 is nothing new but has happened before. Perhaps it is a period necessity as different people adjust to live with each other in a changing society. New Zealand now has a larger and more varied range of ethnic minorities and this challenges ideas such as whether biculturalism is the best direction for New Zealand's cultural development. Periods of social tension should lead to questions such as, "What shape do we desire our society to have? However, as answers are sought, remember the past, the successes and the failures, in an effort to avoid the latter.

3. Immigration, Trade and Networks

> *I hope that you will now share with me the excitement of examining the economic effects of migration ... of men, women and children who come here to improve their material life as well as to enjoy liberty and other spiritual benefits. They struggle for their own sakes and for the sakes of their loved ones, but inevitably they benefit the rest of us too.*
>
> J. L. Simonford, 1989

Chapter Three is a review of the literature on three main areas. Section 3.1 examines research on the economics of immigration, searching for an answer to the often asked question, "Are there net economic benefits resulting from immigration?" The impact of immigration on the labour markets (3.1.1) and capital flows (3.1.2) is also covered. Recent statistic of New Zealand's international trade are presented in Section 3.2, narrowing in on trading partners in the North Asian area. Personal networks are reviewed in Section 3.3. Closing remarks occur in Section 3.4.

3.1 The Economics of Immigration

Given that any country can make the choice of whether or not to allow the entry of immigrants, and frequently does so on the basis of whether there is any gain for the existing residents, researchers have devoted much attention to this question. The most cited New Zealand study is a paper by Poot, Nana, and Philpott (1988). They acknowledge that a range of models exist to systematically study the economic consequences of migration (e.g. excess aggregate demand approach, structural econometric modelling, time-series modelling and multi-sectoral general equilibrium modelling) and examine the literature on each approach. They develop a computable, general equilibrium model of the New Zealand economy, known as *Joanna*, because of its ability to assess the long-run macro-economic and sectoral impact. They conclude that the liberalisation of immigration controls resulting from the implementation of the

1987 Immigration Act and the associated changes in policy were beneficial, enhancing the current economic policy (sentiments echoed by Bedford, 1996). They also find that up to the levels considered, a long-run average net inflow of 15,000 people per annum, immigration would facilitate economic restructuring and accelerate economic growth, while keeping consumption per head constant. This study is probably the most detailed and thorough carried out in New Zealand, but is now dated.

A view equally positive is espoused by Roger Kerr, executive director of the Business Roundtable. In a newspaper article he states that New Zealand's immigration policy is beneficial, leading to an increase in the gross domestic product, contributing to the falling unemployment rate, and that immigrants pay taxes that exceed their relatively low use of welfare and social services (Kerr, 1995). There are no sources cited in this article, making it impossible to verify his claims. A similar situation arises from a newspaper article by Cremer (1993), which argues the authors belief that immigration is beneficial to New Zealand from a theoretical viewpoint, but without New Zealand-specific research to back the claims made.

Gould, emeritus professor of economics at Victoria University of Wellington, would not be surprised by this lack of evidence, claiming there is just not the relevant research to state conclusively whether immigration does have net economic benefits in New Zealand (1996). He states that while there is plenty of circumstantial evidence, the lack of careful and objective research into the economic and social impacts of immigration make Mr Peters' questions timely and sensible. The New Zealand Institute for Economic Research (NZIER) noticed this lack many years ago and reviewed the overseas literature on immigration with relevance for New Zealand (McGill, 1981). This report concludes that better data must be collected and detailed research conducted, particularly on immigration and unemployment, technical changes and economies of scale, whether immigrants complement or substitute native labour and the investment performance of business migrants.

The literature search conducted for this study would agree with the opinions of Gould and the NZIER. The required data is not available, either on immigrant numbers, as discussed previously, or immigrant-related data from census information, but they will

be available once the results for the 1996 census are published. Neither the government, nor anyone else, has attempted the careful and detailed research required, probably because of the lack of data and the high cost of this research. In 1996, the Minister of Immigration, Roger Maxwell, encouraged academics to apply to the Public Good Science Fund, but when interviewed in March that year, was unsure if any research had been approved (Legat, 1996).

Secondly, even the examination of overseas literature reveals a lack of consensus on whether net economic benefits do accrue from immigration. Passaris (1989, p. 98) thinks it "abundantly clear that the Canadian economy has grown and prospered, to a large extent because of the positive economic benefits of immigration." Anderson (1988) says "[to] the question whether immigration, legal and illegal, contributes to US economic growth and competitiveness... The answer of economists on this issue is a near unanimous yes" (p. 394). Others write stating similar views (Spencer, 1994; Swan et al, 1991). However, the opposite is written in a historical work, *The Making of New Zealand*, by Hawke (1985). He writes "... calculations and estimates indicated that there was no economic argument for the promotion of immigration" (pp. 188-9). This lack of consensus finds support in some survey articles. Borjas' 1994 survey of the literature found that the evidence is not conclusive either way. Tu (1991) concludes that the evidence was inconclusive either for or against.

Borjas (1995) found that if an appropriate goal for immigration policy is to increase the incomes of the native population, on purely efficiency grounds there is a strong economic case for an immigration policy that uses skills to award entry, because unskilled migrants are more likely to use many government services and will also pay less tax. He acknowledges this is a narrow goal for immigration policy to pursue, especially when confronted with incorporating conflicting social and economic interests, as well as political and humanitarian concerns. However, Parmenter (1990) looks at Australian research into the economic benefits of immigration and criticises the measures used to examine these benefits and therefore the questions asked in the research. The NZIER list of research needed for a good understanding of the economics of New Zealand immigration include some which could be considered "first principles." If these basics are really unknown, then the optimism of past government towards

immigration appears to be without sufficient foundation of economic research (Legat, 1996). In a search of the history of the economic theory regarding immigration, Passaris (1987) reports that this area has "stagnated into an atrophic offshoot of the principle thrust of economic knowledge... [which] ...has detracted from the ability of economists to undertake a systematic study and analysis of the economic foundations, causes and consequences of immigration" (p. 537). Such findings, if true, may help explain the discrepancies in research findings commented on above.

3.1.1 Labour Market

New Zealand has lost many educated and capable people through emigration, and immigration has offset this, at least to some extent. Kasper (1990) believes that a high level of immigration would help convert the economic liberalisation of the past six years into economic growth, due to the pivotal role that knowledge plays in modern societies. Therefore, an active immigration policy should seek to attract 30-40,000 diverse migrants per annum, who each bringing with them skill, abilities and optimism. Allowing for the current rate of emigration, this would result in a net annual gain form immigration of around 15-25,000. He states that a higher number of incoming people would be desirable, but that some of these would most likely be gifted, skilled New Zealanders would start to return from Sydney, Hong Kong, San Francisco and London, once their home country is more vibrant, more open, less regulated and more rewarding.

There is a persistent belief in the public opinion that the affect of migrants on the aggregate supply exceeds that on aggregate demand (Poot, 1993). Therefore, emigration has been seen as a safety valve in times of unemployment, while immigrants were viewed as reducing the job opportunities of natives. Despite macro-economic evidence that positive net migration does not cause an increase in unemployment, immigration controls have tended to be stricter in times of economic recession. Lane (1970) states an opposing view. In the short-term, the expansionary pressures (i.e. the need for food, housing, clothing, transport and entertainment) may outweigh production, making immigration more desirable when resources are under-utilised.

One important factor affecting the relative labour supply and aggregate demand changes is whether or not the working immigrant arrives with a family. A common practise in the past, and still practised in many countries, was to allow the temporary migration of workers only, requiring them to leave their families behind. A short-coming of this approach is higher remittances, as fund flow out of the country to care for dependants in the home countries. Razin and Sadka (1995) address this issue, defining labour mobility as the mobility of the factor of production without any mobility of the consumption entity embodied in labour. Labour mobility therefore creates few welfare implications because the household remains an integral part of the welfare calculus of the original country. In contrast, labour migration refers to the movement of both components to become a part of the destination country community, impacting on the welfare issue of both the source and destination countries. Using a model of education and immigration in the context of long-run balanced growth, Shea and Woodfield[1] recommend to always allow the immigration of skilled migrants without dependants and not allow the immigration of unskilled migrants unless bundled with skilled migrants, and then only if the unskilled are not too numerous. However, this model did not make any allowance for capital as a productive factor nor permit trade in goods as well as factor movements.

Shea and Woodfield also report that it is the unskilled local workers that are threatened by an optimal immigration policy, contrary to the widespread belief that immigration of skilled workers hurts local skilled workers. In contrast, Trlin (1986) finds that New Zealand has used its immigration policy to protect the employment opportunities of its citizens, particularly the more skilled. Harris (1995) examines the impact of immigration on workers already in the destination country and concludes that immigrants do not put native workers out of jobs, rather, they expand the demand and pay of the native workers. They also put far more into the welfare system than they take out, benefiting the whole population. In a review of the literature on this topic, Borjas (1994) states that the impact of immigration depends on the skill distribution of immigrants relative to that of native workers, but even once this is allowed for, the

[1] It was not possible to identify the date of publication for this paper despite extensive efforts, including phone calls to the appropriate University. Therefore, no date of publication is given, as only one paper by these authors is referred to.

evidence does not support the claims of strong and adverse affects of immigrants on native workers.

Borjas (1994) writes, that until ten years ago, researchers believed that while immigrants arrived with an economic disadvantage, their economic opportunities rapidly improved over time, so that within one or two decades the immigrants income would approach that of the native of comparable background. Now, however, with more information collected, it is thought to be unlikely that an immigrant will reach parity with the earnings of natives during his or her working life. Stark (1991) claims that first generation migrants who have been in their new country for awhile have a higher mean income and a higher variance of income, both of which can be explained by the higher propensity to accept risk which is characteristic of economically motivated migrants. A Canadian study (Basavarajappa & Verma, 1985) finds that if ethnicity remains an important factor in the integration process, such as with Asian immigrants into a Western society, the rate at which immigrants earning equate with those of natives will be slower than for migrants whose ethnic background makes them less different.

Certainly, it can not be denied that the labour market effects are important and worthy of attention. In addition to New Zealand, the US, Canada and Australia also specifically recognise certain skills and/or education, often via a points system, in an effort to identify those who would make the largest contribution to employment and income growth and thereby maximise the gain in productive human capital (Shea & Woodfield). However, there is a need for more research on immigration, particularly in labour market participation. As Poot (1993) writes, with a point system offering different weights to kinship verses economic factors, it is deplorable that this area is not better understood. Macro-economic research suggests that immigration can put the economy on a higher growth path and that there are no adverse labour market effects. A carefully designed survey of first and second generation migrants is needed in order to follow through the long-term impacts of immigration and investigate this claim.

3.1.2 Capital Flows

Traditionally, capital accumulation in a particular state has led to a demand for labour, which was partially met by permanent or temporary migration (Wong, 1993). However, in the business migrant scheme now in operation in many countries, immigration has become directly linked to, and a part of the process of, capital accumulation. International capital flows are now accompanied by the movement of the "agents of capital," not only the capital itself. These agents either own and control capital themselves, or manage the use of capital (Miles & Satzewich, 1990). Stahl coins the acronym CAM (capital assisted migration) for the latter, defined as "the movement of high-level manpower... in association with direct foreign investment and foreign aid" (1991, p. 162). CAM consists of highly skilled or professional workers who enter countries to oversee foreign investments or manage projects, and may be either permanent of temporary. Capital linked migration refers to migrants who enter a country solely on the basis of their ownership of capital, such as in the New Zealand BIP or the Canadian Business Migration Program. Regarding this movement of capital, Wong concludes, "So long as Canada remains in a period of economic contraction, capital via immigration is likely to be encouraged by government" (1993, p. 179).

While most economists agree that adding to the capital of a country is usually beneficial, there are a number of important characteristics of capital that must first be considered. Simonford (1989) describes a range of classes of capital from direct investment in plant and equipment, as being attractive due to the job and wealth creating potential it releases, to passive investment, such as portfolios, which eventually convert into direct investment, or non-productive investment such as collectibles. The most important role for capital bought in by immigrants is start-up money for new businesses or to purchase existing small businesses. The act of an immigrant going into business produces two important benefits for natives. Firstly, by adding to the entrepreneurial capacity of a country, of which there can never be too much, and secondly, by creating jobs for migrants and natives, offsetting the jobs migrants take from natives.

Savings patterns are mentioned by Stark (1991) as another immigration-related effect on the capital markets. As a consequence of the possibility of return migration, migrants

tend to save more than native born people. If then they do not return, the wealth of migrants will outweigh that of the native population.

Simonford (1989) lists some of the economic disadvantages associated with immigration policies that discriminate on the basis of investment capital, the strongest of which is the displacement of other potential immigrants. However, if discrimination on the grounds of human capital is acceptable, and those who start businesses are likely to possess as much human capital on average as any other groups, assuming illegal business activities are not permitted, this leaves only the ethical question about discrimination on the basis of wealth. As any form of selection is discriminatory, is there something inherently less attractive and less meritorious about financial wealth compared to human capital? The question perhaps comes down to whether a nation may use their immigration policy to do well for themselves, and if the answer is yes, then how should migrants be selected so as to maximise the benefits accruing to the country?

Perhaps the extreme of this thinking is to sell foreigners the right to immigrate, with the number limited by a quota and an auction held to determine the price and the purchasers. This would maximise the capital raised. It may even be beneficial to allow repayments over the immigrants working life, so that the price paid would represent a portion of the discounted extra income stream the migrants expects to generate from living in the new country. While the right to immigrate has been sold before, it is only in the form of bribes to officials, and not the sort of white-market transaction considered here. Such a scheme would provide funds for the government, be cheap to administer, as the immigrants must access their own maximum price and ensure the best applicants are selected, if an individual is in a better position to access the value of immigration to them than an arbitrary point system which measure only identifiable, demographic criteria.

On the topic of balance of payments, it was historically true that as immigrants bring little financial capital with them, immigration places pressure on the balance of

payments (Belshaw, 1952). In addition, remittances worsen the situation.[2] More recent research finds that while immigration causes a deterioration in the trade balance in the short term (Parmenter, 1991), any capital funds that migrants bring with them will help offset the negative impact on the current account of the trade-account deterioration. While he believes the extent to which this occurs remains unresolved due to data deficiencies, the increasing occurrence of wealthy migrants gaining entrance on the basis of the capital they bring with them will have certainly improved the negative affect on the balance of payments figures.

In the world systems perspective, labour and capital are viewed together, connected at the individual level but flowing in opposite directions at the societal level (Inglis & Wu, 1989). However, with the growth in business migrants, this view may need to be examined again. Various countries have differing regulations about the use of funds once the business migrants have landed, but there is a lack of studies as to how these funds are used and what the labour-market effects actually are.

3.2 International Trade[3]

The modern phenomenon of globalization has placed immigration in the context of a new global economy where increasing movement is vital if the West is to advance and the poor of the world are to grow richer (Harris, 1995). The trade diversion associated with the common exclusion from European markets as the EEC grew has made Asia Pacific economies more competitive in each other's markets and expanded inter-regional trade, such that it is now the world's most dynamic region of growth in trade and economic output (Garnaut & Drysdale, 1994).

In recognition of these trends, the Asia 2000 Foundation was formed in 1994, signalling the New Zealand government's commitment to a new regional alignment. From the

[2] Remittances may include New Zealand-made goods, or be spent on goods made in New Zealand, a common occurrence for Pacific Island migrants (McGill, 1981).

[3] This refers to the movement of goods and services, not investment capital. On the role of Asian investment in the New Zealand economy, see Cremer and Ramasamy (1996).

mission statement, Asia 2000 seeks to "build and sustain Aotearoa/New Zealanders' knowledge and understanding of the peoples, economies, cultures and languages of Asia so that they can develop more extensive and effective relationships in the region" (Garnaut & Drysdale, 1994).

Trade data[4] reveal just how significant Asia is as a trading area, with North Asia the most important sub-region. In the year-to-June 1995, New Zealand exports were valued at $20,924.9 million (fob), exports to Asian countries accounted for 38.2% of all exports and were valued at $7,993.5 million. Of this, $6,225.9 million was sent to North Asia, 29.8% of total exports and 77.9% of Asian exports. Total imports were $21,262.5 million (CIF), imports from Asian countries accounted for 29.5% of this, or $6,274.2 million. Of this, $5,004.1 million came from North Asia, 23.5% of total imports and 79.8% of Asian exports. APEC (Asia Pacific Economic Co-operation), established in 1989, is an important regional grouping for trade, security and international co-operation. As of June 1995, trade with the 18 member countries[5] accounted for 70.8% of New Zealand exports, worth $14,810.2 million and up 7.6% on the June 1994 year, and 72.0% of imports, worth $15,313.7 million and up 17.4% on the June 1994 year.

Trade in the Asian area has been growing steadily for many years, particularly with North Asia. Table 3.1 illustrates the growth of exports over a five year period to the North Asian countries. South Korea is our second largest Asian export market behind Japan, topping $1 billion for the first time in 1995. With annual economic growth in excess of 9% and imports growing at 30% (Barber, 1995a), South Korea is likely to become New Zealand's fourth largest trading partner by 1997 (Trade with Korea on upward track, 1996). Exports to China have almost tripled over the six years, with Hong Kong trade benefiting from this also. The export performance dropped in 1996, reflecting the difficulties of exporting with a high exchange rate.

[4] All the trade data contained in this paragraph originate from Statistics New Zealand, 1995b.
[5] They were: Australia, Brunei Darussalam, Canada, Chile, the Peoples' Republic of China, Hong Kong, Indonesia, Japan, the Republic of Korea, Malaysia, Mexico, New Zealand, Papua New Guinea, the Philippines, Singapore, Thailand, Taiwan, Province of China and the United States of America.

Table 3.1 New Zealand exports to North Asia, 1991-1995 ($million, fob).

Countries	1991	1992	1993	1994	1995	1996
China	186.1	361.5	368.1	528.6	544.7	518.8
Hong Kong	240.7	363.2	412.7	481.9	595.6	679.1
Japan	2611.1	2738.6	2759.1	2886.8	3416.6	3277.7
Korea (North)	-	-	0.3	1.4	-	-
Korea (South)	718.9	767.5	857.1	928.6	1035.1	1026.8
Macau	1.6	-	2.6	0.4	1.6	4.8
Mongolia	0.1	0.3	-	-	-	-
Taiwan	315.7	>	486.7	507.3	632.3	570.7
Total	4074.2	431.5	4886.6	5335.2	6225.9	6077.9
		4662.6				

Sources: Statistics New Zealand, 1993-1996.

The imports from North Asia are printed in Table 3.2. While Japan is also our largest source of imports, China is second, having more than trebled in the five years up to 1995. Imports from most other countries have grown steadily, and by 1995 total imports from this region topped $5 billion, although they also fell in 1996.

Table 3.2 New Zealand imports from North Asia, 1991-1995 ($million, CIF).

Countries	1991	1992	1993	1994	1995	1996
China	217.5	354.1	506.7	570.1	701.9	774.1
Hong Kong	183.9	207.7	231.2	218.7	223.4	193.2
Japan	2337.2	2375.1	2652.6	2928.1	3176.0	2885.9
Korea (North)	-	-	-	-	-	-
Korea (South)	246.3	242.9	280.1	297.4	333.6	378.3
Macau	3.1	2.9	2.2	1.9	2.5	2.2
Mongolia	-	-	-	0.1	-	--
Taiwan	384.7	428.6	483.1	518.1	566.6	525.3
Total	3372.7	36113	4155.9	4534.5	5004.1	4759

Sources: Statistics New Zealand, 1993-1996.

International migration is not only a factor in the competitive production of manufactures for trade, but is also central to international trade in services. Until relatively recently, it was assumed that services were not tradable because they had to be consumed where they were produced. International travel and communications has altered this, and now all international trade in services is linked to international movements of people, information, money or goods (Feketekuty, 1988). Russell and

Teitelbaum (1992) think services fall into two groups, those requiring physical proximity and those that are arms length services. In the first group, either the provider moves to the consumer (e.g. a New Zealand building contractor operating in Hong Kong), or the consumer moves to the provider (e.g. heart surgery). The other group includes insurance, banking and filming, in which the provider and the consumer need not be in the same physical place. As technology advances, this second group will continue to grow.

The single paper which is most relevant to this research topic is based around bilateral trade. Written by Gould (1994), he disputes many of the economic models of labour migration that assume migrants add to the stock of labour in the same way as natives do. He suggests that one of the economic benefits of immigration stems from the links that migrants have with their home countries, for example, knowledge of their home-country markets, language, preferences and business contacts. He claims migrants will have two important effects on bilateral trade, preferences for home country products leads to a direct increase in the host country's imports and foreign market information and knowledge can lower transaction costs and create a broad increase in both exports and imports. The result of an empirical investigation of trade between the US and 47 other countries concludes that immigrant links with the home country have a strong positive impact on exports and imports and that these effects increase at a decreasing rate as the size of the size of the immigrant community grows.

3.3 Personal Networks

By the 1980's, researchers were recognising the need to consider migration as a dynamic system in which migration represented, and evolved from, linkages between sending and receiving countries – one of which was networks (Boyd, 1989). Fawcett and Arnold (1987) argue the advantages of a systems approach over studies that focus on only one part of the system. They include; directing attention to both ends of the migration explains stability and mobility in each location; examining any one flow or destination

in light of other flows or destinations; identifying the disparities that energise flows in the system; considering the effect on the others if one part changes; viewing migration as a sequence of events occurring over time and considering a full range of linkages, including people, information, goods, capital and services. Massey and Espãna (1987) recommend the study of networks in order to identify the economic influences motivating and arising from international migration. They believe that networks increase the net welfare gain from migration by reducing costs and increasing benefits and will therefore increase the probability of migration. Fergany (1989) claims that networks are significant in explaining economic motives and effects, and also finds them crucial in understanding the social phenomena of migration (e.g. assimilation, spread of information, political relations and minority resilience under hostile conditions).

Fawcett (1989) uses a system approach in an article which is useful for this research. Taking a broad view of what constitutes a "linkage", Fawcett moves beyond only the flow of people to include other important elements that are dependent on the people in the system, such as communication, responsibilities and flows of goods. With four categories of linkages (state-to-state relations, mass culture connections, family and personal networks and migrant agency activities) and three types of linkages (tangible, regulatory and relational) he identifies 12 different sectors in the linkage system. These are illustrated in Table 3.3. One of the objectives of this research is to investigate the role the family and personal networks play in increasing international trade because of immigration. These are the relational networks, either family or other (i.e. business associates), that are central to business in Asia. Much time and effort goes into the formation and maintenance of these relationships and they frequently last for long time periods.

Table 3.3 Linkages in Migration Systems

	Categories of Linkages			
Types of Linkages	**State-to-state Relations**	**Mass Culture Connections**	**Family and Personal Networks**	**Migrant Agency Activities**
Tangible Linkages	Trade and financial flows Bilateral economic and technical assistance	International media diffusion (print, TV, film)	Remittance flows Correspondence from migrants	Job recruitment & promotional materials Officially channelled remittances
Regulatory Linkages	Immigration and emigration policies Temporary worker policies	Norms governing out- migration Social acceptance of immigrants	Family obligations Community solidarity	Rules and regulations governing migration process Contracts with migrant workers
Relational Linkages	Complementarity of labour supply and demand Economic dependency	Cultural similarities Compatibility of value systems	Relative social status of migrants and non-migrants	Complementarity of agency activities in sending countries and receiving country

Source: Fawcett, 1989, 674.

The literature is increasingly emphasising the significance of networks as a basis for understanding the patterns of migration flows (Portes & Borocz, 1989), with the need to move beyond the individual when searching for the unit of decision making on issues surrounding migration (Inglis & Wu, 1989; Stark, 1991). Kinship can also have important effects on the economic adjustment of both individuals and groups. Much of the economic success of the Chinese miners in adapting to trading occupations late last century is due to the nature of their patterns of kinship. Custom, credit and labour were often initially largely provided by the migrants countrymen (Porter, 1948).

According to migration research, economically-motivated international migration is influenced by three main factors; demand-pull factors that draw migrants into another country, supply-push factors that encourage migrants into other countries, and networks of friends and relatives already settled in destination countries who become sources of information and facilitate both the moving and the settlement of new migrants (Martin, 1994). While networks have always played a significant part in the migration process,

Martin identifies three recent changes that have increased the importance of networks. One is the communications revolution, enabling potential migrants to be far better and broader informed before leaving their home country as to the lifestyles and employment opportunities in other countries.[6] Another is the transportation revolution, lowering the real cost of international travel consistently since World War Two, while simultaneously increasing convenience. International travel, whether for business, pleasure or migration, is more popular and cheaper than ever before. Lastly, the rights revolution. The spread of individual rights and entitlements within many nations and the signing of international treaties serves to commit countries to protect those fleeing persecution, at least temporarily until their case is heard (often taking a number of years if all appeal channels are used). This may leave industrial countries with a difficult choice, either preventing the migrant working because of legal uncertainty on his or her rights to do so, meanwhile the state supports the migrant, or allowing the humanitarian right of due process to function as a backdoor guest worker programme.

3.4 Closing Comments

The preceding sections highlighted some of the research findings related to immigration and economics. In summary, it would be appropriate to make two points. Firstly, immigration, the labour market, capital and trade are all interdependent and it is very difficult to isolate changes any one sector for study on its own. Therefore, immigration should be treated jointly with trade and capital flows as part of the open market forces which affect wages and employment (Freeman, 1987). These effects can be better understood when a holistic approach is used, like that of Lidgard, Bedford and Ho (1995) and Fawcett (1989). Russell and Teitelbaum (1992) make a similar observation in saying that the political economy of migration may be more important than the straight economics of immigration, with the general agreement that the movement of goods and capital being free having no corresponding consensus when extended to the

[6] Media communications can also spread misinformation which can be responsible for false impressions (eg. American films and television programmes have given many foreigners misguided notions of American life).

movement of people.[7] Also, immigration has many unexpected consequences (e.g. temporary migrants becoming permanent, demand-pull flows becoming supply-push, the adoption of asylum provisions abused for non-refugee migration) that can only be understood if immigration is examined using a systems approach.

Secondly, as economic considerations are likely to be a significant factor in the formation of immigration policy, much more work is required before we can understand the process of immigration and identify or measure whether there are any net economic benefits. However, no matter what the economic results, remember that there are people involved. Alexander Fry (1989) said, "Even the least talented have added colour and texture to our society. But their quality is not what counts, rather it is their need. Our quality shows in the way we treat our guests. We can do better than we have done up to now."

[7] Those who support the free movement of capital, goods and services, are not unanimous on the desirability of the free movement of labour, particularly if it includes the consumption component. More theoretical work is needed to reconcile this dilemma.

4. Methodology

Chapter Four outlines the procedures for gathering data for this study. Section 4.1 reviews the literature review process, the results of which are presented in Chapters Two and Three. Section 4.2 describes the use of personal interviews, outlining the method and the two groups of respondents, Asian immigrants to New Zealand (AI) (4.2.1) and others with involvement and experience of immigration and trade, working in New Zealand, Hong Kong and South Korea (4.2.2). This second group are called experienced others (EO).

4.1 Literature Review

The initial survey of the literature on immigration, international trade and personal networks was conducted in late 1995, to prepare a proposal to request research funding. There is no relevant literature written on New Zealand, and only a few articles once the search opens to include other countries. The limiting factor is the requirement for relevant literature to draw on two bodies of knowledge, immigration and international trade, and ideally a third, personal networks. The two most relevant article are those of Gould (1994), who explains the reason why immigrants can not be treated like existing natives in their impact of the labour markets and Fawcett's (1989) classification of linkages. The bulk of the literature, however, is on the history of immigration and the policies of each period, or research into various economic facets of immigration, either motives or consequences. The chapters reviewing the available literature (Chapters Two and Three) are large due to the descriptive an investigatory nature of this research, laying a foundation to help understand the immigration issue.

An examination of the statistical information on immigration attempts to discover the actual levels of immigration and identify the main source countries for Asian

immigrants.[1] International trade records are examined to identify the major trading partners and illuminate important trends.

4.2 Personal Interviews

The purpose of these interviews was to identify key factors or characteristics of the issue and any conceptual links the immigrants make to other topics. Personal interviews were used as the main method to collect data because of its applicability when seeking to identify the major attributes of a issue or conceptual links surrounding a topic (Hoinville & Jowell, 1982; Krathwohl, 1993; Miles & Huberman, 1994). The interviews are semi-structured, where the respondents discusses their experiences and opinions, periodically prompted from a list of topics to be covered in each interview. All interviews are recorded on audio tape, nobody objected to this, ensuring the interviewer offers full attention to the respondent. While some brief notes are made during the interview to serve as prompts for other questions, a detailed analysis of the interview occurs directly afterwards, when the tape are replayed.

Eleven personal interviews were conducted in the process of this research, broken down and described in the following two sections (4.2.1 and 4.2.2). No claim is made that the views reported in this research are representative of the views of Asian or North Asian immigrants to New Zealand. Therefore, the small number of respondents is not critical, and neither is the non-random selection procedure.

4.2.1 Asian Immigrants

The nature of this research requires contact with North Asian immigrants to New Zealand who are involved in international trade and are willing to be interviewed. Just how to identify people meeting these requirements is uncertain. However, after viewing

[1] Some problems in this area require conceptual work. This is discussed in Chapter Five, unless clarity and ease of reading require it to be covered earlier.

the television programmes *Fraser* (Television New Zealand) and *20/20* (TV3), it became clear that they had established contacts with the Asian community. An initial approach to the staff responsible for these programmes succeeded in gaining their co-operation. They each agreed to address and mail 15-20 letters (see Appendix B for a sample copy) to people interviewed for their programming. This method utilised their help without requiring any breech of confidence. Eight Asian immigrants responded to the letters. Appointment dates were made with five of the Asian respondents for June 1996,[2] the others were unwilling to participate once they discovered more details of the research. Of these, only three eventuated because contact was broken without any reason. One explanation of this low response rate is the negative press about Asian immigrants at this time, and the related pressure to maintain a low profile. Another is language, because the author only speaks English, migrants with poor language ability may have been reluctant to respond.

Chapter Five (Results and Discussion) utilises a coding system so that the comments of each immigrant can be identified. AI1 is a Chinese immigrant from Macau via Hong Kong, who arrived in New Zealand four years ago. She is engaged in the import and export of food and drink products, and in wholesale distribution around both New Zealand and Hong Kong using family connections. AI2 is a printer from Taiwan who moved to New Zealand three years ago in search of a better quality of life, yet is still able to continue with the same business activities, also using established business connections. AI3 is a retailer catering to the needs of Auckland's growing Asian community and is very well connected with other business people.

The discussion questions for the Asian respondents included: the respondents background (including the motivations for migration, experiences of the migration process and life in New Zealand), their involvement in international trade and how it relates to their immigration decision and the role that networks have played in both the migration process and their trading activities.

[2] The initial intention was to interview in New Zealand before heading to Asia, so that any contact names provided during the interviews in this country could be visited while overseas. However, the opportunity to attend a conference in Seoul during May promoted the foreign component to an earlier date and time restrictions made it impossible to interview in New Zealand before leaving.

4.2.2 Experienced Others

It is also considered important to speak with people who influence immigration policy or have a direct contact with immigrants. The letters posted by the television companies gained responses from a bank manager and a representative of the New Zealand Chinese Association (NZCA). As both these experienced others were in New Zealand, the reporting codes are EONZ1 for the man from the NZCA, a second generation Chinese New Zealander, well connected in the Overseas Chinese community in Auckland and able to offer insight based on contact with many people, and EONZ2, the bank manager whose responsibility for migrant business offers many opportunities to examine trading businesses.

Success in securing funding made a trip to Asia for research work feasible. The initial research proposal outlined a trip to Hong Kong, South Korea and Taiwan, three of the most important source countries for Asian migrants. However, time restrictions meant that it was only possible to visit two countries. Successful interviews occurred with senior staff from the Ministry of Foreign Affairs and Trade (MFAT), Tradenz and NZIS in Hong Kong, as well as with a native immigration consultant, contacted through the New Zealand Association of Migration and Investment who replied to a mailed letter. They are referred to as EOHK1, EOHK2, EOHK3 and EOHK4 respectively. In South Korea, interviews were arranged with three staff from MFAT, each with differing areas of responsibility, but urgent business called one away. The remaining two are coded EOSK1, with trade interests, and EOSK2, with diplomatic and immigration interests.

The questions were different, as these were not immigrants but people whose work involved them, either with the immigration process, or with international trade between Asian countries and New Zealand. They were questioned on their background (training and working experience), current position, the relation between international trade and immigration, and the role that personal networks played in this process.

5. Results and Discussion

> *Discovery consists of seeing what everybody has seen and thinking what nobody has thought.*
>
> A. Szent-Györgi.

The research process uncovers a number of questions for which the existing literature is unable to offer adequate answers. Section 5.1 is conceptual in nature, consisting of derived definitions and measurements to answer a number of questions, such as "What was the actual level of immigration in any particular period?" (5.1.1), and "Who is a New Zealander?" (5.1.2). The second question uses the concept of citizenship, so some criteria for the selection of citizens are given (5.1.3). Section 5.3 contains a discussion on three areas of political interest, New Zealand and its identity (5.2.1), the issue of racism (5.2.2) and selecting an appropriate time scale for decision making (5.2.3). Section 5.4 describes the Overseas Chinese and Section 5.5, the important role of networks in the Asian culture and the potential value these are to New Zealand. Finally, Section 5.2 reports on the decision to immigrate (5.5.1) and the process of adjustment and development of commitment (5.5.2).

5.1 Definitions and Conceptual Work

5.1.1 Immigration Measurement

Two of the problems emerging from efforts to identify the actual level of immigration to New Zealand are conceptual in nature. Firstly, "What is the actual level of immigration in any particular period?" The verb to immigrate is defined as "come as a permanent resident to a country other than one's native land" (Concise Oxford Dictionary, 1990).

Adapting this definition, immigration to New Zealand would be the actual number of people who are given permission[1] to reside in New Zealand and who enter for the first time[2] with the intention to remain.[3] While each of the three measures examined in Chapter Two (i.e. PR, PALTA and NPALTA) had problems associated with it, the measure proposed in the above definition would overcome all the short-falls and offer an accurate measure of the immigration into New Zealand. Given that the NZIS already have records of AR, of all the people who enter New Zealand and their intentions, an accurate measure of the true levels of immigration should be available once data matching is possible.[4,5]

5.1.2 Who is a New Zealander?

"New Zealander" or "New Zealanders" are terms often been used in the media (e.g. Hunt, 1995a; 1995b),[6] but one which is seldom defined. It was particularly common in the immigration debate to find a distinction between New Zealander and others (i.e. immigrants or foreigners[7]), allowing authors to communicate the aggregated view of New Zealand with jingoistic appeal. Hearing or reading this term frequently prompted the question, "What is a 'New Zealander?" On a general level it may refer to people within a geographical space (e.g. the territory of New Zealand), or more specifically, those who live or reside in New Zealand. Yet surely in a theoretical sense, being a New Zealander implies some sort of commitment to the country or an identity with the country as one's own. To personalise it, the second question becomes, "Who is a New Zealander?"

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[1] Avoids counting New Zealand citizens who automatically have this right.
[2] Avoids recounting immigrants who may leave the country for an extended time and return later.
[3] This separates those who meet the other requirements but are coming temporarily, which may happen before they immigrate. An intention to stay at least one year separates short-term from long-term and permanent, and is suitable for defining "remain".
[4] Expected in 1997.
[5] If information on the number of New Zealand citizens in the permanent and long-term arrival and departure data were available annually (ie. the New Zealand Official Yearbook has only provided this figure occasionally), the NPALTA of non-citizens could be calculated. This figure would be less accurate than the proposed method, but still better than current data.
[6] These article mention adult New Zealanders, defined as people 18 years and over, who have a New Zealand telephone (G. Hunt, personal communication, January 21, 1997; A. Khan, personal communication, January 23, 1997).
[7] "Those of or from another country" (Concise Oxford Dictionary, 1990).

Given the notions of commitment and/or identity (c&i), a starting point becomes that of citizenship – 'a New Zealander is a citizen of New Zealand'. This could be viewed as a defensible minimum, because without citizenship it is difficult to demonstrate any commitment to New Zealand that can not be circumvented by others (i.e. the state) or, express an identity with the country such that any significant outworking can be defended from others. A person can be deported without citizenship, irrespective of the degree of c&i displayed. In other words, the rights of citizenship allow a defence of those things that make one a New Zealander. Of course there are New Zealand citizens who do not consider themselves New Zealanders, expressing commitment or identity with another country instead.[8] The two most probable reasons for this are having citizenship of some other country (dual or multiple citizenship), or spending a significant portion of time in another country. Excluding these two exceptions, for they probably only represent a very small proportion of New Zealand citizens, defining New Zealanders as New Zealand citizens appears a reasonable position, and one which is possible to quantify, should this become important.

A closer look at this c&i reveals an expectation of certain civic rights and responsibilities (r&r) commonly associated with being a New Zealander. Consider the following questions and answers[9] to identify who may have c&i to New Zealand. Who has free access to the public health system? Those with "ordinary residence" (i.e. have lived in the country for two years or can demonstrate a reasonably-based intent to remain here two years). Who has free access to the primary and secondary education system? Anyone in New Zealand and within the ages of compulsory education. Who has access to the welfare systems? One must be a citizen, permanent resident, or refugee, and must also be of ordinary residence. Who benefits from the security provided by the police, military and justice systems? Anyone within the territorial boundaries of New Zealand. Who must obey the law of New Zealand, enforced by the police and justice systems? Anyone within the territorial boundaries of New Zealand,

[8] The possibility of being committed to, or identifying with no country is excluded.

[9] Obtained in telephone conversations with staff at the appropriate organisation in Wellington (Ministry of Health, Ministry of Education, Department of Social Welfare, Ministry of Police, Ministry of Defence, Ministry of Justice and the Department of Inland Revenue (personal communications, January 17, 1997). These are very general answers, with many exceptions in reality.

except for those with diplomatic immunity. Who is required to contribute by way of taxes? Any one earning income in New Zealand, or those with AR who work overseas. Who is able to join the New Zealand military? Only New Zealand citizens, or those in the application process. Who is liable for military service if required? Nobody currently, legislation would be enacted if and when required. Who can vote in national elections? Any New Zealand citizen or permanent resident, 18 years of age and over. The following paragraphs uses these answers to identify exceptions to two classifications.

Is citizenship necessary[10] to be a New Zealander, or in other words, does having the c&i imply citizenship? Based on the notion of a defensible minimum position, the answer is yes, but based on the answers to the above questions, the answer is no, because exceptions can be found. Some people are willing to carry the responsibilities of citizenship, demonstrating the c&i, but are not citizens (e.g. a person can serve in the New Zealand military, prepared to offer his or her life for New Zealand and not have citizenship or, a person can pay taxes and not have citizenship). These cases will be called "desirable non-citizens" (DNC), because their demonstration of c&i is an attractive feature in non-citizens, and citizens, for that matter.

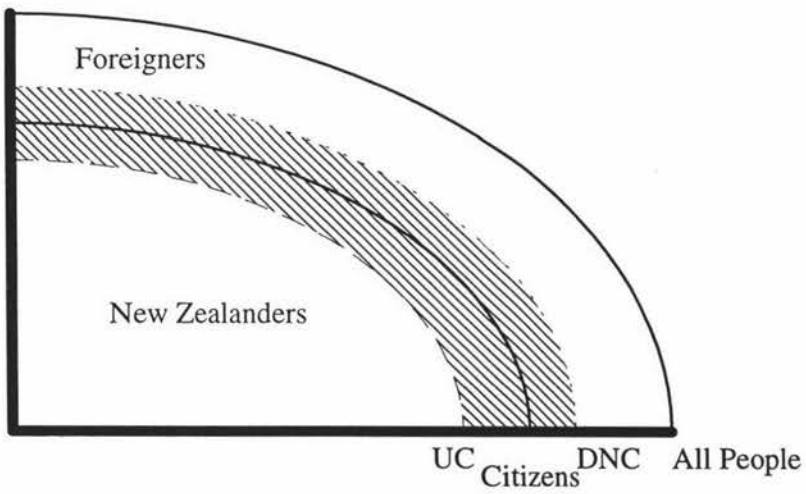
Is citizenship sufficient to be a New Zealander, or in other words, does citizenship imply having the c&i? The answer is also no, because exceptions can be found. There are some citizens who will not accept the responsibilities of citizenship, either requiring coercion or avoiding them altogether, thereby demonstrating a lack of c&i (e.g. some citizens break to law or evade taxes, breaking the expected commitment). These cases will be called "undesirable citizens" (UC), because their lack of c&i is an unattractive feature in citizens (and non-citizens, for that matter).

Therefore, as citizenship is neither necessary or sufficient for New Zealander, citizenship and New Zealander are not equivalent. However, the definition can be improved. Let New Zealanders be defined as all those with New Zealand citizenship (the defensible minimum), plus DNC (because they possess the c&i), minus UC

[10] Let A and B be propositions. A is necessary for B if B implies A. A is sufficient for B if A implies B. A and B are equivalent if A is both necessary and sufficient for B (ie. A implies B and B implies A).

(because they do not possess the c&i). Figure 5.1 represents this concept. The area within the right-most curve represents all people, and all other categories are sub-sets of this. New Zealand citizens are all those people inside the other solid curve, labelled "Citizens." In the above definition of New Zealander, it is beneficial to include those DNC (the outer, dotted line) and reject UC (the inner broken line). Therefore, the maximum number of New Zealanders is the DNC curve, assuming no citizens are UC. The minimum number of New Zealanders is the UC curve, assuming there are no DNC. As the relative size of these two groups is unknown, there are three definable areas. All the people to the left of the shaded area are New Zealanders, all those people to the right are foreigners, and it is not possible to determine the grouping of those people within the shaded area.

Figure 5.1 Definition of New Zealanders based on citizens, undesirable citizens (UC) and desirable non-citizens (DNC)



Using this definition, it would be easy to quantify the number of New Zealanders. A survey would ask respondents two questions, "Are you a New Zealand citizen?" and "Is New Zealand the country you identify with most strongly?" Together with the publicly available data, this would allow the specification of the numbers in each area of Figure 5.1. While this question does force people to choose only one country to be committed to and identify with, it is reasonable to expect New Zealanders to have more loyalty to New Zealand than any other country.

5.1.3 Selection for Citizenship

Ideally, the citizenship of a country would not include UC, and so any selection criteria should seek to minimise the numbers of UC and accept only DNC.[11] As no influence can be exerted over people with eligibility based on birth (i.e. all those born in New Zealand or with at least one parent who is a New Zealand citizen), selection criteria are only useful for other avenues of gaining citizenship. However, this is a difficult process, as it requires accepting as citizens those who have shouldered, or would shoulder the burden of responsibility, while rejecting all those who have rejected, or would reject it – and all a priori. Eliciting a true response to a question on future intentions is very difficult when the questioner can not determine the accuracy of the response until it is too late. How many people seeking citizenship would admit to intending to avoid the responsibilities of citizenship if they were granted their desire?

Citizenship can be viewed as property,[12] and therefore has certain associated property rights, one of which is excludability, necessary to prevent free-riding (see Maughan, 1995). Following the approach of Demsetz (1982) on the efficiency of barriers, the citizen selection problem can be seen as one of efficiently scaled barriers. The conditions for citizenship are the barrier to entry, designed to exclude non-payers and prevent free ridings. Of these conditions, the probation period[13] is frequently mentioned as most suitable for altering the scale. For example, extending the probation period or tightening the conditions would serve to raise the barrier and keep more people out. The intended outcome is to discourage potential UC from applying for permanent residence or exclude them during the probation period, while not detracting or rejecting potential DNC. While all barriers are inefficient by definition (Maughan, 1995), the aim is for barriers to be as efficient as possible. This is, or at least should be, one of the aims of immigration policy, in New Zealand and in all other countries.

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[11] This does not mean accept all DNC. The optimal level of immigration is beyond the scope of this discussion.

[12] Property is anything that can be owned.

[13] Foreigners wishing to immigrate to New Zealand, and ineligible for citizenship, apply for permanent residence. If this is granted, there is a two-three year probation period, with certain conditions. Permanent residents may apply for citizenship at the successful completion of this period.

Harris (1995) suggests that all the attention given to immigration is only a front for the real concern - nationality. Unlike the native, whose status (and associated rights and responsibility) in the society is inherited by birth, migrants make an active choice of where to live, and the receiving society then must decide how to respond. While agreeing that a decision on how to respond is required, such decisions regarding immigration are likely to be based on racial intolerance or a resistance to change (new immigrants will challenge the way thing are done and bringing change that some find threatening) that is independent of concerns on nationality. Support for this is found in the work of Smith and Blanc (1995), who found that citizenship laws have very little effect on prejudice per se, with racial and ethnic tension occurring in all countries despite a wide range of ethnic and racial laws.

During the last century migration has increased enormously, driving efforts to reconcile the coexistence of those with and those without citizenship (Harris, 1995). Gradually this has broken down the boundary between different classes of "nationals" (e.g. nationals born to parents and grandparents of nationals and permanently resident in the country of nationality, those with multi-nationality, foreigners with permanent residence, temporary residents, seasonal migrant, those attaining and those claiming refugee status, illegal immigrants, boat people and those who are stateless or nomadic). Nationality laws based upon ethnicity are now seen as too restrictive of access to all dimensions of citizenship than those with a greater territorial element, and in areas such as the European Community, attempts are being made to base citizenship on residence (Smith, & Blanc, 1995).

The reasons for this are important, for if there are significant numbers of people living in a country who are excluded from voting and yet wish to remain, the constitutional basis of a state is theoretically undermined, in so far as it is supposedly founded upon government by consent and representation (Harris, 1995). He says that in most countries the privileges of membership, in so much as they do exist, cannot be denied to those who live, work and pay there taxes, simply because they were born elsewhere. The brief examination of the public r&r of life in New Zealand (Section 5.1.2) reveals that residence is a more important criteria than citizenship, though this is not to say that New Zealand is purposefully heading in this direction. Two methods of adjusting for

increased mobility are now clear. Taking voting as an example, New Zealand awards the rights normally associated with citizenship to permanent residents, whereas other countries are altering their criteria for citizenship so as not to exclude residents. The irony of this situation is that in New Zealand, citizenship is more important when one leaves the country than when one resides in it. As soon as international travel is contemplated, then passports become an issue. Therefore, eligibility for a New Zealand passport is one civic right determined on the basis of citizenship. An equivalent responsibility would be allegiance to the crown and the associated crime of treason.

5.2 The Politics of Immigration

5.2.1 Finding Our Identity

Most of the respondents consider New Zealand is not a "part of Asia" (AI1, AI2, AI3, EONZ1, EOHK1, EOHK2, EOHK3, EOSK2), despite political claims and media releases to the contrary. An official at the MFAT said:

> "While the government may claim New Zealand is a part of Asia, the reality will be seen through the attitudes and actions of New Zealanders"[14] (EOSK1).

A recent immigrant from Macau stated that:

> "New Zealand may be able to increase an awareness of Asia and things Asian, but will never become a part of Asia" (AI1).

Support for these beliefs was found in an opinion poll, which found that only two in ten adult New Zealanders believe we are part of Asia (Hunt, 1995a). This same poll claims

[14] The quotes presented in this indented format are from the taped interviews. While these statements are as close as possible to what was actually said, they are not verbatim, but have been edited to increase clarity or composed from different parts of the interview. A linguistic analysis would have to return to the original tape-recordings.

New Zealanders are much more likely to look to Australia or continental Europe as a model of how to develop than to Asian countries. The history documented in Chapter Two helps to explain this. Early on, steps were taken to isolate New Zealand from its geographical position, following Australia, Canada and the US. Based on fashionable theories of racial superiority, restrictive legislation was passed that prevented the immigration of non-Europeans (Jupp, 1995). Rather than using specific regulations, the legislation authorised absolute discretion to prevent undesirable immigrants, without specifying any definition of "undesirable" (Jupp; Murphy, 1994). Then, between 1966 and 1973, the policies of racial exclusion were abandoned at much the same time in Australia, Canada, the US and New Zealand.

Now, there is growing pressure to be part of Asia, to ensure that we do not miss out on the growth opportunities and potential for economic benefits (Barber, 1995b), a view also expressed in Section 5.3. In Australia, even the impact of large population, trade and capital movements has not yet altered public opinion to accept the changes fully (Jupp, 1995). Neither has New Zealand accepted the reality of Asian neighbourhood (Harris, 1993), but we can view ourselves as being part of Asia Pacific (AI3, EOHK2, EOSK1, EOSK2).

> "Asia Pacific is a more appropriate term for a New Zealand seeking a new identity in the Asian region. It rings true to the history of the country, the ethnic make-up and the physical location. Do not persevere with attempts to become a part of Asia." (AI3).

This term, growing in popularity since the advent of APEC, better reflects the geographical position of New Zealand and the social and cultural make-up of its society. Jupp (1995) points out that "Australia does not yet need to consider the cultural or political implications of its growing economic links with the region since, unlike Europe, the region has no formal political structure" (p. 224). While this may be true, other forms of organisation are attempting to bind New Zealand (and Australia) with Asia, locking it into the potential growth of the region and also forcing the issue of identity in Asia. For example, APEC seeks to liberalise trade and promote facilitate the

breaking of barriers between member states and Asia 2000 targets New Zealanders to build and sustain a knowledge and understanding of Asia.

The concept of national identity is very complex and changes over time. New Zealand has experienced, and continues to experience great challenges in this area through wrestling with the bicultural issue. Others examples would include the nuclear free issue, environmental concerns and the post-1984 restructuring. Immigration also challenges the way we view our country. Will greater immigration add to the pressure for a multicultural society, and how does biculturalism sit alongside multiculturalism?[15] Any significant social changes must, in some way, shape our identity as a people and as a country.

5.2.2 Racism

Press heading like "Xenophobia alive and well in New Zealand" (Hunt, 1995b) catch the attention and periodically revive what otherwise might remain dormant feelings. That particular heading relates to a poll claiming that over 50% of adult New Zealanders think there are too many Asians and Pacific Islanders in New Zealand (Hunt, 1995b). Although none of the respondents in this study admit to racism being a serious problem personally, racism against Asians does tarnish our image in Asia (AI2, EONZ1, EOHK1, EOHK2, EOHK4). As one immigration consultant reported:

> "The recent events in New Zealand [regarding Winston Peters] have received full coverage here in Hong Kong. People are very concerned at the popularity of this man, especially given his recent outbursts on Asian immigration" (EOHK4).

This in turn, flows on to damage tourism (Kennedy, 1995), trade and investment (EOHK2, EOSK1).

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[15] For a discussion on multiculturalism in relation to Maori-Pakeha biculturalism, see Renwick (1988). Some views on immigration and its impact on the issue of biculturalism verses multiculturalism see Walker (1996) and Vasil and Yoon (1996).

> "It is inevitable that we [New Zealand] will suffer as a result of the perceived racial intolerance, not only politically but in economic terms also" (EOHK2).

Agreement is expressed by Manying Ip, a senior lecturer in Chinese at Auckland University frequently consulted on Asian issues. She writes that we are a nation of immigrants who seem to suffer from xenophobia toward more recent migrants (Ip, 1995). Now is a watershed, she says, and "whether we remain in a time-warped Fortress New Zealand, or become a flexible, well-informed and outward-looking nation of the Asia-Pacific rim, rests partly on our immigration philosophy" (p. 8). However, as Hablous (1995) points out, opposition to unrestricted immigration does not imply xenophobia, which his dictionary defined as "having a morbid dislike for foreigners." New Zealand is under no compulsion to allow immigrants in and does not infringe on anyone's rights when the rate of immigration is slowed. He suggests that restricting immigration, even of Asians, no more constitutes a morbid dislike of foreigners than a preference not to have all one's relatives staying at the same time constitutes a morbid dislike of family on his part.

Most participants in the recent immigration debate make some valid points, but often these are lost in the surrounding emotional statements. As David Lange says, "People who criticise immigration policies, or the want of them, are not necessarily racist (people who shout "Fire!" and then disingenuously deplore injuries to those who got trampled in the crush are another matter.)... We'd all be better off if reason could be applied to every side of immigration policy" (1996). Jayasuriya and Sang (1991) approach the issue with reason and are supportive of an active recruitment of Asian migrants who possess the right characteristics, while recognising the seriousness of denying differences and ignoring racism, both of which are common problems when dealing with the topic of immigration. There approach is worthy of emulation.

5.2.3 Time Scale for Policy

The recent immigration debate is important to all respondents. Some identify one of the main tensions fuelling the issue as time-scale differences (AI3, EONZ1, EOHK1, EOHK3). For example, a senior MFAT official said:

> "Politicians operate on a short-term time scale, one of political convenience, namely the period between elections, and this is true all over the world. But immigration is different. People take longer than this to adjust, settle and start to thrive in a new country" (EOHK1).

They believe that while the political decisions-making process operates on a short-term time scale, linked to the duration of the parliamentary term, any benefits of immigration are either not obvious to most people, or only visible over a much longer time scale. Initially, after a large inflow of migrants, it is the negative consequences that are visible (e.g. increased demand on social services, rising house prices, crowding of amenities) and the obvious cultural differences that natives often find annoying (i.e. dress, eating, driving, entertainment, etc.). Many of the early benefits resulting from immigration (e.g. demand for housing, consumer foods, foodstuffs and the employment created by this) remain invisible to most people, or are quickly forgotten. In the short-term, the costs may well outweigh the benefits, but so long as the political decisions regarding immigration are set in a short-term mind-set, then the long-term benefits will never materialise.

This problem requires a longer-term approach to the setting of immigration policy which must include three components. First, there is a need for better research (see Chapters Two and Six). Second, the public debate must be allowed. The editor of *The Independent* puts it well. "...the racism nurtured by debate of population policy won't be eliminated merely by muting the rambunctious Peters. Much more critically, nor will development of a consensus be engendered by politicians who eschew debate on the spurious grounds that by examining a policy we denigrate the people it affects" (Edlin, 1996, p. 10). He believes that good debate based on sound analysis is both necessary and healthy, sentiments repeated by the new race relations conciliator, Dr. Prased, who

says "As a nation, we have the right to say this is what we require in this country and recruit that type of person. We've gone past the age where we selected migrants on the basis of race. What level of migration is required is a matter of good analysis, so I think that discussion is a robust one to be had in a modern democracy" (Conciliator joins debate, 1996).

Finally, the decision makers must push through to address the mid and long-term factors. Employer and union interests have too frequently dominated the immigration debate. They see immigration as a method to fill short-term skill requirements as well as chronic shortages (Richmond, 1985). However, immigration policy should focus on long-term growth in the human capital base of the country (see Section 5.4), not only short-term interests. In 1986, Farmer claims that New Zealand had no population policy around which to orient its immigration policy. Ten years later, during the public debate on immigration, David Lange (1996) says we have never given enough serious thought about the optimal level of immigration, and instead make ad hoc stabs, ending up with arbitrary figures. Even the recent changes to the immigration policy, which appeared to be a large improvement, attracted criticism. An ex-Minister of Immigration, now immigration consultant, Aussie Malcolm (1995) writes that while the changes may have smelt good initially, the taste test has revealed problems, for example, while the point system seems good to us, some Asians view it as both racist and sexist, and this in our major markets.

In summary, "Our immigration policy has always been a muddle, and we should not wonder that from time to time it becomes an issue. It's an itch to scratch, and tailor-made for the niche politics of MMP" (Lange, 1996, p. 8). If politicians are to scratch, they should consider the need for well grounded research, open public debate, and appropriate long-term questioning by the policy makers. Broad questions need to be asked and aiming to link immigration policy only to the population issues is a fundamental error based on the absence of a sound theoretical foundation, as Passaris (1987). As Renwick (1990) suggests, the real questions are, "What sort of society do we want New Zealand to become?" and "What sorts of abilities and attitudes do we want New Zealanders to have?"

5.3 The Overseas Chinese

Overseas Chinese play an important role in the world economy, particularly in the Asia Pacific arena (EOHK1, EOHK2, EOSK1, EOSK2). A bank manager said:

> "One can not speak too strongly on the importance of the Overseas Chinese in the growth of the Asian economy" (EONZ2).

> "With their vast range of contacts and enormous wealth, it is this group who can best open the huge potential of China, and also the other developing markets in Asia. Even though they make very loyal citizens, they retain unusually strong kinship ties with other Overseas Chinese" (EONZ1).

Therefore, there is a pressing need to acquire a critical mass of Overseas Chinese in New Zealand in order to tap the wealth and contacts of this group, currently economic and trade, but in the future this may also include cultural, social and scientific wealth, or else this country may miss out (EOHK1, EOSK1). In the opinion of a diplomat working in Asia:

> "It is essential that New Zealand acquire a sufficiently large community of overseas Chinese. The alternative is to miss the train of Asian prosperity, where the owners and passengers are predominantly Chinese, and the Central Station is the PRC" (EOHK1).

Or as a New Zealand bank manager stated:

> "The Overseas Chinese are central to the increasing prosperity that Asia is experiencing. Their money and their contacts fuel the growth that has made this area the envy of the developed world" (EONZ2).

These views find strong support in the literature. Sowell (1996) suggests that rather than calling the Overseas Chinese "the Jews of Asia", it may be more appropriate to call

the Jews "the Chinese of the West", as not only are overseas Chinese far more numerous than the Jews, but have also played a far greater economic role in many Southeast Asian countries than the considerable economic role of the Jews of Europe. He says that there are significant networks of contacts, and both language and social, that may link overseas Chinese internationally, but also separate them within one locality due to sharp internal differences. A Tradenz official noted that business ownership is frequently along family lines, where loyalty is more certain (see Section 5.4):

> "The family is much more important to Asian business than New Zealanders will easily understand" (EOHK2).

Individual families sometimes dominate entire industries in some countries, such as Thailand, Malaysia, Vietnam, or Indonesia (EOSK2) .

In a special feature of the *Fortune* magazine, Kraar (1994, pp. 2-3) investigates the Overseas Chinese.

> The venturesome diaspora of some 55 million Overseas Chinese is emerging as far more than the main force behind the sizzling growth of the Pacific Rim economies... Spurred by a distinctive business culture that relies upon constant scanning for opportunities and an incomparable co-operative web, they are fast establishing themselves as nothing less than the world's most vigorous capitalists... Its members dominate trade and investment in every East Asian country except Korea and Japan. They possess not only the biggest reservoir of capital but also critical political connections and the best practical information for surviving in difficult markets.

He claims that the Overseas Chinese share a belief in hard work, strong family ties, frugality, and education, the same constellation of virtues that define the Protestant work ethic. However, these attributes aren't rusty relics from their culture's past but compelling rules to live by. EOSK2 and EOHK4 describe similar values. These beliefs have not only enabled the economic dominance of many industries and economies by the Overseas Chinese, but will challenge the foundations of New Zealand society (EOSK2).

Hong Kong is the nerve centre of the Overseas Chinese, acting as a defacto-capital (EOHK1). As 1997 approaches, when the British lease expires and the territory is

returned to China, a steadily increasing steam of people leave Hong Kong for Canada, US, England, Australia and New Zealand (EOHK4). Many of the high number of people leaving Hong Kong before the hand-over to China are entrepreneurs, managers and professionals (Skeldon , 1990-91). The NZIS has noticed that these same occupation categories feature prominently in the Hong Kong immigrants to New Zealand:

> "Most of the migrants to New Zealand have management experience, and if they haven't already run their own business, they certainly want to and believe they can" (EOHK3).

While this may cause some problems for Hong Kong initially, it may eventually be the foundation for future prosperity, both for Hong Kong and for New Zealand (EONZ2, EOHK1, EOHK2). Skeldon thinks Hong Kong Chinese-controlled businesses, whether they are an extension of Hong Kong-based plant or not, established in the US, Canada, Australia or New Zealand are in a unique position to do business with Asian countries, China and Taiwan in particular. Cultural factors, especially language, are likely to favour such businesses over those controlled by non-Chinese (EOSK1, EOHK4). "The Chinese, with their tight-knit family structure, are providing one of the forces that will create the economic fabric of the Pacific community" (Skeldon, p. 517), and rather than threaten the future of Hong Kong, immigration may internationalise the linkages with the wider world, making the city a true centre for world business and preserving the prosperity it currently enjoys (EOHK1, EOHK4).

Barber (1995b) writes that the growth of many Hong Kong companies has been so fast that they have outgrown Hong Kong and have to go offshore to keep the momentum up. A local from Hong Kong said:

> "The increasing migration of Asians around the Asia Pacific will support the expansion of Chinese businesses around the Pacific Rim and into the Americas, as a system to minimise risk for companies as they gains access to wider markets" (EOHK4).

Lidgard (1996) sees a global family networks being established by the Overseas Chinese in the hope that the long-term gains for the family will offset the short-term losses. It as urgent, at least for the Overseas Chinese, to develop international linkages before 1997 take-over of Hong Kong by China. This is already happening, with the Chinese-speaking minority in Australia having important links with Hong Kong and Singapore and with other such minorities in Canada, the United States, and Britain (Jupp, 1995). The same type of links are growing in New Zealand, particularly Auckland (EONZ1, EONZ2).

5.4 The Role of Networks

Personal relationships are important to the establishment of trading activities (EONZ2, EOHK2, EOSK1). This view was expressed by the three immigrants interviewed:

> "Family connections are used every day in my business - father, brother, brother-in-law, uncle" (AI1).

> "Many of our customers are the same as we dealt with when situated in Taiwan" (AI2).

> "My network of contacts stretches throughout the Asian business community here in Auckland, and without it I could not be in business" (AI3).

All the Asian immigrants regularly utilise their networks in conducting business. If exporting, they bring their knowledge of the home country conditions (i.e. market, culture, language) to New Zealand, find suitable products or services here, and using personal networks in their home country, export these goods and services (AI1, AI2). If importing, they come to New Zealand, identify opportunities for products from their home countries, and use personal networks to source the product (AI1, AI3).

Gould (1994) claims foreign market knowledge lowered transaction costs and therefore created a broad increase in both exports and imports. This is occurs through a number of methods. A greater number of people in the destination will be familiar with the native language of the immigrants, both the immigrants themselves and non-immigrants who have become more familiar with the language because of exposure, which diminishes trading costs due to communication barriers. The transfer of information on products that are differentiated across countries reduces the cost of obtaining foreign market information in the host country. The cost of negotiating trade contracts and ensuring their enforcement can decrease by using the trust of immigrant networks.

This last method illustrates that it is more than the knowledge of the foreign markets that is important. It is also the network of contacts that was established, which upon return, can be acted on. Dr. Ip believes in the importance of these relationships if business is to be done in Asia, "The consummate Chinese networker's ability to 'cut megadeals from Bangkok to Beijing over dinner and a handshake' is well-attested to, and made possible because business links are fostered by kinship, trust and obligation within the social network of the Chinese diaspora" (1993, p. 13). These values, and those described in Section 5.3, are instrumental in determining the supremacy of good relationships, be they political, business or personal, that are prerequisites for lasting business contact with Chinese (EONZ1).

These relationships are important, but require a long time to become established (EONZ1, EOHK2, EOSK2), at least before the first deal (Barber, 1995b). However, while slow to establish, they may well last a lifetime – literally. One immigrant (AI2) told a family story of business relationships spanning two generations. His father fled China to Taiwan in 1949 and now the son lives in New Zealand. Despite these moves, he is still conducting business with the descendants of a man his grandfather started dealing with over 50 years earlier in China. If this is true in other cases, then allowing business people to migrate to New Zealand may increase international trade over the long-term (see Section 5.2.3), with relationships strong enough to last through changes of locality (AI2, EONZ2).

> "New Zealanders operate with a very close time horizon. Asian people are also concerned for the immediate future, but also look further out, to 10 years, 20 years and fifty years" (AI2).

While many New Zealand business people may claim that networks are important in business dealing here, to the Asians they are paramount. If the other party does not like the relationship, or is uncomfortable in your presence, then their will be no repeat business (AI3, EOHK4).

> "In order to operate in Asia, allow plenty of lead time. It may appear that progress is painfully slow, but this is only to establish the trust and relationship. If the first deal is satisfactory, then future business will be much quicker" (EOSK2).

The value of these relationships is huge, for in Asia even an introduction is very valuable (AI3, EOHK1), and sometimes essential, like an exclusive club (EONZ1). As one respondent said:

> "In my job, an introduction to the right person is priceless. No amount of money or influence can open doors like an introduction in the Chinese community. However, while the introduction may get an appointment the first time, it is, all on merit after that" (EOHK1).

Kerr (1995) claimed that immigration is contributing to the internationalisation of the New Zealand economy and the development of links with the rest of the world. Immigrants bring new ideas and challenge local ways of doing things. Their skills and contacts are helping to sustain the momentum of economic growth.

However, as Ip (1993) says, these linkage immigrants have with their country of origin are only a potential asset to this country, with the possibility of generating export growth and a real increase in sustainable foreign exchange earnings. "Many new Chinese immigrants to New Zealand can put their talents to good use if they have the chance to become active off-shore on behalf of New Zealand" (p. 13). The potential is there, but

an opportunity is required. Some Asian immigrants arrive in New Zealand ready to enjoy a new style of life, living of invested funds without the pressure of constant work (EONZ2, EOHK3, EOHK4), a finding with support in the literature (Kraar, 1994). This is why the BIP gives preference to those with a business plan. The children of migrants will most likely have to work also, once finished with their education. Often they are New Zealanders, committed to and identifying with this country, have foreign language ability and be eligible for inclusion into their family's networks. It should be noted that while the above description refers to self-employment, the same benefits can accrue to New Zealand if the migrants or their children find employment with New Zealand based companies (AI1, EOHK1, EOHK2, EOSK1). In either case, there is valuable potential to reduce the transaction costs of dealing in Asian markets. Research by Trlin and Kang (1992) indicated that much of the potential of business migrants was wasted. The same would also apply to migrants gaining entrance under the normal criteria, probably more so because a business intent need not be demonstrated.

It also became clear that New Zealanders with some overseas experience are able to capitalise on their unique knowledge and foreign contacts on returning home to enter into trading activities (EOSK2)). New Zealand emigration, people immigrating from New Zealand to Asian countries, is also instrumental in expanding trade. For example:

> "Here in Hong Kong, we have a small but dynamic community of New Zealanders. Given the incredibly high cost of living here, these people must make a living somehow. Many have set themselves up in business and compete very successfully with the large companies by capitalising on their semi-unique knowledge of New Zealand" (EOHK1).

This worked in much the same way as described in the preceding paragraph, although the minimum requirement is only for a knowledge of New Zealand conditions, meaning foreigners could also take knowledge and networks from a stay in New Zealand back home with them. Therefore, it is the knowledge and networks of people with some experience in another country that has potential value. Tourism also provides opportunity to identify opportunities and meet people (EONZ2 EOHK2, EOSK1), but its role in impacting trade or immigration was not investigated.

For each of these groups, the length of stay is not critical, with potential accumulating from both long-term and short-term stays in other countries, albeit more can accumulate over a longer time, even if the rate of change drops. Comparing these other groups with Asian immigrants allows two important distinctions. Contacts, rather than networks, may be a better term for the relationships formed, to differentiate between the strength and centrality of these relationships in the Asian community as opposed to in others. Also, the attributes tend not to develop with time in other countries, but exist in migrants because those without them do not migrate. This leaves knowledge as the main trait or class of human capital that originates from time in other countries, possibly at equal rates in different groups and is of benefit to international trade

Having argued the importance of knowledge and contacts, could it be that there are also some other attributes that immigrants may possess in differing quantities than New Zealanders that are valuable for generating trade and economic gains for the country? In London, Kiwis are thought of as hard working, and easily find employment because of this. However, this is not how the Kiwi work ethic is described in New Zealand. Either the British are worse workers, making Kiwis better only relative terms, or, the qualities of Kiwis in London are significantly different from the New Zealand national average, giving travelling Kiwis an absolute advantage. It is the initiative required to get out of New Zealand and over to London that is the selection criteria keeping out all those without the required abilities. The same could be said of immigrants. It is not easy to leave one's country, leaving behind all that is familiar, and move somewhere new, with the associated risk and uncertainty. "People who are prepared to pack up and shift thousands of kilometres away to a new country, facing new challenges, without any guarantee of success, have already shown they possess the most important attribute – initiative" (Kerr, 1995). The process of immigrating may be a high enough hurdle to ensure that those who arrive have significantly more initiative than the native population of New Zealand. Gould (1994) supports the notion that immigrants differ significantly from the native population. Other qualities may include attitude toward risk, motivation, a desire to improve themselves and their lot, an ability to see opportunities, drive, determination, ambition, or as Kraar (1994) reported, a belief in hard work, strong family ties, frugality, and education.

Lane (1970) recommends immigration be viewed as capital importation – all the education and training, the personal attributes, the knowledge and contacts – all of this is human capital. The 250,000 Australians that are supposedly fluent in a Chinese language (according to the 1991 census) are an example of this human capital and a great potential resource which business and government is just starting to discover (Jupp, 1995).

In summary, networks are central to successful business activities with Asian people. Establishing them can be time consuming, but their strength is often sufficient to last over great lengths of time and changes of location. The networks are part of the human capital that Asian immigrants to New Zealand bring with them, as is their foreign market knowledge and many personal attributes. However, this is only potential wealth and requires business activity to translate this capital into economic gains. There must be a desire to work and opportunities must be found. As a nation, if we can capitalise on the human capital embodied in our Asian immigrants, economic gains will definitely accrue.

5.4.1 Quantification of the Strength of Personal Networks

One of the objectives of this research is to quantify the strength of these immigrant links to the home country. The only suitable model found was that of Gould (1994), but the appropriate data for the New Zealand situation is unavailable (e.g. the number of immigrants from any one country into New Zealand in a year, the ratio of skilled to unskilled immigrants and the average length of stay for immigrants from each country). Rather than develop another model, time was invested in the conceptual section of this study, and this objective remains unfulfilled. An initial inquiry into the issue reveal that immigration would only explain a very small proportion of the patterns in international trade.

5.5 Immigration to New Zealand

5.5.1 The Decision to Immigrate

Immigration is a costly process that involves leaving behind many things which have value, whether they be possessions, friends, culture or country. Therefore, in the decision making process, the image of the destination country, prior knowledge of the opportunities there and other immigration options are all important facets.

The last 12 years of economic reform in New Zealand has been noticed in Asia (EOHK1):

> "The fact that a democracy was able to do an accurate stock-take, albeit in a period of crisis, completely reorient itself, and set a course for the future was the biggest contribution we could have made to building a belief in democracy in Asia. Asian people believe democracies are a good idea, but that only the wealthy and mature societies can afford them because the capital will run down and then conditions must be tightened. They are amazed that New Zealand is actually carrying out a reform process, even though it is painful."

Such impressions are a great advantage when trying to sell goods, ideas, investments or even impressions (EONZ2, EOHK2). It significantly improves the chances of gaining a hearing. The media are currently doing all the work, fuelled by the good economic news and the role of New Zealand government representatives overseas is to reinforce the message and help New Zealand business capitalise on it (EOHK1, EOHK2, EOHK3).

EOHK1 reports that the leaders of large businesses frequently mention that New Zealand is a marvellous place and although they have never been themselves, others have told them. These comments are very genuine and based on good information, as further questioning reveals a wealth of knowledge on the country, especially the business and political situation. On his trip to Asia, the author found that almost everyone he talked with was aware of Mr Peters' comments, but also had a fairly

accurate picture of the full nature of the immigration and racism debate. This highlights the importance of word of mouth to Chinese, a process with near-instant power to influence the movements of massive amounts of capital and trade deals (Martin, 1994).

With these good impressions, most Asians go to New Zealand for very solid reasons: nice country – clean and green,[16] free and stable government, healthy economy, good reputation in Asia, friendly, honest and helpful people, and some investment opportunities (AI1, AI2, EONZ1, EOHK3, EOSK2). However, there are many other options as New Zealand is competing with many other destinations. An immigration official said:

> "If life in a big, fast world is required, then the US or Canada are first choices" (EOHK3).

If the main criteria is the return of capital, then Asians would leave their money in Asia (EONZ2). If a large range of investment options is required, then bigger economies are better. The selection of investment options in New Zealand is crucial because the range is so limited in both number and size (AI3, EOSK1). As with the haven seekers, often only part of the investment funds are moved to New Zealand, with the diversification designed as a risk-spreading strategy (EONZ2, EOHK4).[17] The Chinese will probably have more family and therefore better connections elsewhere (EOHK3) and other governments offer many more incentives to attract investment (EOHK3, EOHK4). All of these factor combined mean that a large amount of consideration occurs before any Asian shifts money and even more before they will move themselves. New Zealand must compete with Korea, Taiwan, China, Vietnam for investment, and with Australia, Canada and US for immigrants. Even of those that come, we are not necessarily the first choice of destination. New Zealand is only one of a number of "staging posts" for migrants on route to other destinations (Bedford, 1993).

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[16] It can take some time before a Chinese person can appreciate these qualities, with a typically first response being to ask, "How do you make money out of that?"

[17] Stark (1991) suggests that the migration of one or more family members is also a risk-reducing strategy.

> "Migration to New Zealand is an opportunity to gain a citizenship status that will open up other doors, such as direct entry into Australia" (EOHK4).

Others may be second-rate candidates who missed out in other countries (EOHK3, EOHK4). However, if they have AP, then they have passed New Zealand's standard, and will be the best immigrants the country can attract under the criteria for the competitive point system. Both EOHK3 and EOSK2 think that most migrants wish to come to New Zealand very strongly, and those who do not want to be here either move on or return home quickly, but certainly do not linger in a state of non-commitment. Still, the possibility of immigrants coming who do not have any commitment to the country fuels the fires of resentment.

5.5.2 Adjustment and Commitment

In the initial stages after immigrating, it is not unreasonable for Asian migrants to return to their country of origin to work (EONZ1, EONZ2, EOHK3, EOSK2). As one immigrant said:

> "Why is it that New Zealanders are critical of Asian immigrants where one family member returns home to work. Rather, surely they should be critical of the alternative, using the unemployment benefit. They appear to confuse the necessity to support one's family with a lack of commitment" (AI1).

There is an inevitable delay of waiting till investment funds flow through into productive activity and settling into business activity may take up to two years (Poot, 1992). Gaining employment in a new country can be difficult, especially where there are language difficulties (EONZ1). Political figures and newspaper reports equate this with a lack of commitment to New Zealand, but such comments are ignorant, false and damaging (AI1, AI2, EONZ1, EOHK1, EOSK1). As one respondent said:

> "The majority of criticism of immigrants arises from ignorance, jealousy or fear. If you are unable to find work in a new country, then it logical to

> return to a place where you can. People move around New Zealand in search of work, why not around the globe?" (AI3).

Assimilation problems do occur, with two main factors helping to overcome them. The existence of friend, family, countrymen or a national or ethnic society help by facilitating the adaptation process (AI2, EONZ1). The other is language, those who spoke better English on arrival, or were of school age, adjusted quicker (AI2, EOSK2). Research supports these claims (Inglis & Wu, 1989; Skeldon, 1991; Trlin, & Kang, 1992).

After an interview with Peter Shen, an immigrant from Taiwan, Robert Mannion (1996, p. 8) reports, "His enthusiasm for New Zealand reminds me of just how much we've got. Ironically, the things he values most, like our 'pure' unhurried way of life, friendliness and family values, are the things we are increasingly told are under threat." Mr Shen came in pursuit of a good way of life, but also to make a contribution. His parents migrated to Taiwan and worked hard in the massive task of turning their rocky and inhospitable new homeland into one of the world's most highly developed economies. Now, he and his children intend to do the same in New Zealand. Recognising that language and age limit this, he says, "We must live here. We come here and do our best, ...the young generation, will give this country [something] more positive, more to improve. The next generation will be good for this society, they are New Zealanders." Similar feeling were expressed strongly in many interviews:

> "My children are Asian New Zealanders" (AI1)

> "My children see New Zealand as their home. Their friend and theirs family are here. They play here, study here and will one day work here" (AI2).

> "By the time children who immigrated grow up, they have adopted the new country as their own, just like I myself did" (EONZ1).

They totally reject any question of commitment, claiming that leaving behind a home country, friends, language, culture and food should demonstrate sufficient commitment.

And if that was not enough, their commitment to the new country could be gauged by their activities in New Zealand.

In a new country, the first generation of migrants try hard to keep up their language, culture, religion, and way of life, teaching their children all these things as well as about life in their new country (Kasper, 1990). This does not imply any lack of commitment, and anyway, it becomes progressively harder as the generations progress. On this issue, care must be used when distinguishing between commitment and assimilation. Activities that are often interpreted as lack of commitment, or an unwillingness to do things "our way", may instead be a desire to keep some of their previous culture alive. In part, this misunderstanding can be explained by the different attitudes that people have towards change. If change is threatening and the past provides the best model for how thing should be, then immigrants must change to become like New Zealanders. On the other hand, if change is welcomed and you have optimism for the future, immigrants will be welcomed for the freshness they bring. However, it is the rate of change that creates problems, and some of the current problems in the area of immigration are caused by the rate of growth in Asian migrant numbers, not by the actual numbers themselves (EOHK1, EOHK3). On respondent expressed this strongly is saying:

> "There is no problem with the levels of immigration, but with the rate of increase in the levels. People, and the systems, need time to adjust to new patterns, and the number of Asian immigrants outgrew the ability to adjust" (EONZ1).

6. Conclusions and Future Research

Man is of all sorts of luggage the most difficult to be transported.
Adam Smith (quoted in Martin, 1994).

6.1 Conclusions

Asian immigration has played, is playing, and will continue to play an important part in the development of New Zealand. From its inception in the 1860's, right up until the current day, migrants from Asia have travelled to New Zealand. Once here, they have striven to build a new home, in spite of severe discrimination at times. They have added to the variety and diversity of people, culture, language and practices, and in doing so brought benefit not only to themselves, but also to the country as a whole. Any future migrants will continue to do the same.

"Do the efforts of these immigrants benefit New Zealand economically?" The literature examined revealed insufficient, conflicting and inconclusive evidence, making an authoritative answer based on New Zealand experiences impossible. While the *Joanna* model identified potential gains if immigration policy allowed up to 15,000 entrants per year, other research questioned the very foundations of the economic theory on immigration. Even utilising research from other countries, no conclusion can be reached. The most reliable conclusion on this point is that more research is needed.

More specifically, this study sought to investigate the international trade benefits resulting from the personal networks that immigrants were part of. Networks are an important asset to the immigrants, as claimed in the literature, but so is the knowledge and attributes of immigrants. Yet these three assets, networks, knowledge and attributes, are also important in the migration of groups other than Asian to New Zealand. New Zealanders with overseas experience returning to New Zealand brought

with them potential value. Emigrants from New Zealand left with human capital from their time in this country, that has potential value in their new home. Immigrants to New Zealand from regions other than Asia also have networks, knowledge and attributes. However, it is the unique strength of these networks to Asian people that means their knowledge (i.e. foreign market knowledge and knowledge of language and culture that is acquired through life experience in another country) and attributes are likely to be more valuable than the equivalent knowledge and attributes in native New Zealanders or other immigrants. Therefore, immigrants do not add to the labour supply in an identical way to foreigners. These three assets are all forms of human capital, and should therefore be viewed along side the more traditional forms of education and training when making policy decisions about immigration.

Does Asian immigration help trade via these personal networks? This study offers three answers to this question – a "conditional yes", a "yes" and a "do not know". A conditional yes means yes, on condition that they are used. Many immigrants arrive in New Zealand with networks, knowledge and attributes and the potential to utilise these traits in the business of international trade. Whether or not the immigrant enters into activities where these traits are required, and the degree to which they are, will help determine the proportion of this potential which is transformed into trade gains. Therefore, while the potential is valuable, value is only a realised if the potential is utilised.

Yes, according to the literature, the Asian immigrants and the experienced others. The networks of each AI interviewed are crucial to the successful operation of their respective businesses. The EO indicate that this practise was common. The literature revealed just how important these networks can be, and the significance of having enough Overseas Chinese in an nation to ensure it is linked into the growth of the Asian region.

Do not know, refers to the strength of these links or the magnitude of the effects of networks on trade. As explained in Section 5.4.1, this question remains unanswered. It is now in the domain of future research.

The conceptual work receives considerable attention in this research, firstly to devise an accurate measure for immigration, and then to define the term New Zealander. It is incredible and unacceptable that the number of immigrants to New Zealand can not be derived from publicly available data. Not only does this hinder the advancement of research, but it also prevents informed public debate, and without these two areas, political decision making and immigration policy are without adequate foundations. However, the situation should improve this year, according to the NZIS.

If being a New Zealander does imply the some of commitment and identity, then the group of New Zealanders should include all New Zealand citizens, plus the desirable non-citizens, less the undesirable citizens. The size of this group could be easily identified. This work views citizenship selection as enforcing the property right of exclusion and finally, identifies how the approach taken by New Zealand in resolving the citizens verses residents dispute differs from other countries.

The respondents indicate that New Zealand is not part of Asia, but that Asia Pacific is a more acceptable term. The history (until recently) and geography of New Zealand are barriers to the acceptance of the Asia identity. It is not to say that our identity is fixed, in fact it is continually changing, as recent bicultural development indicate. Rather, any significant social changes contribute to the identity-forming process, although not always painlessly or constructively.

Racism is an example of painful and destructive contribution. While the respondents in this survey have not experienced significant racial intolerance, they believe racism is an issue of concern, with potential to severely damage the image New Zealand held by Asians. This in turn, would effect tourism, trade, investment, and ultimately, the quality of life and standard of living of those in New Zealand.

The response of individual people toward Asian immigrants (and migration in general) is a private one, determined by attitudes on concepts such as security, change, people and what a desirable future actually looks like. However, the public or official response is of greater interest to this project. As mentioned earlier, crucial data on immigration remains unavailable, the foundation of economic theory under-developed, the

longitudinal studies non-existent and the level of public debate is superficial and emotive, lacking in substance or objectivity. Therefore, it is not surprising that the procedures for making political decisions or setting immigration policy are inadequate. Deficiencies in these prerequisite components must be addressed before sound political and policy decisions are possible. In addition, the time-scale issue must be resolved, with a longer term approach to issues of immigration. Unless this occurs, political expediency will prevent any economic (and other) gains that do not materialise within the duration of our parliamentary term.

6.2 Future Research

The needs and potential in this area are enormous, starting with the dearth of economic theory on immigration, as described in Chapter Two. How significant this is in explaining the lack of substantive literature on the economic motives and consequences of immigration is uncertain. More work is required before any accurate estimates can be made about the volume of trade generated by international migration or to know the impact of migration on the labour markets of both sending and receiving countries.[1] The relationship between trade, tourism and investment is unclear, with overlaps in some definitional aspects. Should the movements of people and capital be treated in a similar fashion as goods and now services? Longitudinal studies of the process of immigration and settlement are required in order to unravel the causes and consequences of immigration.[2]

The conceptual work on immigration and New Zealanders generates significant interest whenever other are consulted, for example work colleagues of the author and staff at the various government ministries. This area offers significant potential for advancement, with possible lines of future work including: a property rights approach to immigration; a through examination of the r&r in society to enable a better distinction to be made between citizens, New Zealanders and foreigners; strengthening of the c&i argument for

[1] Martin (1994) and Russell and Teitelbaum (1992) make similar suggestions.

a New Zealander and the measurement of "Who is a New Zealander?" along lines similar to that suggested in Section 5.1.3; theoretical advancements on the roles of citizen and state and the relationship between the two; a review of our archaic concept of sovereignty in light of the issue of bilocality; and the development of a citizen selection model. To all those attempting these topics – good luck.

[2] Gould (1996), Legat (1996) and McGill (1981) make similar claims for New Zealand, and Hugo (1991) in the case of Australia.

Appendix A Approved Residence Data, 1982-1995

Number of people approved for residence in New Zealand by region and nationality: 1982 to 1991											
Source: IMPI											
Region	**Country**	**1982**	**1983**	**1984**	**1985**	**1986**	**1987**	**1988**	**1989**	**1990**	**1991**
AMERICAS	ARGENTINA	8	3	5	5		2	50	26	10	5
	BARBADOS			3			3	3	2	2	1
	BRAZIL	2		3		2	7	14	4	14	9
	CANADA	211	261	321	326	522	414	373	278	301	137
	CHILE	14	12	11	21	35	31	43	52	39	12
	COLOMBIA	3	1	4	3	4	15	7	11	9	3
	ECUADOR	2	1					1		2	
	GUYANA						6	1	6		3
	JAMAICA	5		2	1		1	3	2		
	MEXICO	6		1	4	2	3	5	2	2	5
	PERU	1	3	3	1	1	2	21	20	33	34
	TRINIDAD & TOBA	6	3		3	2	1	4	5	1	2
	U.S.A	482	444	385	383	489	482	654	493	606	277
	URUGUAY	3	2	1	1	1	1	6	1	6	
	VENEZUELA	3	4		3	5	1	2	10	5	2
AMERICAS Sum		746	734	739	751	1,063	969	1,187	912	1,030	490
EUROPE	AUSTRIA	17	25	11	18	35	64	51	26	37	23
	BELGIUM	5	7	6	11	3	8	19	21	12	8
	BULGARIA	6			3	4	1	1	1	4	8
	CYPRUS		1	1	1	1	1	1		5	
	CZECHOSLOVAKIA	18	51	14	8	7	6	6	11	46	5
	DENMARK	9	13	12	20	24	28	49	31	59	21
	FINLAND	5	11	1	5	5	3	11	5	16	10
	FRANCE	36	26	57	41	40	48	63	45	58	25
	GERMANY (former East)	5	3	6	6	1	2	22	11	16	4
	GERMANY (former West)	340	301	202	214	251	271	419	234	340	118
	GREAT BRITAIN	4,828	3,296	2,250	2,584	4,373	4,539	5,056	3,314	3,868	1,677
	GREECE	27	16	17	11	10	17	24	11	13	7
	HUNGARY	7	27	9	5	9	12	19	6	17	10
	ICELAND	4	3	1	5	4	8	8	5	8	3
	IRELAND	84	74	55	72	132	166	249	93	115	70
	ITALY	13	25	26	18	11	13	23	6	15	8
	LIECHTENSTEIN					1					
	LUXEMBOURG								1	2	
	MALTA	1	1		4	3	6	7	1	4	
	MONACO				1					1	
	NETHERLANDS	1,254	823	554	385	438	517	797	539	599	178
	NORWAY	16	9	13	7	6	10	24	14	13	4
	POLAND	137	134	44	31	21	41	42	101	139	25
	PORTUGAL	9		8	4	5	12	17	28	87	19
	ROMANIA	14	19	1	2	7	5	2	5	11	5
	SPAIN	9	3	6	5	9	6	12	8	5	8
	SWEDEN	19	19	11	18	57	99	112	63	87	39
	SWITZERLAND	119	97	94	76	81	100	103	96	88	53
	TURKEY	6	3	4	5	2	3	10	11	13	4
	USSR (former)	1	21			1	8	16	9	16	17
	YUGOSLAVIA	12	16	13	10	11	9	44	24	72	36
EUROPE Sum		7,001	5,024	3,416	3,570	5,552	6,003	7,207	4,720	5,766	2,385
MID EAST AFRICA	ARAB EMIRATE			1					3		
	BAHRAIN					1	1				
	EGYPT	5	1	4	3	2	3	19	6	13	10
	IRAN	21	18	12	41	58	131	158	64	56	132
	IRAQ	4	4	1	8		16	27	103	99	9
	ISRAEL	16	20	8	7	12	26	17	38	38	18
	KENYA	1	4	4	1	2	2	6	4	4	3
	KUWAIT									2	
	LEBANON	3	3	12	5	4	27	26	42	58	25
	MALAWI							7	1	2	
	MAURITIUS	2		6	1	1	14	8	2	2	
	NIGERIA						3	2	2	2	
	OMAN							44	2		
	SAUDI ARABIA					1		1			
	SOUTH AFRICA	76	43	88	93	266	342	418	240	314	100
	TANZANIA				3	4	2	9		10	
	ZIMBABWE	28	24	20	10	17	30	53	31	28	20

Number of people approved for residence in New Zealand by region and nationality: 1982 to 1991											
Source: IMPI											
Region	**Country**	**1982**	**1983**	**1984**	**1985**	**1986**	**1987**	**1988**	**1989**	**1990**	**1991**
MID EAST AFRICA Sum		156	117	156	172	368	597	795	538	628	317
NORTH ASIA	CHINA	123	106	124	125	156	233	654	567	1,042	640
	HONG KONG	58	69	131	157	162	352	993	1,975	3,249	2,303
	JAPAN	28	18	53	42	53	55	264	154	200	133
	KOREA (NORTH)		1	4		2		10	3	102	6
	KOREA (SOUTH)	11	1	3	22	16	29	47	94	194	151
	MACAU										
	TAIWAN	7	19	13	23	17	43	993	2,588	2,118	436
NORTH ASIA Sum		227	214	328	369	406	712	2,961	5,381	6,905	3,669
PACIFIC	AMERICAN SAMOA	4	3	2	7	4	2	11	12	13	1
	FIJI	152	104	142	139	437	1,577	3,874	2,746	1,785	449
	FRENCH POLYNESIA	9	6	6	4	2	5	12	6	9	1
	KIRIBATI	1			4	5	5		7	2	6
	NAURU						1	1		1	
	NEW CALEDONIA	1		4	5	11	8	6		3	1
	PAPUA NEW GUINEA	5	3	8	7	8	9	21	4	19	30
	PITCAIRN ISLAND	2	12					3			
	SOLOMON ISLANDS	2	2	2	1	5	2	9	10	2	1
	TONGA	279	471	536	250	618	386	2,005	636	729	295
	TUVALU	5	3	1	2	3	2	18	4	15	4
	VANUATU			2	1	1		5	3	2	
	WESTERN SAMOA	1,622	944	1,771	1,773	1,947	1,855	3,810	1,309	1,838	693
PACIFIC Sum		2,082	1,548	2,474	2,193	3,041	3,852	9,775	4,737	4,418	1,481
SOUTH ASIA	AFGHANISTAN							1	3	5	27
	BANGLADESH	2	4		8	4	4	12	13	13	5
	BURMA NOW MYANM	5	9	3	4	2	2	9	5	23	15
	INDIA	75	82	113	104	190	323	673	486	707	260
	MALDIVES	1		1				2			
	NEPAL	1				3		4	3	2	2
	PAKISTAN	1	1	4	4	8	7	49	24	61	17
	SRI LANKA	16	16	48	49	84	185	277	210	278	117
SOUTH ASIA Sum		101	112	169	169	291	521	1,027	744	1,089	443
SOUTH EAST ASIA	BRUNEI DARUSSUL	1	1		1		1	8	27	41	8
	CAMBODIA	480	502	411	380	281	10	482	749	90	122
	INDONESIA	26	27	18	32	44	38	61	134	199	44
	LAOS	21	54	55	166	73		105	92	79	62
	MALAYSIA	111	109	139	79	375	713	1,826	1,675	2,124	605
	PHILIPPINES	85	103	141	246	440	616	620	633	894	338
	SINGAPORE	65	69	42	43	143	160	257	165	175	59
	THAILAND	13	15	15	29	22	27	48	66	159	80
	VIETNAM	219	286	157	116	136	145	174	158	337	142
SOUTH EAST ASIA Sum		1,021	1,166	978	1,092	1,514	1,710	3,581	3,699	4,098	1,460
UNKNOWN	UNKNOWN	39	50	72	151	50	55	80	80	66	68
UNKNOWN Sum		39	50	72	151	50	55	80	80	66	68
Grand total		11,373	8,965	8,332	8,467	12,285	14,419	26,613	20,811	24,000	10,313

Persons approved for residence by nationality: 1992-November 1995					
Region	**Country**	**1992**	**1993**	**1994**	**1995**
AMERICAS	ANTIGUA & BARBU				5
	ARGENTINA	11	14	11	9
	BELIZE	5	2	6	4
	BERMUDA	1	1	7	15
	BOLIVIA	4		3	8
	BRAZIL	21	21	27	36
	BRITISH VIRGIN		1		
	CANADA	240	213	284	271
	CAYMAN ISLANDS			1	
	CHILE	28	14	14	16
	COLOMBIA	16	3	2	7
	COSTA RICA	2	8	26	52
	CUBA				1
	DOMINICA		2		
	DOMINICAN REPUB				1
	ECUADOR	1		3	1
	EL SALVADOR			1	1
	GUATEMALA		1	2	2
	GUYANA	1	4		5
	HONDURAS	1			
	JAMAICA	4	1	2	2
	MEXICO	11	12	2	13
	NICARAGUA		2		
	PANAMA	2			1
	PARAGUAY		1		1
	PERU	33	23	49	20
	PUERTO RICO	3	1	1	1
	SURINAME	2	2	4	1
	TRINIDAD & TOBA		3		
	U.S.A	609	705	762	682
	U.S.A.				1
	URUGUAY	1			2
	VENEZUELA	1	3		3
AMERICAS Total		997	1,037	1,207	1,161
EUROPE	ALBANIA	2		4	4
	ARMENIA		4	4	4
	AUSTRIA	26	26	31	47
	AZERBAIJAN				1
	BELARUS			9	16
	BELGIUM	10	15	20	26
	BOSNIA & HERZEG		56	42	30
	BULGARIA	58	63	66	189
	CROATIA	29	263	611	349
	CYPRUS	1			
	CZECH REPUBLIC		13	25	20
	CZECHOSLOVAKIA	18	7		
	DENMARK	26	36	30	37
	FINLAND	10	15	28	10
	FRANCE	51	69	40	84

Persons approved for residence by nationality: 1992-November 1995					
Region	**Country**	**1992**	**1993**	**1994**	**1995**
	GERMANY	314	342	448	391
	GREAT BRITAIN	3,216	4,578	5,970	6,104
	GREECE	12	22	22	9
	HUNGARY	27	27	19	15
	ICELAND	5	4	8	8
	IRELAND	104	109	139	87
	ITALY	23	46	51	53
	KAZAKHSTAN			9	21
	KYRGYZSTAN				3
	LATVIA	1	1		
	LITHUANIA		4		2
	LUXEMBOURG	1			
	MACEDONIA			17	105
	MALTA	4	2		
	MOLDOVA		2		3
	MONACO	1		4	8
	NETHERLANDS	437	393	294	261
	NORWAY	11	6	13	10
	POLAND	70	92	89	133
	PORTUGAL	51	35	38	49
	ROMANIA	56	70	29	48
	RUSSIA	38	165	209	564
	SAN MARINO	1			5
	SLOVAKIA			3	8
	SLOVENIA		3	20	18
	SPAIN	5	13	13	13
	SWEDEN	56	60	44	41
	SWITZERLAND	125	161	133	133
	TURKEY	18	11	26	22
	UKRAINE	5	13	73	175
	UZBEKISTAN			3	
	YUGOSLAVIA	133	275	1,249	853
EUROPE Total		4,945	7,001	9,833	9,959
MIDDLE EAST/AFRICA	ALGERIA	6	5		9
	ANGOLA		1	1	
	ARAB EMIRATE		5		
	BAHRAIN	4	6		1
	BENIN	1	1	1	1
	BOTSWANA		1		
	BURUNDI			1	
	CAMEROON	1	1	7	1
	CAPE VERDE		1	4	
	COMOROS		1		
	EGYPT	19	38	219	522
	ETHIOPIA	2	1	102	24
	GAMBIA				2
	GEORGIA		2	2	28
	GHANA	51	23	31	23
	GUINEA		2		1

Persons approved for residence by nationality: 1992-November 1995					
Region	**Country**	**1992**	**1993**	**1994**	**1995**
	IRAN	175	100	139	220
	IRAQ	40	123	366	1,865
	ISRAEL	31	66	41	41
	JORDAN	9	60	93	162
	KENYA	12	1	7	5
	KUWAIT		6	1	29
	LEBANON	30	7	19	17
	LESOTHO				4
	LIBYA	1			
	MALAWI				2
	MALI	10	6	4	4
	MAURITANIA			1	
	MAURITIUS		7	5	
	MOROCCO	6	5	10	7
	MOZAMBIQUE	5			1
	NIGER	3	1	3	3
	NIGERIA	11	3	17	25
	RWANDA				1
	SAUDI ARABIA	16	72	54	24
	SEYCHELLES		2		3
	SIERRA LEONE	4	5	11	30
	SOMALIA	24	133	184	122
	SOUTH AFRICA	377	2,773	3,940	1,759
	SUDAN	6	11	5	39
	SWAZILAND	6		3	
	SYRIA	2	28	22	25
	TANZANIA		3	2	3
	TOGO	3	1		6
	TUNISIA	11	4	1	2
	UGANDA	1			
	YEMEN			11	11
	ZAIRE			3	
	ZAMBIA	1	7	9	10
	ZIMBABWE	12	53	43	40
MIDDLE EAST/AFRICA Total		880	3,565	5,362	5,072
NORTH ASIA	CHINA	2,451	1,782	4,285	4,394
	HONG KONG	3,129	2,902	2,781	2,803
	JAPAN	306	294	296	330
	KOREA (NORTH)	1	1		
	KOREA (SOUTH)	1,915	2,684	4,178	3,581
	MACAU	2	7	4	8
	MONGOLIA			4	
	TAIWAN	2,307	2,505	4,993	10,785
NORTH ASIA Total		10,111	10,175	16,541	21,901
PACIFIC	AMERICAN SAMOA	7	4	5	4
	AUSTRALIA	1			7
	FIJI	1,012	693	791	847
	FRENCH POLYNESI	1	1	5	
	KIRIBATI	7	5	5	14

Persons approved for residence by nationality: 1992-November 1995					
Region	**Country**	**1992**	**1993**	**1994**	**1995**
	MARSHALL ISLAND	1			
	NAURU		4		3
	NEW CALEDONIA	1	2		
	PAPUA NEW GUINE	12	9	6	15
	PITCAIRN ISLAND		1	4	10
	SOLOMON ISLANDS	4	4	6	3
	STH PACIFIC COM	2			
	TOKELAU	6	4		2
	TONGA	1,181	849	773	774
	TUVALU	25	24	32	39
	U.S. PACIFIC IS			3	
	VANUATU		4	10	4
	WESTERN SAMOA	1,614	1,103	1,384	1,766
PACIFIC Total		3,874	2,707	3,024	3,488
SOUTH ASIA	AFGHANISTAN	8	56	11	13
	BANGLADESH	56	122	339	880
	BHUTAN				
	BURMA NOW MYANM	2			
	INDIA	870	1,339	2,156	2,747
	MYANMAR	25	35	33	45
	NEPAL	9	7	17	82
	PAKISTAN	104	118	175	148
	SRI LANKA	353	638	995	1,228
SOUTH ASIA Total		1,427	2,315	3,726	5,143
SOUTH EAST ASIA	BRUNEI DARUSSUL	4	3	6	8
	CAMBODIA	96	41	85	156
	EAST TIMOR				1
	INDONESIA	59	58	86	107
	LAOS	4	8	9	4
	MALAYSIA	2,089	1,205	821	597
	PHILIPPINES	585	504	636	966
	SINGAPORE	183	172	240	244
	THAILAND	177	125	176	192
	VIETNAM	93	247	452	188
SOUTH EAST ASIA Total		3,290	2,363	2,511	2,463
UNKNOWN	STATELESS	149	51	69	29
	UNKNOWN		32	115	266
UNKNOWN Total		149	83	184	295
Grand Total		25,673	29,246	42,388	49,482

Appendix B Letter to North Asian Migrants

3 April, 1996

Dear Sir,

Earlier this month I watched the TV program "Fraser" on Asian immigration. After viewing the show, I wrote to TVNZ to request their cooperation in making contact with you, providing them with this letter. They agreed to help, addressing and posting this letter to you, so your identity was protected.

I am looking at Asian immigration to New Zealand and international trade, research for the Department of Economics at Massey University, Palmerston North. Personal contact with you is essential, especially if you have been, or are currently involved in international trade with Asian countries. Self-employed work or work for another person are both relevant. The following countries are of most interest: Hong Kong, Japan, Malaysia, Peoples Republic of China, Republic of Korea, Thailand and Taiwan, Province of China.

Immigration is a topic of current media interest, and will remain so during this election year. Much of the discussion centers around emotional responses to real issues. This research attempts to identify the facts surrounding those some of those issues. Your participation in this study will ensure that sound research is possible and hopefully this work will make a positive contribution to an important topic for all people in New Zealand.

I promise that any information collected will be treated responsibly, and your identity will be protected from other people. Use of this information will not allow individual immigrants to be identified, and all records will be destroyed after the research is published (early in 1997).

Would you be willing to talk to me about your experiences regarding immigration and trade? Or, do you know of other Asian immigrants who would like to talk? Please make contact with me if you are interested in helping. If there are any other questions, please ask.

Yours sincerely,

Paul Seiler.

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