An Analysis of Classical- and Neo-liberal imperatives in the Immigration Policy and Ethnic Relations in New Zealand for a Cohesive Multi-ethnic Civil Society

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Abstract

The influence of classical- and neo-liberal imperatives in relation to immigration is not confined to the settlement processes of new immigrants. It seems to penetrate the whole procedure, including the formation of immigration policy, the selection of immigrants, their settlement, their residential and economic activities, and social experiences. Furthermore, it extends, on a national level, to the nation-building project of New Zealand for a cohesive multi-ethnic civil society. Current tensions and conflicts surrounding immigration in Western countries appear to be the immediate products of the collision between, on the one hand, ethnic immigrants who experience socio-economic discrimination in their search for social and economic spaces for them in the host society and, on the other, the existing inhabitants of the host society who might experience anxiety over the changed social space around them. The ultimate cause of these tensions and conflicts, however, seems to be the collision between, on the one hand, global and local capitalist imperatives to incorporate nation-states into the global capitalist system and, on the other, the social imperatives of nation-states to maintain a cohesive national society. In order to achieve the cohesive multi-ethnic national society, a countermovement may be required which, in Polanyi's term, facilitates the de-commodification of both labour and ethnicity, against the grain of classical- and neo-liberal imperatives.

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Introduction

This thesis develops a pathway for the development of social cohesion within Western nation-states, including New Zealand, amidst ethnic relations created by, on the one hand, the immigration policy driven by global and local capitalist imperatives, and, on the other, the responses of the inhabitants of the host society and of ethnic immigrants themselves.[1] The immediate cause of the necessity to develop social cohesion in these countries is the social tensions between the people of the host society and ethnic immigrants. The conventional concept of social cohesion, however, seems to no longer provide an appropriate frame to facilitate the sharing of social space in these countries. This seems to be because the conventional concept of social cohesion in these countries was grounded in the class relations of nation-states, failing to sufficiently recognise the ethnic dimensions of State formations: frequently minimising the existence of both indigenous peoples and the enlarging diversity of ethnic relations as has occurred in the wake of mass transnational migration. Thus, we need to further develop the concept of social cohesion in order to enhance the prospects for peaceful cohabitation, under the umbrella of the nation-state, between communities of distinct ethnic origin.

The main focus of this thesis is to provide a clearer sense as to the bases upon which more robust forms of social cohesion, encompassing both class and ethnic relations, might be developed in New Zealand. A way to achieve this goal is through the analysis of processes by which classical- and neo-liberal ideological imperatives have penetrated the formation of ethnic relations, including the development of immigration policy and the social practices of the people of the host society and ethnic immigrants. Following Karl Polanyi (1957), neoliberal imperatives, exemplified by the State's interventionist marketisation of non-economic realms, are distinguished from classical liberal imperatives; exemplified by the State's non-interventionism in civil society. This distinction is important because: both imperatives appear to co-exist in the field of government policy; and a comparative approach provides useful analytical connections between class and ethnic relations for the development of an enriched understanding about the prospects for social cohesion in a multi-ethnic (but still class-stratified) society. A monotonous or ambiguous application of neoliberal imperatives to the analysis of the current ethnic relations may obscure the links between class and ethnicity, sidelining the significance of class relations in programmes for the development of social cohesion.

Thus, before advancing the analysis, a substantial portion of this introduction will be dedicated to identifying the nature of, and differences between, classical- and neo-liberal ideological imperatives. The distinctions outlined will provide a diagnostically robust conceptual tool for the analysis which follows.

The Natures of and Differences between Classical- and Neo-liberalism

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[1] The term 'ethnic group' originally refers to a group of people who share common ancestral, social, cultural experience etc. While this dictionary definition is maintained, the term 'ethnic immigrants' in this thesis refers

For the purposes of this thesis, the notion of (neo) liberalism encompasses three distinct subcategories: economic (neo) liberalism, political (neo) liberalism and cultural (neo) liberalism. Economic (neo) liberalism refers to the capitalist market economy; political (neo) liberalism can be identified with liberal democracy; and cultural (neo) liberalism will imply postmodernism or neoliberal ideology. In more general terms, the core of neoliberalism may be encapsulated as the 'marketisation of non-market realms, commodifying society, the State and even nature'; a process which now produces a neoliberalization of everything (Harvey, 2005, p. 167); this marketisation of non-market realms includes an individualization of the social domain and a privatization of the public sphere. A more finely-grained understanding of the nature of neoliberalism and of the differences between classical- and neo-liberalism, however, comes from Polanyi's insight into the contemporary logics of capital (1957).

Polanyi, firstly, explains the different perceptions held on the relationship between economy and society between Adam Smith and the classical liberals. For Smith, 'political economy should be a human science; it should deal with that which was natural to man, not to Nature' (ibid., p. 112), while, for the classical liberals, it was a natural science in which 'the self-regulating market was now believed to follow from the inexorable laws of Nature, and the unshackling of the market to be an ineluctable necessity' (ibid., p. 127). In other words, Smith appears to have believed that the invisible hand is natural in the process of generating the material wealth of society, but to have left room for doubts as to whether or not social wealth can automatically translate into social benefit in terms of justice. Alternatively, classical liberals dismiss any such debates, about social justice and associated matters like poverty, because economic laws are not the object of theoretical disputes.[2]

Secondly, Polanyi refutes the classical economists' perception of natural scientific economic laws head-on by arguing that their fundamental assumption – that the economy can be organized around a set of self-regulating market principles – ignores the inherent sociality of commodities such as labour, land and money (Block, 2001, p. 11558). Instead, Polanyi asserts that labour, land and money cannot be commodities: hence, his term 'fictitious commodities.'

> The crucial point is this: labor, land, and money are essential elements of industry; they also must be organized in markets; in fact, these markets form an absolutely vital part of the economic system. But labor, land, and money are obviously not commodities; the postulate that anything that is bought and sold must have been produced for sale is emphatically untrue in regard to them. … None of them is produced for sale. The commodity description of labor, land, and money is entirely fictitious. (Polanyi, 1957, p. 72)

Thus, according to him, classical economic liberalism necessarily causes spontaneous social protectionism in the realm of politics, which Polanyi terms 'countermovement', from those

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[2] Ibid., p. 116.

who are marginalized by the market mechanism. This is because, despite its justification of every consequential social effect, the market mechanism is based on the fundamentally false belief in fictitious commodities; these fictitious commodities are inherently part of the non-market territory, of the social domain, while classical liberal economists believe that the societal system has to conform to the market system because of the latter's primacy in light of its correspondence with undeniable laws of nature.[3]

Thirdly, Polanyi reveals the ideological nature of classical liberalism: 'the idea of a self-adjusting market implied a stark utopia' (ibid., p. 3). From Polanyi's perspective, even though 'previously to our time no economy has ever existed that, even in principle, was controlled by markets' (ibid., p. 43), the classical liberals' advocacy of a self-regulating market abides because of an unreflective belief in the timelessness of economic laws. Even if the classical liberals' thesis as to the objective existence of economic laws does not correspond to reality, it would not imply that the validity of their thesis would have expired – because of the normative power which their utopianism had come to project. In this context, the classical liberals' thesis seemed to become a 'self-fulfilling prophecy,' in Robert Merton's term, 'which makes the original false conception come true' (Merton, 1963, p. 423, cited in Thomasberger, 2013, p. 22). Classical liberals might have recognised the difference between economic and social rationality but they still appeared to push ahead their faith in the market laws by forcing the State to take different strategies: active non-intervention in the market system, on the one hand, and, on the other, compromising intervention in society to handle the social resistance to market outcomes.

Polanyi's fourth point builds upon his observations about the utopianism of classical liberalism. Even though classical liberalism and neoliberalism share the same faith in economic laws, that is, the self-regulating market, they appear to differ from each other fundamentally in terms of underlying worldviews. While classical liberals appear to 'really' believe that there are objective economic laws, neoliberals *do not* appear to believe in the objective existence of such laws. Neoliberals appear to recognise that a self-regulating market system beyond human subjects, on which their predecessors' political project was grounded, does not exist in reality and that, on the contrary, it is merely a result of human beliefs and intentions.[4] For example, the protagonists of neoliberalism such as Lippmann and Friedrich Hayek all seem to agree that the laws of the market, as objective reality, were shown to be mere fictions by the First World War, by the Bolshevik Revolution and by the breakdown of the international gold standard system. Thus, neoliberals seem to accept that economic laws are a story of the past and, as a consequence, strive to reconstruct a new foundation of market determinism.[5] This new foundation takes the form of a self-consciously held 'fictitious belief' in the validity of the law of the market.

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[3] Ibid., p. 201.

[4] ibid., pp. 26-28.

[5] Polanyi used the term 'economic determinism,' but 'market determinism' is used in this thesis to avoid any confusion with 'materialistic economic reductionism.'

The fifth point that Polanyi makes also relates to this emergent 'fictitious belief'. It reflects upon the neoliberals' intention to install that belief (in the givenness of market forces) into not only economic relations but also the realms of political and cultural relations. From the neoliberals' perspective, the reasons why classical liberalism failed and conceded its position to the compromising Keynesian liberalism concerned its wrongly-directed strategies against the State. That is, classical liberalism did not seek to intervene with the cultural lives of either State bureaucracies or of non-market social actors. Of course, this strategy of non-intervention had originated from the classical liberals' fundamental perception of the laws of the market as being in tune with objective reality. In this context, unlike the classical liberals, neoliberals, who regard 'the laws of the market' as being an ideological belief system, find it necessary to take a different strategy and to actively set about reconfiguring social relationships. For them, the best configuration of relationships between market economy, society and the State is not one in which the market economy is distanced from the other two, but one in which culture and politics are allies of the market economy. If an alignment is achieved between the three, no possibilities will exist for non-market actors or State employees to falsify the laws of the market as they, themselves, will have been 'marketised'.

With regard to the current exploration of ethnic relations in the nation-state, classical liberalism would appear to imply a principle of non-intervention, on the part of the State, in the social, economic and cultural spaces of ethnic immigrants. It would appear to assume that market mechanisms are always already functioning properly to organise the relationships of immigrants with existing socio-cultural systems. Alternatively, neoliberal imperatives would suggest the need for State intervention in fields associated with processes of immigration: with immigration policy and with those practices of ethnic immigrants' lives that are not economic in nature but which need to be marketised in order that broader local and global capitalist imperatives are met.

A notable point here, in this distinction between classical- and neo-liberalism, is the role of the State. In the period of pre-mass migration from non-white countries to nation-states of the West, the State played a key role as an arbitrator between social classes, for the purpose of enhancing the prospects for social cohesion in those host countries. With the onset of mass-migration, however, the State must seemingly undertake the same role, as arbitrator, in a milieu in which ethnic relations have been added to and interwoven with existing class relations. A key insight emerges at this point from Polanyi's analysis. Even though the State has become an object to marketise, and has already been marketised to a certain degree by neoliberal imperatives, it still remains as a key actor in the realm of political liberalism. Thus, it ought not to be overlooked that the development of social cohesion in a multi-ethnicized national society still needs to draw on the State.

Another point that we must note from the Polanyi's insight is the significance and implications of 'countermovement' in Western civilization.

> For a century the dynamics of modern society was governed by a double movement: the market expanded continuously but this movement was met by a countermovement checking the expansion in definite directions. Vital though such a

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countermovement was for the protection of society, … it was incompatible with the self-regulation of the market, and thus with the market system itself. (Polanyi, 1957, p. 130)

Social history in the 19th century, he argues, was the result of conflicts and compromises between two organizing principles – a double movement[6]: the principle of economic liberalism, aiming at the establishment of a self-regulating market, supported by the trading classes on the one hand; and, on the other, the principle of social protection, aiming at the protection of human and nature against the perils inherent in a self-regulating market system, supported by primarily the working and the landed classes.[7] It implies that the protection of the social in Western countries in the 21st century, in which both class and ethnic relations co-exist, against the imperative of marketisation may need another form of countermovement to achieve civilization – social cohesion in the context of this thesis.

With regard to the progression of the thesis from this initial, orienting discussion of liberalism, the chapters which follow explore this mix of State, ethnic, and class relations through the issue of immigration in its broader programmatic sense. To this end, the chapters cover the whole procedure in relation to immigration, including the development of immigration policy, the selection of immigrants, their settlement, residential and economic activities, and social experiences. This set of sites enables consideration to then be given to the national-level project of building a cohesive multi-ethnic civil society.

In chapter 1, the overall benefits and costs of immigration on a national level will be reviewed. This opens up for critical consideration of the assumption that immigration is inevitable and beneficial to New Zealand. The relationship between international trade and immigration will also be analysed in the New Zealand context. In chapter 2, the process of migrant selection, as follows from New Zealand immigration policy, will be examined with an eye for the influence of neoliberal imperatives, and for the implications of such for subsequent settlement practices. In chapter 3, attempts will be made to identify the nature of discrimination against ethnic immigrants and links between neoliberalism and any such discrimination. In chapter 4, patterns in terms of both residence and economic activities (of 'ethnic concentration') will be examined. Arguments in favour of 'ethnic precincts' will be explored in terms of their possible relations with neoliberal imperatives. The relationship between the seemingly segregated Māori neo-tribal economy and neoliberalism will also be briefly examined. In chapter 5, the nature of immigrant transnationalism will be investigated, focusing on its reactive trait to the restricted upward socio-economic mobility within the host society and its opportunistic trait to seek a place in which immigrants' newly arising needs can be better met. Chapter 6 will discuss how social cohesion might be advanced in the milieu of multi-ethnicized national society. This draws upon a reconceptualization of social cohesion, as suggested by this thesis, and of its relationship to nationhood.

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[6] Ibid., p. 76.

[7] Ibid., p. 132.

This thesis originally intended to include more empirical research results, including: the proportion of co-ethnic employers in the Chinese immigrants' employment in terms of ethnic economic concentration; the extent of the consumption of co-ethnic culture amongst Chinese immigrants in terms of immigrant transnationalism; and the trend of the labour market participation of 1.5 and second generation Chinese immigrants in terms of the ethnicisation of the division of labour. The resource constraints associated with the development of a Masters project prevented the completion of such research exercises and they sit as projects whose completion will both enhance and modify the findings which follow. As for the bases upon which the findings of the thesis are presently made, points at which empirical evidence runs dry are supplemented with theoretical argument. Where that process also, however, leads to speculative observation, I trust that I have been transparent enough at such points as to enable the reader to reach their own conclusions.

Chapter 1. Benefits and Costs of Immigration

This chapter reviews the premise that immigration is necessary for the New Zealand economy. In spite of social tensions created by immigration, immigration has been justified by the benefits it may bring in the national economy. This chapter, firstly, will examine whether this justification is legitimate. This will involve a clarification of the relationship between international trade and immigration. In particular, the processes will be analysed by which immigration policy has been incorporated into international trade negotiations and transformed into an internationally tradable product, focusing on the links between the export of New Zealand educational services and the immigration policy mechanism of Temporary Work visas. Lastly, the chapter indicates the significance of these issues for ethnic diversity and population demographics.

Macroeconomic Impacts of Immigration

An assumption that an influx of immigrants who are rich in human and financial capital will create economic opportunities in a climate of globalization for all Canadians (Bauder, 2008, p. 133) seems to be applicable to other developed countries including New Zealand. Under this assumption, any resistance to immigration may lose not only its political leverage but also its rationale. Instead, pro-business organizations seem to aggressively voice their desire for more immigrants. For example, the New Zealand Institute of Economic Research (NZIER) argues, based on simulations using the Computable General Equilibrium (CGE) model, that more immigrants will lift average incomes for all New Zealanders (Lees, 2014, p. 4). According to their simulations, an extra 40,000 net immigrants each year over a 10-year period will increase GDP per capita by almost $4,100 each year. They also argue that, as immigration raises the incomes of the native-born, possible negative impacts caused by the diversion of national resources to immigrants will be outweighed by the benefits that immigrants bring.

Their suggestion, however, is unlikely to be directly reflected into the immigration policy due to the inherent limitation of the CGE model – that is, outcomes are controlled by input variables. Also, the phrase 'good for the economy', as found in pro-immigration discourses, seems to have been used, whether intentionally or not, in a way which obscures the more socially complex impacts of immigration; as if 'too often taxation and public spending escape distributional scrutiny by being presented as good for the economy', as Wade (2013, p. 228) argues, the impacts of immigration also do not seem to have been scrutinised in terms of the distribution effects of its benefits. For example, an increase in GDP (per capita) by the influx of immigrants can create an illusion that the gains from the increase are shared equally among everybody even if all the gains were to go to specific groups or individuals (Easton, 2013, p. 60).

Julie Fry's recent work (2014), as part of a New Zealand Treasury working paper on immigration policy, provides a useful overview of the relationship between immigration and macroeconomic performance. The government's initial expectations regarding immigration are well summarised in this paper:

skills-focused inward migration could: improve growth by bringing in better quality human capital and addressing skill shortages; improve international connections and boost trade; help mitigate the effects of population ageing; and have beneficial effects on fiscal balance. As well as "replacing" departing New Zealanders and providing particular help with staffing public services … it was believed that migration flows could be managed so as to avoid possible detrimental effects… for existing New Zealanders. (Fry, 2014, p. 6)

The government's expectations, however, seem to have been too high. This does not necessarily mean that the immigration policy has failed but, that 'the economic impact of immigration is fairly neutral and quantitatively small compared with other economic "shocks"' (Strutt, Poot & Dubbeldam, 2008, p. 34).

From the literature on the relations between immigration and economy, discussed below, the analyses of the impacts of immigration on the New Zealand economy can be usefully categorized into three sectors: local labour market, national financial earnings and expenses, and GDP per capita.

Firstly, regarding the impacts of immigration on the local labour market, evidence from New Zealand suggests that immigrants have no negative impacts on the labour market outcomes of the native-born population, such as lower wages and increasing unemployment (Hodson & Poot, 2010). Hodson and Poot locate this finding in relation to research by Borjas on Mexican immigration into the United States of America. Unlike the American context, where low- or un-skilled Mexican immigrants hurt the economic prospects of the native-born U.S. workers, two-thirds of principal applicants for permanent residence in New Zealand are skilled/business migrants. Borjas' argument may have been applicable to the context of New Zealand in the 1970s when low- or un-skilled Pacific immigrants were competing with the native-born population for production jobs, but not with regard to the current patterns of immigration (Spoonley & Bedford, 2012, pp. 203-204).

Internationally, various explanations exist for the absence of negative impacts upon local labour market outcomes of immigration. One of them concerns the 'demand effects' of immigrants (Nickell, 2009, p. 57): the demand of new immigrants for goods and services outweighs their labour supply for the labour market. To meet the greater level of local demand induced by new immigrants, according to this explanation, additional capital investments are made to produce more goods and services. Thus, with the influx of capital, the capital-labour ratio, which may have been lowered in the short term by an influx of immigrants, tends to revert to its original level for equilibrium, creating more jobs for local workers, offsetting any downward effect on the wages of local workers. In relation to this explanation, we may also need to pay attention to the capital that immigrants bring and invest in New Zealand.[8] If a certain (or even significant) portion of new immigrants' demand for goods and services can be met by immigrants themselves, for example, through their

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[8] According to Fry, there is no robust information on the amount of financial capital immigrants bring with them.

ethic business enclaves, it may imply that they simultaneously meet both their demand for and supply of goods and services within their ethnic capital and labour market, and without any substantial interactions with the local labour market.

If an influx of capital does not keep up with an influx of immigrants in this context, the economy tends to adjust to immigration by adopting less capital-intensive but more labour-intensive modes of production (Fry, 2014, p. 13). The boom in the residential construction sector in the 1990s and current prosperity in the service sector – for example, of hospitality, tourism, health and aged care – can be explained in part by this disequilibrium of the capital-labour ratio. Given that principal applicants, who are approved for permanent residence under the Skilled/Business Stream, make up only around a quarter to a third of total applicants, the remaining three quarters to two-thirds of immigrants can be categorized into non-economic immigrants, not necessarily implying that they do not have any skills, but who are either family members of the principal applicants under the Skilled/Business Stream or approved for permanent residence under the Humanitarian Stream.[9] These non-economic immigrants potentially transform into the reserve army of labour in the service sector, with the exception of school-age children, and this transformation seems to be well observed in the over-representation of Asians in the hospitality and retail industries.[10] Thus, it can be said that, while low- and un-skilled labour in the manufacturing sector in the 1960s and 1970s was significantly filled by Pacific immigrants, low- and un-skilled labour in the service sector in the early 21st century appears to be considerably filled by non-economic Asian immigrants.

A second explanation for the absence of negative impacts of immigrants on the New Zealand labour market concerns a 'replacement effect' (Strutt et al., 2008). Over the last 30 years, about half a million New Zealanders have emigrated to other countries, mainly Australia, while around 700,000 foreign citizens have immigrated to New Zealand (ibid., p. 44). Given that a considerable portion of these foreign citizens have entered New Zealand with skills, they may have filled the vacancies that foreign-going New Zealanders had left in New Zealand, causing no downward effect on the wages of local workers on a macro level. While this explanation seems plausible at a glance, given that a significant portion of the current skilled migrants, such as Chinese, Indians and Filipinos, have different forms of socio-cultural capital from that of native-born workers, further understanding is required about the extent to which those forms of capital mesh with the kinds anticipated by employers in the labour market. In addition, another point not to be missed here seems to be that foreign citizens immigrate to New Zealand mainly for non-economic reasons such as a better environment and education, implying that they tend to accept downward occupational mobility (Spoonley & Bedford, 2012, p. 20). Thus, to what extent these

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[9] Ibid., p. 1.

[10] The definition of 'Asians' in this thesis is based on the categories used in the census, developed by Statistics New Zealand in 1996 (SNZ) (4). This group is made up of people with origins in the Asian continent from Afghanistan in the west to Japan in the east and from China in the north to Indonesia in the south.

economically non-motivated skilled immigrants have participated in the labour market with enthusiasm seems to be another issue.

In relation to this 'replacement effect', the quality of the human capital of skilled migrants in New Zealand compared with that of skilled migrants in Australia seems to emerge as another element of local concern. In its approach to prospective immigrants, New Zealand authorities attempt to offset the country's relatively inferior labour market conditions, as exemplified by the low level of wages compared with other developed countries including Australia, by appealing to the attractiveness of its social and natural environments, by stressing the quality of life in New Zealand. It seems questionable, however, whether, from the perspective of prospective immigrants who can choose a destination country, New Zealand appeals better than Australia in terms of quality of life. According to a 'quality of life index' by country, Australia is ranked above New Zealand.[11] Thus, the current reception of immigrants in New Zealand may need to be interpreted in a way that New Zealand can still host immigrants 'in spite of' its inferior labour market conditions; not in a way that New Zealand can host a better or similar level of skilled immigrants compared with Australia, as if it can provide better natural and social environments than Australia. In other words, prospective skilled migrants may choose Australia at the first choice as a destination country and New Zealand might be the next best, implying that the quality of the replacement may be an important issue for those people.

Secondly, regarding the impacts of immigration on the national financial earnings and expenses, static assessments of net fiscal impacts of immigration generally show large positive effects (Fry, 2014, p. 19). One of the Economic Impacts of Immigration working papers estimated (Slack, Wu & Nana, 2007, p. 11): that New Zealand's immigration population of around 927,000 in 2006 had a positive net fiscal impact of $3,288 million, compared with a net fiscal impact of $2,838 million for the 3.1 million native-born population; that immigrants contributed 24.7 per cent of government revenue while accounting for a mere 18 per cent of government expenditure; that immigrants having lived more than 15 years contributed, per capita, $4,280 in net fiscal impact compared with $915 for the native-born.

This estimation does not seem to be surprising for several reasons. Firstly, 'static assessments' of net fiscal impacts are influenced by the prevailing state of the economy; when the estimation was conducted for 2005/2006, for example, the government was in budget surplus (Hodson & Poot, 2010, p. 36). Secondly, immigrants canvassed in this survey included international students and temporary work permit holders who are not entitled, completely or partially, to claim any public welfare. Lastly, immigrants are younger than the native-born on average, implying that they are likely to be healthier than the native-born, requiring less health expenditure. Skilled migrants are also of working age, being people who do not largely incur any training and education costs in New Zealand (Spoonley & Bedford, 2012, p. 202).

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[11] http://www.numbeo.com/quality-of-life/rankings_by_country.jsp

In terms of an hypothesis on this matter proposed by Reddell (2013, cited in Fry, 2014), the net fiscal effects of immigration seem to require a more dynamic mode of analyses that would run over longer terms of economic life than are conducted under the rubric of the 'static assessments'. To this end, Reddell suggests (2013, cited in Fry, 2014, pp. 27-29), the excess demand of immigrants for infrastructure during the last 20 years has forced the Reserve Bank to keep relatively high short-term interest rates, by international standards, to import capital to meet demand, contributing to a persistently large negative net international investment position. While international evidence on the longer term fiscal impacts of immigrants appears mixed, in the New Zealand context, the overall impacts of immigration on New Zealand's generational balance are likely to be still positive but smaller than the findings generated by 'static' assessments.[12]

Lastly, regarding the impacts of immigration on the GDP per capita, unlike the argument of NZIER at the top of this section – that an increase in the number of immigrants will increase on balance the GDP per capita, and income per capita, of the native-born population – a consensus in the literature suggests that growth in GDP per capita has been a relatively marginal economic effect of immigration. For example, shifts in those measures have not closed gaps which New Zealand has with other developed countries, during the last 20 years in which it has had substantial immigration (as measured in either gross or net terms).[13] One of the reasons that GDP per capita has not lifted as a consequence of immigration is, Fry (2014, p. 10) argues, that, unlike the role which unskilled labour had previously played in the manufacturing sector past, the currently sourced skilled labour is not a scarce resource relative to other factors in New Zealand or other developed countries. Thus, the large positive effects of 'factor price equalisation' from the increasing labour supply are unlikely to occur in New Zealand: that is 'an effect observed in models of international trade – that the prices of inputs to ("factors of") production in different countries, like wages, are driven towards equality in the absence of barriers to trade'.[14]

Instead, GDP per capita is more likely to rise, through immigration, as a simple consequence, because of 'pure population composition effects'; for example, that working-aged immigrants are less likely to be sick or disabled than the native-born. Another possible reason for the relatively marginal effects of immigration to GDP growth is, according to the Australian Productivity Commission, that most of the benefits from immigration are captured by immigrant communities themselves, so that increasing immigration is unlikely to raise income per capita of the native-born population.[15]

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[12] Ibid., pp. 19-20.

[13] Ibid., p. 6.

[14] Source: http://economics.about.com/library/glossary/bldef-factor-price-equalization.htm

[15] Ibid., p. 10.

A consensus in the literature also indicates that New Zealand's productivity performance, which has been poor during the same period, has a very weak, or perhaps even negative, correlation with immigration. Despite this marginal correlation between them, there are a number of attempts to explain the New Zealand's poor productivity performance in relation to the necessity of immigration. For example, some argue a need to reach threshold levels of population through immigration, well exceeding current levels, in order to improve productivity in New Zealand.[16] Their argument, however, appears problematic because: the credibility of potential scale and agglomeration benefits from an increase in immigration has not been established; and there seems to be no consensus over the size of population increase that might be required, and any necessary preconditions, to achieve scale and agglomeration benefits.[17]

In order to identify the causes of the New Zealand's poor productivity performance during the last 20 years, we may rather need to consider a broader national context.[18] In relation to this approach, Reddell suggests that persistent excess demand for infrastructure from new immigrants and an insufficient rate of savings on a national level are the main reasons for the large productivity gap between New Zealand and other developed countries.[19] There are also other factors[20]: during the last 20 years, New Zealand has favoured labour-intensive activities; the State's positive revenues have been spent for social services and transfers; the private sector has focused on low productivity services such as tourism and hospitality; and housing booms have pulled resources into lower-productivity construction and transaction-based services such as real estate, legal and retail banking. Therefore, immigration needs to be understood as merely one of possible factors influencing New Zealand's productivity performance.

In addition, the impacts of immigration in relation to innovation appear limited (Hodson & Poot, 2010. P. 40). This is because, while New Zealand's innovation and R&D system is rooted in the land-based primary sector, immigrants disproportionately inhabit metropolitan areas in which the manufacturing sector, accounting for only 11 per cent of total employment, is concentrated.

To sum up, in this section macroeconomic impacts of immigration on New Zealand have been examined, significantly drawing on the Fry's recent work (2014), in order to question the premise that immigration is necessary for the New Zealand economy. For effective examination, the analyses have been categorized into three sectors: local labour market,

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[16] Ibid., p. 14.

[17] Ibid., p. 39.

[18] Ibid., p. 33.

[19] Ibid., p. ii.

[20] Ibid., p. 33.

national financial earnings and expenses, and GDP per capita. The analyses suggest: that the impacts of immigration on local labour market are negative possibly due to the demand effects and replacement effect; that the longer term impacts of immigration on national financial earnings and expenses are likely to be still positive, but smaller than the findings generated by static assessments; and that the impacts of immigration on GDP per capita and productivity performance appear marginal without showing any meaningful signal for a positive correlation between them. Overall, national researches on the macroeconomic impacts of immigration on New Zealand appear to suggest that there is no convincing evidence to underpin the premise that immigration is good for the New Zealand economy. In the following section, the impacts of immigration on international trade and the implications of international trade in the formation of immigration policy will be investigated.

International Trade and Migration

A consensus in the literature about the effects of immigration on international trade suggests that, while international migration has a positive correlation with international trade, the effects are relatively small. On a global level, an increase in the number of immigrants by 10 per cent increases the volume of trade by around 1.5 per cent (Genc, Gheasi, Nijkamp & Poot, 2011, p. 18). In the New Zealand context, an increase in the number of immigrants from a certain country by 10 per cent would increase the export volume to that country by 0.6 per cent and the volume of imports from that country by 1.9 per cent (Poot & Strutt, 2010, p. 1932). Tourism shows a similar trend: when the number of immigrants from a particular country increases by 10 per cent, the number of visitor arrivals from that country increases by 2 per cent while the number of New Zealanders visiting that country increases by 4 per cent (Hodson & Poot, 2010, p. 31). These figures would imply that, while immigration boosts the volume of international trading flows including tourism, it increases outflows more than inflows. Thus, the direct financial impact of immigration on trade in New Zealand is negative (Fry, 2014, p. 18). The only exception is the export of educational services, which shows an apparently positive financial impact on New Zealand economy.

New Zealand has accessed the education markets of several developing countries, exemplified by China and India, by hosting international students from these countries. Given that New Zealand's visa-waiver and working-holiday arrangements for some Asian countries in the 1990s are understood as a result of bilateral trade negotiations between New Zealand and those countries (Strutt et al., 2008, p. 41), New Zealand's benefit in return to the countries for their import of New Zealand educational services appears to be an easier accessibility to the New Zealand labour market by approving work visas and permanent residence for the qualified graduates of New Zealand educational institutes. We might call this trade 'trade-itemisation of immigration policy,' or, more broadly, 'marketisation of immigration policy.' Of course, given the variety of international students in terms of, for example, age, goal and country of origin, the reciprocal trade link between the export of New Zealand educational services and immigration policy, in terms of the import of immigrants, may not be generalized to the whole student group. Nevertheless, given that the two largest source countries of international students, China (26.6 per cent)

and India (12.4 per cent), are also the two largest source countries of residence-approvals, 15 per cent and 13 per cent respectively, the existence of this reciprocal trade link between the export of New Zealand educational services and immigration policy can hardly be denied.

Assuming that the reciprocal trade link between the export of New Zealand educational services and immigration policy represents the government's strategy, then, from the perspective of the students, we may ask a question of whether immigration is a naturally following consequence for international students after completing their studies or whether education in New Zealand is used by them as a bridgehead for a pathway to permanent residence. There do not seem to be simple answers. Given that, for example, a significant portion of Chinese international students do not apply for permanent residence after completing their studies, while a relatively higher portion of Indian students do apply for permanent residence, the answers seem to vary depending on the country of origin and/or individual orientations. Nevertheless, from the perspective of the government, the high rate of transition by international students to the status of permanent resident, after their studies, may be considered as a critical selling point of New Zealand education. Whether the revenue of the export of educational services is gained at the expense of immigration that has not only an economic dimension but also a social dimension, however, seems to remain an equally important question in this context.

In relation to this question, we may find that there has been an inherent tension between international trade, or economic globalization in general, and international migration (Poot & Strutt, 2010, p. 1924). While the national economies of most countries are becoming integrated into the global economic mesh − through the liberalization of their capital and goods and services markets − the liberalization of the national labour market and the free cross-border movements of people seem to still face the resistance or reluctance of national governments. 'International merchandise trade and international capital flows as a fraction of the relevant global markets are much greater than immigrants as a proportion of the global labour market' despite the fact that 'wages for similar occupations around the world are much more dispersed than prices of goods and the cost of capital' (Freeman, 2006, cited in Poot & Strutt, 2010, p. 1925). A following question, then, may be why the liberalization of labour market is not being achieved at the same pace as the liberalization of capital and goods and services markets.

We may find an answer to this question from the inherent characteristics of global capitalism and the nation-state. According to Callinicos (2007), the global capitalist system structurally requires geographically uneven developments between countries, such as wage gaps, for the realization of capital gain on a global scale; closing the wage gaps between developing and developed countries or the outflows of cheap labour to developed countries through international migration will hinder the realization of capital gain from the trade of goods and services and financial investments. Also, an inflow of immigrants with different racial and cultural features would threaten the social cohesion of the host society that has been underpinned by ethnic homogeneity. That seems to be one of the reasons why most developed countries, if not all, tend to prefer trade to immigration for fear of the social costs caused by the influx of heterogeneous immigrants (Mayda, 2007, cited in Strutt et al.,

2008, p. 47). Consequently, a challenge which governments of developed countries face seems to be how to convert immigration into a tradable labour product.

The most salient outcome in relation to this conversion appears to be a vitalization of the temporary labour movement, the 'temporary work visa scheme' in the New Zealand context. The temporary labour movement is the most rapidly growing sector in international labour movements[21] and a set of plausible reasons exist for this. From the perspective of the government, granting a temporary work visa first and then permanent residence later, for example, the Work-to-Residence scheme in New Zealand, provides more flexibility in, and effective pathways toward, subsequent permanent settlement, as it can still address labour market needs while facing less resistance from the public (Hoekman & Özden, 2009, cited in Poot & Strutt, 2010, p. 1936). Thus, the temporary work visa scheme appears to meet the desire of current neoliberal governments: defining and maintaining the nature of immigrants as disposable labour products at the initial stage and selecting preferred applicants among them for permanent residence in accordance with their capability of economic contribution to the host society. The temporary work visa scheme in New Zealand seems to enable the enjoyment of the economic benefits brought by immigrants while minimizing potential social costs induced by their presence.

Social Costs of Migration

From the perspective of receiving countries, while immigration is primarily only an economically motivated labour movement, a range of diverse stakeholders and interests exist around immigration such as workers, employers and even the public (Strutt et al., 2008, p. 33). It implies that one stakeholder's benefits from immigration can be another stakeholder's costs and, even if there are significant economic gains from immigration, there may be resistance from other non-economic stakeholders.[22] Thus, when governments prepare immigration policy, they tend to simultaneously consider relevant trade policy, labour market policy and social policy in order to prevent any potential harm to the overall wellbeing and security of the national society (Poot & Strutt, 2010, p. 1926). In spite of the government's efforts to harmonize the economic dimension of immigration with the social dimension, however, these efforts have encountered difficulties due to the inherent contradiction between them: 'the paradox of diversity'.[23]

The idea of 'paradox of diversity' implies that, on the one hand, the larger the ethnic differences among members of a nation, the larger the potential economic gains; on the other hand, however, the more difficult the social integration. In a New Zealand context, for example, the National-led government, which allowed the entrance of non-British immigrants such as Asians in the early 1990s for national economic gains, met with

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[21] Ibid., p. 46.

[22] Ibid., p. 38.

[23] Ibid., pp. 1949-1950.

resistance from the public who felt anxious about the drastic change in their social space. The resistance from the public delivered a huge windfall to the New Zealand First Party in the 1996 elections making it a key coalition partner. The priority of the New Zealand First Party in policy-making in relation to immigration was not economic gains but the preservation of the existing logics of social integration. The participation of the New Zealand First Party in the ruling coalition in 1996 is an example showing that there are tensions over immigration between diverging interests and logics within the space of government: one emphasizes the significance of national economic gains while the other regards social integration as being more important.

According to Borjas and Winters, economic gains in international trade are greatest when two countries are least similar to each other. They extend this argument to international immigration: economic gains are greatest when immigrants and the native-born are least similar to each other.[24] For them, the basic mechanism of economic gains from trade is the same as that of immigration: 'exploitation of differences.' From the perspective of the social, however, differences between immigrants and the native-born are not points of strength but obstacles to social cohesion; ethno-cultural diversity of immigrants may imply economic benefits on the one hand, but social costs on the other. For example, social cohesion in New Zealand in terms of ethnic relations, which did not require any State's intervention to promote it before the 1990s, has become a project incurring social costs and deliberate efforts on the part of State's to produce successful outcomes. While neoliberal multiculturalists still appear to advocate the advantage of ethnic diversity on the basis of the economic potential of the transnational diversity of immigrants, a disharmony between the heterogeneity of immigrants and the homogeneity of the social is observed in most developed countries. The tension between them will be discussed in depth in chapter 6.

With regard to broader demographic trajectories, an argument exists that immigration is needed to prevent future social costs caused by population-aging (Fry, 2014, p. 18). While it is readily known that New Zealand's population has grown approximately one per cent per annum over the past two decades, a range of estimations exists about the extent to which net migration has contributed to the growth of New Zealand's population during the same period: Statistics New Zealand (2012) estimates that net migration has contributed around 20 per cent of New Zealand's population growth since 1970; according to Reddell, net inflows of non-New Zealand citizens accounted for around 80 per cent of population growth; for Jackson (2014), the proportion of net migration in the New Zealand's population growth is 42 per cent (cited in Fry, 2014, p. 34). Even though immigrants may have contributed to New Zealand's population growth to a reasonable degree, however, the significance of net migration in the population growth should probably not be overemphasised. Given New Zealand's fertility rate of 2.1 births per woman as of 2012 (World Bank, 2014), Statistics New Zealand predicts that New Zealand's population would start to decline from the 2030s even with a zero net migration (Fry, 2014, p. 16).

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[24] Ibid., p. 1937.

Several reasons appear to exist for this trend, which together suggest that a present pattern of net migration cannot solve the issues related to the aging of the New Zealand population. One of them is grounded on the observation that, while incoming immigrants tend to be younger than the native-born population, foreign-going New Zealanders tend to be younger than immigrants. It implies that the inflows of immigrants will need to be many times existing population inflows from migration in order to materially mitigate the impacts of population ageing.[25] Another reason is that, given that New Zealand's fertility rate is just or still below replacement fertility, if immigrants also have low fertility rates, population ageing may accelerate in the long run (Poot, 2007, p. 11). Thus, possible internal solutions to the population ageing in New Zealand – that is, those that do not rely on the inflows of international immigrants – may include reducing the number of emigrants and increasing fertility rates, both of which have socio-economic implications.

To sum up: an influential strand of research suggests that the overall impacts of immigration on the local labour market, national financial earnings and expenses, and GDP per capita are marginally positive. With regard to the impact of immigration on New Zealand's international trade, however, evidence exists to suggest that a deficit is produced in the balance of trade. The exception to this is the export of educational services where profits are to be made. To enhance those surpluses within the international education sector, the government seems to strategically use immigration policy to attract more international students from Asian countries. This strategy represents a deliberate use of immigration policy as a lever to enhance New Zealand's position in specific economic markets: a marketisation of immigration policy. Also, in order to maximize economic benefits and, at the same time, minimize social costs caused by immigration, the temporary work visa scheme – which in effects redefines immigrants as tradable labour commodities – has become vitalized. With regard to one of the primary macro-social challenges New Zealand faces, however – that of its aging population and consequentially diminishing size – initial evidence suggests that immigration does not provide a solution.

The findings in this chapter seem to have following implications. First, neoliberal ideological imperatives seem to be deeply instilled into the attitudes of the people of the host society. Even though evidential reasons exist for interrupting the belief that immigration is naturally good for the national economy, this belief still appears to inform the routine production of national-level research on the relation between immigration and economy. This seems to be because this belief may have gained a utopian status in terms of a self-fulfilling prophecy described in the introduction. Even though overall economic benefits of immigration on a national level are marginally positive, the neoliberal governments' justification of immigration – that 'there is no alternative' – may not be falsified in the course of empirical research due to the utopian character of this belief. Second, the incorporation of national immigration policy into the international trade negotiations may imply the commodification of immigration policy *per se* as a tradable product in order to meet global and local capitalist imperatives, minimising the social dimension of immigration policy. This seems to reflect

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[25] Ibid., p. 18.

classical liberal imperatives which require societal systems to conform to the market system because of its (perceived) primacy amongst them. Further, this commodification of immigration policy is connected to the commodification of immigrants in the process of selecting economic immigrants, which will be discussed in the next chapter.

Chapter 2. Selection of Economic Immigrants

New Zealand's immigration policy for the granting of permanent residence consists of three streams: the Skilled/Business Stream, the Family Stream and an International/Humanitarian Stream. This chapter focuses on just one element of these, the Skilled Migrant Category (SMC), within the Skilled/Business Stream; as that element is commonly deemed the backbone of New Zealand's immigration policy; both in terms of the high number of residence approvals made and the strategic significance it carries compared with other streams. The main features of the points-system by which that Category functions will be described, as will the relationship which the Category has with the labour market outcomes of immigrants who are selected (in particular Asian immigrants). Finally, it will be demonstrated how the points-system contributes to a re-definition of immigrants as 'economic immigrants', through processes of 'human capitalisation' and the 'quantification of applicants'. These matters will enable us to understand the implications of immigrants' local social capital and ethnic social capital for the host society.

Overview of the Skilled Migrant Category (SMC)

The permanent immigrant inflow, relative to the national population of New Zealand, is the third highest in the OECD countries following Switzerland and Norway (Ministry of Business, Innovation and Employment, 2013a). New Zealand has approved 30,000 – 50,000 people per year for permanent residence over the past fifteen years (Stillman & Maré, 2009, p. 6), and the New Zealand Residence Programme (2011-2014) set a target of 135,000-150,000 new permanent residence-approvals over that three year period (Ministry of Business, Innovation and Employment, 2013b).

Apart from the number of immigrants, the trends of permanent and long-term migration flows provide us with a more comprehensive view of the New Zealand's demographic change. In the financial year of 2012/2013 (from July 2012 to June 2013), the net gain of non-New Zealand citizens was 39,600 and the net-loss of New Zealand citizens was 31,700, 77 per cent of whom moved to Australia, resulting in a net migration gain of 7,900; the net gain of non-New Zealand citizens within that cohort (of people immigrating/emigrating within the financial year of 2013/2014) is forecasted to exceed 30,000, according to the Ministry. This gap between the net-gain of non-New Zealand citizens and the number of residence-approvals is attributed to the remigration of some immigrants: for example, 30 per cent of immigrants departed within 5 years for the 1996 to 2001 period (Boyd, 2006, cited in Stillman & Maré, 2009, p. 9).

New Zealand's current residence-approval programme for the attracting of skilled migrants, based upon a points-system, was introduced in 1991. This followed the enactment of the Immigration Act 1987, which had abolished a set of traditional (Eurocentric) preferences for preferred countries of source.[26] The basic structure of the points-system for the selection of

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[26] Ibid., p. 6.

skilled migrants has been maintained until now (see below, Table 1), with various strategic modifications having been made in the weighting given to applicants' qualifications, levels of experience, employability and English language ability, alongside the change of its name from the General Skills Category to the Skilled Migrant Category (SMC). The SMC now forms of the backbone of the three streams within New Zealand's residence-approval programme: the Skilled /Business Stream, the Family Stream and the International/Humanitarian Stream. In terms of raw numbers, 47 per cent of all residence-approvals made in the financial year of 2012/2013 (18,156 people) were under the SMC (Ministry of Business, Innovation and Employment, 2013a). In relative terms, a ratio operates between the three streams, of successful approvals for residency, of approximately 6:3:1.[27]

Table 1. Skilled Migrant Category Points Table

FACTORS FOR WHICH YOU MAY GAIN POINTS	Points
Skilled employment:	
Offer of skilled employment in New Zealand	50
Current skilled employment in New Zealand for less than 12 months	50
Current skilled employment in New Zealand for 12 months or more	50
Qualifying work experience (not all work experience may qualify for points)	
2 years	10
4 years	15
6 years	20
8 years	25
10 years	30
Qualifications:	
Recognised basic qualification	
(e.g. trade qualification, diploma, bachelors degree, bachelors degree with Honours)	50
Recognised post-graduate qualification (Masters Degree, Doctorate - level 9 or 10))	55
Close family in New Zealand (must be immediate family member who is res/citz)	10
Age (20 to 55 years):	
20 - 29	30
30 - 39	25
40 - 44	20
45 - 49	10
50 - 55	5
FACTORS FOR WHICH YOU MAY GAIN BONUS POINTS	
Skilled employment:	
Bonus points for employment or offer of employment in:	
An identified future growth area or cluster	10
An area of absolute skills shortage	10
Region outside Auckland	10

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[27] Fluctuations in the ratio need to be allowed depending on circumstances of each year. For example, in the financial year of 2012/2013, the ratio was approximately 5:4:1.

Spouse/Partner employment or offer of skilled employment	20
Work experience:	
Bonus points if work experience in New Zealand:	
1 year	5
2 years	10
3 years or more	15
Additional bonus points for work experience in an identified future growth area	
2 to 5 years	10
6 years or more	15
Additional bonus points for work experience in an area of absolute skills shortage:	10
2 to 5 years	15
6 years or more	
Qualifications:	
Two years of full-time study in New Zealand towards a recognised qualification	5
Recognised basic New Zealand qualification	5
(e.g. trade qualification, diploma, bachelors degree, bachelors degree with honours)	
Recognised post-graduate New Zealand qualification (Masters or Doctorate)	10
Qualification in an identified future growth area (must have job offer)	10
Qualification in an area of absolute skills shortage	10
Partner holds a recognised qualification (must meet English std/IELTS 6.5)	20

(Source: Immigration New Zealand. https://www.immigration.govt.nz/pointsindicator/ pointstable.htm)

A range of details adds complexity to this overview of the SMC. The first is that a close link exists between international students and the SMC: 42 per cent of principal applicants of the SMC in the period 2012/2013, for example, were former international students.[28] Moreover, 84 per cent of all Chinese and 76 per cent of all Indian principal applicants previously held a student visa.[29] As a result, in a number of applicants over 2012/2013, some of them were awarded 'bonus points' for having a New Zealand qualification, a quality which could rarely be claimed by applicants from other source countries.[30] A second detail of interest is that the median age of applicants under the SMC is just 28 years, significantly lower than the median age of the usual resident population in the 2006 census (36 years).[31] This young age is directly associated with the low average number of people per approved application under the SMC: just 2.[32] In particular, the median age of principal applicants

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[28] Ibid., p. iii.

[29] Ibid., p. 45.

[30] Ibid., p. 62.

[31] Ibid., p. 56.

[32] Ibid., p. 52.

from India and China, the largest and third largest source countries in 2012/2013 (25 per cent and 11 per cent respectively), was just 27 years; in contrast to the second largest (15 per cent) source country of the UK (at 35 years).

Further, due to the emphasis placed in the SMC on applicants' qualification, the percentage of immigrants among the highly-educated within the New Zealand workforce is the fourth highest in the OECD countries (at just over 30 per cent) (Liebig, 2012, p. 8); the share of the highly-educated among immigrants relative to that among the native-born is the third highest in OECD countries.[33]

The high qualified character of immigrants, in particular Asians, however, does not appear to lead favourable labour-market outcomes for them. This raises the issue of over-qualification of immigrants. Even though 28.4 per cent of Asians have attained a tertiary qualification compared to 15.4 per cent of the total population, 33.1 per cent of them work in semi-skilled and elementary employment, compared to 10.7 per cent of all workers (Department of Labour, 2010, p. 29, cited in Spoonley & Bedford, 2012, p. 191). A similar trend of over-qualification of Asian immigrants is also found in Australia; while immigrants with non-English speaking backgrounds suffer from higher rates of over-qualification overall than immigrants with English-speaking backgrounds, Asian immigrants have qualification levels almost 10 per cent higher compared to other immigrants with non-English speaking backgrounds (Kler, 2005, p. 23). Given the increasing trend of 'Study-to-Work-to-Residence' in New Zealand as shown amongst Indian and Chinese immigrants, it may suggest that the over-qualification of immigrants in the labour market is partially due to the incompatibility of overseas qualifications held by some immigrants. While this suggestion seems plausible to some extent, there seem to be more societal factors contributing to the over-qualification of Asian immigrants.

In their Longitudinal Immigration Survey: New Zealand (LisNZ), Grangier, Hodgson & McLeod (2012) found that the New Zealand qualifications of skilled migrants were not rewarded more than foreign ones and New Zealand work experience had a low positive correlation with additional increases in their wages. Their findings may imply that Indian and Chinese applicants, a significant portion of those who pursue the pathway of Study-to-Work-to-Residence in New Zealand, do not benefit from their New Zealand qualifications and work experiences apart from gaining bonus points in the SMC. In fact, up to three years after taking up residence, while the average hourly wage of European immigrants (mainly from the UK) is $33, that of Asian immigrants is just $24 (p. 9). Even though the processes whereby workers enter the labour market disadvantage immigrants compared to the native-born – and that this occurs more or less universally across all receiving countries – Asian immigrants appear to be the most disadvantaged group in New Zealand (compared to both the native-born citizens and the white immigrants with English-speaking backgrounds). Another consistent finding from the study is that it takes longer for Asian immigrants to gain the same labour market outcomes of the native-born (p. 6).

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[33] Ibid., p. 9.

In this context, a basic question raised is why Asian skilled migrants are struggling in the labour market, compared to other migrant groups such as British skilled migrants. Chinese skilled migrants, whose residence was approved in 2012/2013, are seemingly exemplary: 97 per cent of them gained points for qualification in contrast with 66 per cent of the British skilled migrants; 84 per cent of them held student visas in contrast with mere two per cent of the British skilled migrants; 35 per cent of them were awarded bonus qualification points in contrast with just one per cent of the British skilled migrants; 97 per cent of them gained points for a job or job offer in contrast with 95 per cent of the British skilled migrants. The only field in which the British skilled migrants gained more points than the Chinese skilled migrants is relevant work experience: 85 per cent of the British skilled migrants in contrast with 22 per cent of the Chinese skilled migrants (Ministry of Business, Innovation and Employment, 2013a).

While several factors influencing the unemployment and/or underemployment of Asian immigrants have been referred to in the international literature, some of them appear to be not applicable to the New Zealand context. For example, a lack of local experience seems to have been one of the most frequently cited reasons for the unemployment and/or underemployment of Asian immigrants. The survey by Grangier et al (2012, p. 13) shows, however, that this logic does not hold up to scrutiny: immigrants' work experience in New Zealand before they apply for residence has no positive connection to increases in wage afterward. On the contrary, immigrants who have never been to New Zealand, or who have been to New Zealand before the application for residence but not for employment, earn a higher hourly income than immigrants who have been employed in New Zealand.[34] Thus, a more macroscopic approach might be required in order to understand this issue rather than a focus on immigrants' individual capabilities to integrate into the labour market.

Some reasons for the unemployment and/or underemployment of Asian immigrants may be found in the backdrop of the introduction of the SMC. In the 1990s, when the New Zealand government changed the immigration policy to allow Asians with non-English speaking backgrounds to apply for residence through the points-system, there seemed to be two main reasons for the change. One was a domestic economic reason: the national economy would grow as a consequence of skilled migrants, whose presence could solve the problem of labour market shortages. The other was an international political and economic reason: geo-political connections would deepen with Asian countries, which were emerging as critical trading partners (Spoonley & Bedford, 2012, p. 28); 11 out of the top 20 importers of New Zealand goods and service are Asian countries (New Zealand Trade & Enterprise, 2013). In addition, the slice taken up by the earnings from the aforementioned international education industry (the export of educational services by hosting international students) in the national economy needs to be noted. The gross output of the international education industry was nearly $2.6 billion in 2012/2013, ranked as New Zealand's fifth largest export earner. On the demand side of the equation, the top four importing countries – which together occupied more than 60 per cent of the number of international students – were all

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[34] Ibid., p. 11.

Asian countries (China: 26.6%, India: 12.4%, South Korea: 10.9% and Japan: 10.4%) (Infometrics & National Business Bureau, 2013).

To summarize the discussion thus far: immigration policy forms in relation to international political and economic contexts, and an understanding of these is required in order to avoid uncritical responses to issues which emerge in the outworking of that policy. We could anticipate, in this regard, responses which blame underdeveloped labour market outcomes on immigrants' levels of language proficiency. In this context, the points-system of the SMC appears to operate as a mechanism through which the government attempts to meet domestic economic imperatives, on the one hand, and to enhance new geo-political connections with Asian countries on the other (through the recruitment and colour-blind selection of 'economic immigrants'). The following sections will identify how the economic logic of the SMC affects the process of selection of immigrants and the unemployment and/or underemployment of Asian immigrants in the labour market.

Individual Human Capitalisation of Immigrant

In a statement to a conference held at Massey University in 2012, then Minister for Immigration, Nathan Guy, signalled the government's intended purposes for immigration policy: "… we work to increase the contribution that immigration makes to New Zealand's economy and society."[35] In a similar vein, the Immigration New Zealand website also states that "Immigration New Zealand is responsible for bringing the best people to New Zealand to enhance New Zealand's social and economic outcomes."[36] Aside from the shared language, both the speech and the website share in the absence of further explanations as to the implications for 'society' and 'social outcomes' of immigration policy; instead, the rest of the Minister's speech was completely filled up with the emphasis on the significance of the economic dimension of immigration. For example, "…my priority as Minister is to maximise the economic value that immigration delivers to New Zealand." Thus, the concept of 'society' in his speech appears to be a typical political rhetoric which is used habitually without any substantial meaning in terms of public policy; or they might equate 'national society' with 'national economy.'

In this milieu, it seems natural that research programmes funded by the government, for example, the Economic Integration of Immigrants Programme (EIIP) funded by the Foundation for Research, Science and Technology (FRST), aim to 'contribute to the policy objective of optimising the use of immigrant *human capital* by *quantifying* the nature and extent of skill under-utilisation, identifying barriers to the effective economic integration of migrants and their families…' (Meares, Poot, Spoonley, Bedford, Bell & Ho, 2009, p. 114. Emphasis added). The appearance of concepts like 'human capital' and 'quantification' in

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[35] http://www.beehive.govt.nz/speech/speech-massey-university-conference-quotpathways-metropolis-21st-century-immigration-issues-a

[36] http://www.immigration.govt.nz/migrant/general/aboutnzis/

this statement are analytically significant insofar as they reflect neoliberal imperatives in the current immigration policy.

What is human capital, a term of which was invented and promulgated by economist Theordore Schultz? In relation to the economic imperatives which prevail around current immigration policy, the following definition appears instructive:

> Human capital is the sum of every attribute that adds economic value to what an individual can produce. This includes a wide range of attributes, such as a person's creativity, useful knowledge in specific areas, work skills in particular field, social skills, personality, and work ethic. All of these combine to determine the quality and quantity of what a person can produce in terms of economic work, and by extension what he or she will contribute to the overall economy in which the individual participates. Because societies are driven by an interest in material value, the role of human capital in securing that value has become a key focus in countries around the world. (Isaiah, 2013).

According to this definition, human capital refers to the economic capability of human beings, understood in relation to other areas of social ability; in the immigrant-related context, however, it may imply the equation of human beings with economic entities. In other words, the value of immigrants is measured only by the degree to which they can produce economic outcomes. While Joseph Stiglitz vigorously rejects an idea that a person's market performance reflects her/his social contribution (cited in Skilling, 2013, p. 72), immigrants, as defined by New Zealand's immigration policy, are primarily valuable insofar as they prove their capability to contribute to the economy. This is a neoliberal perception, in terms of a marketisation of non-market entities (including people): like all participants in society, immigrants quite apparently have non-economic characteristics, which cannot be captured in economic measures, but which they contribute to the host society. This human capitalisation of immigrants at the level of policy appears to contribute to the normative orientation of the native population towards immigrants, through which immigrants are believed to not only primarily, but consistently, contribute to the economy of the host society.

Furthermore, immigrants who enter New Zealand under the Family Stream or International/Humanitarian Stream, or as dependants of principal applicants of the Skilled /Business Stream, are not considered to be sufficiently prepared as human capital, such that efforts are made to capitalise their potentials and to thereby minimization any financial burden which might fall upon the State as a consequence of their presence. These efforts seem to be well reflected in the SMC. For example, bonus points are awarded to the spouses of principal applicants under the SMC who have an employment/job offer or a

recognised qualification[37]; and priority is given to applicants under the Parent Category in the Family Stream who satisfy the higher income and financial requirements.[38]

Human capital is a post-industrial concept as it differentiates knowledge and skilled workers in the post-industrial knowledge and service economy from labourers in manufacturing industries. In the labour-intensive manufacturing sector, labourers are mostly unskilled and considered as costs to be reduced at the time of an economic down cycle; industrial labourers are a variable factor of production and thus expendable. An exemplar of manufacturing labourers in the New Zealand immigration context are the Pacific immigrants who entered New Zealand from the 1950s to the middle of the 1970s (Spoonley & Bedford, 2012, p. 131). As the labour-intensive manufacturing sector radically shrank in New Zealand in the 1970s, the justification of their presence in New Zealand as economic contributors sharply lost its ground. Unlike unskilled manufacturing labourers, however, workers in the capital-intensive prime sector, such as managers, are becoming more like capital rather than mere disposable costs, as the degree of dependence upon their knowledge and expertise from employers deepens in the process of profit making; now, knowledge workers become a fixed factor (Massey, 2001, p. 9830).

Also, in the New Zealand immigration context, it should not be overlooked that human capital encompasses not only knowledge but also skills. An exemplar of skilled workers in contrast to knowledge workers appears to be immigrants from the Philippines: they are less academically qualified, but more experienced in relevant fields of work, than Chinese and Indian applicants, showing a similar pattern to British immigrants (Ministry of Business, Innovation and Employment, 2013a, pp. 61-62). While admitting that a clear-cut distinction between knowledge workers and skilled workers is impossible, the distribution of the main occupations of the principal applications to the SMC seems to provide us with an idea that skilled workers occupy a significant portion in the SMC; for example, 30 per cent of the applicants are categorized into technicians and trade workers.[39]

Whether they are knowledge workers or skilled workers, a more significant point concerns the nature of human capital: the extent to which it is an individual or a social attribute. Given the list of factors for the point allocation in the SMC, current New Zealand immigration policy appears to regard human capital apparently as an individual capacity that can be measured in an unproblematic quantitative manner.

Given that knowledge differs from information for its use-value, and which then enables it to constitute a capacity for action, the knowledge of knowledge workers is a source of economic-value creation. Also, given that knowledge is gained in a specific social and cultural context, for the realization of the knowledge of knowledge workers in different

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[37] Please refer to Table 1.

[38] For more information, see http://www.immigration.govt.nz/migrant/stream/live/parent/default.htm

[39] Ibid., p. 66.

social and cultural environments, the formal academic knowledge of knowledge workers needs to be refined by tacit knowledge through embracing local cultural values of new environments (Stehr, 1994, cited in Wang & Thorns, 2009). From this perspective, a flaw of the current points-based SMC is that it fails to reflect the role of tacit knowledge in the selection process. The points-system focuses on only the measurement of immigrants' individual knowledge gained through their academic qualification and relevant work experience, without the consideration of the applicability of immigrants' knowledge and skills in New Zealand labour market. The content of the respective academic qualifications and work experiences of individual immigrants do not necessarily imply that their accumulated knowledge prepares them to create economic value in a new social and cultural environment. In order for immigrants to recover the use-value of their knowledge and skills, in the new context of their host society, means are needed by which those new immigrants acquire tacit cultural knowledge. We might call the tacit knowledge, following Bourdieu, in this context 'social capital' and/or 'cultural capital' in contrast with human capital.

While admitting that it can be interpreted in various ways, social capital in this context emphasises the significance of the relational nature of knowledge and knowledge workers, in contrast to the individuality of human capital, for their full applicability in the new labour market. The following few words of advice from an Asian graduate of a tertiary educational institution in New Zealand epitomises what social capital can mean to prospective immigrants: 'Work experience, social networks and networking are key elements in gaining access to labour markets. In addition, knowing how to present one-self to relate to those markets is an important dimension in increasing chances of a successful outcome' (cited in McGrath, 2013). It implies that graduates of tertiary educational institutions may have succeeded in the enhancement of their human capital by the acquisition of academic qualifications in New Zealand; but they soon realize that, without social capital, human capital itself cannot guarantee successful participation in the labour market. While 'local' social capital seems to be critical for immigrants in order to participate in the New Zealand labour market, on the contrary, the 'transnational' social capital of immigrants seems to be given preference by neoliberal immigration policy. The process by which the labour power of immigrants is commodified provides more insights into this disjuncture between social and human capital.

The Commodification of Immigrants

Walsh (2011) views the points-system as part of neoliberal project: marketisation of societal and governmental arrangements through immigration policy. While he analysed Canadian and Australian immigration policies, his analysis appears to be also applicable to the New Zealand context.

First, Walsh argues, neoliberal governments intend to take advantage of immigrants for the expansion of their national economy to the global market. According to him, knowledge and

> skill based admissions policies are employed as systems of labour-supply that, by
> providing foreign workers rich in human, financial and diversity capital, advance each

country's knowledge economies, trade links and international competitiveness. (Walsh, 2011, p. 862)

A notable concept in his statement seems to be 'diversity capital.' The concept of diversity capital in this context appears to imply immigrants' social and cultural capital (socio-cultural capital, hereafter) they bring to in the host country; an important point here is that the emphasis is placed on the transnationality of this capital, not on the assimilability and applicability in the host country. The heterogeneity of immigrants' socio-cultural capital is a virtue, neither a burden nor an obstacle from the neoliberal governments' perspectives. For example, while the ethnically confined socio-cultural capital of Asian immigrants could be sufficiently anticipated by the governments to negatively affect their labour market participation in New Zealand, the neoliberal governments seem to have expected that such negative consequences can be countervailed by the market expansion on a global scale. Thus, the diversity of the socio-cultural capital of immigrants is something being celebrated and even promoted by the government, not because it enriches national culture but because it enhances international trade links.

The New Zealand governments' strategy, to take advantage of immigrants' diverse ethnic socio-cultural capital for the expansion of the national economy to the global market through the enhancement of international trade links, seems to be shown also in their emigration policies. According to Statistics New Zealand, it is estimated that over 1 million New Zealanders are living overseas as of 2012, a significant portion of whom are in Australia.[40] By the end of Labour's nine years in power, the New Zealand governments' orientation toward emigration changed, replacing a negative term 'brain drain' with a positive term 'diaspora' (Gamlen, 2012, p. 245). Since then, the successive National governments have strategically promoted an idea of national belonging in order to incorporate highly-skilled, globally networked and cosmopolitan expatriate elites for the expansion of the national economy to the global market.[41] This change in orientation is deemed to reflect the ongoing neoliberal transformation.

The same fundamental logic, but with strategically differentiated approaches, appears to have been applied to two different groups respectively: immigrants in New Zealand and New Zealand emigrants overseas, the Kiwi diaspora. The common logic penetrating both groups is that the State seeks to take advantage of the transnationality of the socio-cultural capital of both groups, for the enhancement of New Zealand's international trade links. To achieve this goal, differentiated strategies are applied to each group: a nostalgic sense of national belonging to New Zealand is instrumentally utilized in order to reverse the Kiwi diaspora; conversely, for immigrants in New Zealand a sense of belonging to their new home is less emphasised. In this context, some parts of both groups who lack transnational socio-cultural capital tend to be brushed aside from the governments' strategies:

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[40] For more information, see http://www.stats.govt.nz/browse_for_stats/population/mythbusters/1million-kiwis-live-overseas.aspx

[41] Ibid., p. 240.

low/medium-skilled labour migrants in Australia[42]; and immigrants with non-English speaking backgrounds of the Family Stream and International/Humanitarian Stream who have become a source of low-wage labour in the domestic manufacturing and service sectors (Moran, 2005; Reitz, 2004, cited in Walsh, 2011, p. 870).

Second, Walsh goes on, a points-system tends to de-personify immigrants by treating them as mere data (Hacking, 1986, cited in Walsh, 2011, p. 873) and replacing concrete individual immigrants with 'a combination of factors' (Castel, 1991, p. 282, cited ibid., p. 873). An effect of the points-system's ultimate goal is a set of administrative processes which seek to predict and regulate immigrants' collective behaviour on the basis of aggregated individual data.[43] For example, in a report as part of the Integration of Immigrants Programme prepared by Massey University and commissioned by the Ministry of Business, Innovation and Employment, the authors state that 'we consider changing the allocation of points, using the wages earned by migrants as a measure of their contribution to the country' (Grangier et al., 2012, p. 2).

Third, closely related to the de-personification of immigrants, a points-system contributes to the creation of new types of citizenship by commodifying and instrumentalizing immigrants (Walsh, 2011, p. 875). When applicants under the SMC are approved for residence, they may be fully aware that their presence in New Zealand society is evaluated by the economic value they are predicted to bring. As a result, their sense of membership and belonging, even after the approval of residence, may tend to be tentative as they may consistently feel the tacit or explicit pressure for economic contribution to the host society. In other words, an applicant is required to become a 'neoliberal immigrant', the immigrant version of 'neoliberal citizen', who is disciplined, productive, industrious and acts as an 'entrepreneur of him or herself' by continuously investing in and enhancing his or her human capital (Gordon, 1991, p. 44, cited in Walsh, 2011, p. 872). The emergence of these neoliberal immigrants is perhaps inevitable in the milieu of the 'moralization of markets', in which economic values, traits and behaviours are praised as integral components of social order (Sharmir, 2008).

In this context, neoliberal immigrants, who shoulder double burdens – remaining as responsible individuals as neoliberal citizens, on the one hand, and, on the other, dealing with the pressure for economic contribution from the host society and state – may appear opportunistic. This is because the relationship between immigrants and the State becomes an overly contractual one: if the State has a right to choose immigrants on the basis of their economic contribution to the national economy, immigrants also have a right to choose a State that provides them with better material conditions. For example, Ong's (1999) notion the 'flexible citizen' reveals the nomadic and opportunistic traits of contemporary immigrants. Immigrant transnationalism, which is found not only in the first generation but

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[42] Ibid., p. 244.

[43] Ibid., p. 872.

also in the 1.5 and second generations, seems to be another phenomenon associated with the opportunistic character of the neoliberal immigrant.

Unintended Consequences of the Points-System

Effects of both a micro and macro kind follow from the SMC. On a micro level, the quantification of a prospective immigrant as fragmented human capital, ignoring the significance of local socio-cultural capital in the participation in the local labour market, seems to have necessarily caused a mismatch between the immigration policy and the demand from local employers who may consider the assimilability and adaptability of immigrants' socio-cultural capital more important than immigrants' unrefined and fragmented human capital and the transnationality of their socio-cultural capital. In particular, the extent of this mismatch seems to be pronounced among Asian immigrants because, alongside their visible difference in appearance, their socio-cultural capital tends to be confined by their ethnicity. In this context, based on the observation of this mismatch, efforts seem to be made within the points-system to enhance the components of the socio-cultural capital of applicants, but not in terms of their ethnic capital.

Grangier et al. also note in this regard (2012) that the government should select immigrants who are more likely to earn higher wages in the medium term. This recommendation appears to acknowledge a need to enhance the weighting given to the socio-cultural capital of immigrants in the points-system. For example, one of their recommendations is that, while the points allocated for a New Zealand qualification could be maintained to serve other objectives such as international education, more points could be awarded for high levels of relevant work experience and fewer points for vocational qualifications (p. 30). Given that formal qualifications imply academic human capital, and that vocational qualifications are comprised of individual skills, more points for high levels of relevant work experience can be interpreted as an emphasis on the knowledge and skills which are combined with and refined by socio-cultural capital. In addition, Grangier et al. clearly state that the significance of a New Zealand qualification for applicants in the SMC lies, not on its contribution to graduates' successful labour market participation and outcomes, but on the economic benefits derived by the education industry.

Another recommendation the authors make in relation to socio-cultural capital relates to English language ability: they recommend raising the required level or awarding points for those whose language skills exceed the minimum threshold (p. 29). English language ability has dimensions of socio-cultural capital, not just human capital; for example, English accents that differ from the 'Kiwi' accent tend to matter in social settings where power is being exercised. The recommendation for a higher level of English competency of immigrants appears to reflect employers' demand for more intensive interchanges of immigrants with existing workers in employment settings such as managerial positions. If these recommendations were implemented, an immigrant group likely to be negatively affected would be Asians; in particular Indians and Chinese, given their high rate of New Zealand qualifications and relatively very low rate of relevant work experience, alongside their lower levels of English competency and/or different English accents.

Overall, the quantification of immigrants' individual human capital as a measure for the selection of skilled migrants in the points-system is being challenged by the outcomes of the labour market, in which the socio-cultural capital of employees plays a significant role. Elements which reflect socio-cultural capital are, however, neither included in the lists of measuring factors in the points-system nor promoted by the government for cultivation – even after settlement into New Zealand – as it is regarded as an immigrant's individual responsibility to foster the local socio-cultural capital required by local employers. Further, any attempts at modifying the points-system by controlling the points awarded, in order to improve immigrants' labour market outcomes as recommended above, are likely to exclude non-white applicants with non-English speaking backgrounds from the approval of residence. This could be predicted on the basis that white applicants with English speaking backgrounds perform well in the labour market as they are already equipped with the kinds of socio-cultural capital which mesh with that of the native-born.

On a macro level, this individualized numerical approach to skilled migrants as economic subjects seems to bring about an awkward relationship between immigrants and the host society. Skilled migrants acquire permanent residence from the State through the initial demonstration of their economic values when they apply for residency, but they do not form any official relationships with the national society. The Statehood of New Zealand is formally recognised by them but their stance towards the nationhood of New Zealand seems to remain as a question. Social dynamics such as discrimination, ethnic concentration, immigrant transnationalism and social cohesion, all seem to reflect this uncertain relationship between immigrants and the host society in which immigrants live a social life, not only an economic life as the State expected. These issues will be discussed in the following chapters.

To sum up, the seemingly non-racist points-system of the SMC is substantially a product of the changing international political and economic dynamics between New Zealand and Asian countries in the milieu of global capitalism. The effects of the points-system can be summarized as involving a capitalisation of human capacities and a quantification of immigrants as independent economic units. Both effects ignore the relational nature of human knowledge and skills such as local socio-cultural capital, resulting in higher rates of unemployment/underemployment of Asian immigrants. Nevertheless, the administrative significance of a New Zealand qualification in the points-system remains, not because of its positive correlations with immigrants' labour market participation and outcomes but because of the economic benefits of education industry. Immigrants' ethnic socio-cultural capital can draw attention from the government only when it can contribute to the expansion of the New Zealand economy to overseas markets in the name of diversity capital. In conclusion, the commodification and instrumentalization of immigrants in the points-system for economic ends contributes to the creation of neoliberal immigrants of an opportunistic kind.

The findings in the chapter may have the following implications. The defining of immigrants as pure economic contributors resonates with Polanyi's notion of 'fictitious commodities'. As Polanyi asserts, labour, land and money can never be real commodities, and nor can immigrants be commodified. This is simply because immigrants are social human beings

who live not only an economic life but also a social life, as labourers do. We might say that, while classical liberal imperatives have succeeded in the fictitious commodification of local labour, neoliberal imperatives have attempted the fictitious commodification of immigrants. In this context, as the classical liberal imperatives historically encountered a countermovement from the labour class, the neoliberal imperatives to commodify immigrants seem to provoke a friction, at this stage, not between the neoliberal imperatives and immigrants, but between immigrants and the people of the host society. This seems to be the case because the neoliberal imperatives are concealed from, or taken for granted by, the people of the host society. In this milieu, the people of the host society seem to be inclined to blame visible immigrants who are deemed to have changed their social space without their intention. This blame appears in the form of 'discrimination', which will be discussed in the next chapter.

Chapter 3. Discrimination Against Ethnic Immigrants

In this chapter, the implications of discrimination against ethnic immigrants will be examined, discrimination representing the most precarious relationship between immigrants and the people of the host society. Firstly, the attitudes of both Pākehā and Asian immigrants towards each other will be examined and reasons explored for those attitudes. This will involve the consideration of both subjective and objective dimensions of ethnic immigrants' discriminatory experiences. Secondly, employment discrimination will be analysed, that being the most salient form of objective discrimination against ethnic immigrants and their descendants. Lastly, the relationship between racial discrimination and economic (neo) liberal imperatives will be considered.

Ambivalent Attitudes

Results of surveys on New Zealanders' attitudes towards Asian immigrants seem inconsistent, even contradictory in many cases, in spite of the awareness of the significance of ties with Asian countries. For example, the vast majority of New Zealanders, 90 percent, believe that it is important to develop cultural and economic ties with the peoples and countries of Asia because Asia is perceived as the second most important region, next to Australia (Brunton, 2012); New Zealanders' attitudes towards immigrants in general are largely positive and the levels of perceived threat by immigrants are relatively low (Ward, Masgoret & Vauclair, 2011, p. 4). On the other hand, only 22 per cent of New Zealanders see New Zealand as part of Asia (Butcher, Spoonley & Gendall, 2013); about one in two New Zealanders feel that the recent arrival of many Asian immigrants is changing New Zealand in undesirable ways (Girling, Liu & Ward, 2010, p. 5).

These mixed findings can be summarized by saying that New Zealanders wish to benefit economically from the enhancement of ties with Asian *countries* at an international level, but are reluctant to be inclusive of Asian *people* within the nation for the fear of Asian influence on their society and values.[44] Their heart in daily life tends to keep distance from Asia while the economic rationale in their head continuously persuades them to embrace Asia.

In this context, efforts to justify the necessity of receiving Asian immigrants have been made by successive governments through promoting global and local economic imperatives in relation to immigration and the advantages of diversity which Asian immigrants will bring to New Zealand. Since 2000, the public discourse in New Zealand has tended to stress the economic advantages of diversity; for example, the Auckland Chamber of Commerce has made efforts to convince employers that ethnic diversity amongst employees is an unavoidable reality and urge them to view it as something to celebrate, not as a cost or a risk (Spoonley & Bedford, 2012, p. 204). Herring (2009, p. 210) also argues, in the context of the U.S., that an active acceptance of an ethnically diverse workforce is required, not

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[44] Ibid., p. 5.

because of the reality of the ethnic distribution of the labour market, but because of empirically better business outcomes brought by an ethnically diverse workforce. A similar finding emerged in New Zealand: employers who have employed immigrants are highly satisfied with their performance, in terms of both skills and relations with co-workers (Podsiadlowski, 2006, cited in Ward & Masgoret, 2007, p. 529).

Nevertheless, in spite of the apparent inevitability of the government's decision to receive Asian immigrants in order to enhance ties with Asian countries, and of business organizations' encouragement to embrace the ethnic diversity of the new workforce, the attitudes of the New Zealand public and employers towards Asian immigrants do not appear to follow such a direction, showing random and institutional discrimination against Asian immigrants. According to a poll in 2009, 75 per cent of New Zealanders think that Asians experience some discrimination, 28 per cent of whom believe that Asians suffer the greatest discrimination of all groups (Spoonley, 2012). From the perspective of the Asian immigrant, 23.2 per cent of Asians are reported to have experienced discrimination in the past 12 months; higher than Māori, at 16 per cent, and Pacific peoples, at 14.1 per cent (Statistics New Zealand, 2009, cited in Girling et al., 2010, p. 6). Results of another survey from the Department of Labour also show that North East Asians (Chinese, Japanese and Koreans) are the group who experience the most discrimination amongst all immigrant groups, with 42 per cent of participants indicating that they had been discriminated against (Department of Labour, 2009). A further survey, LisNZ, Wave 1, suggests that Asian immigrants are significantly less likely to be satisfied with life in New Zealand than European immigrants (Ward et al., 2011, p. 5), only, however, to be contradicted by another national survey which indicates that 84.1 per cent of Asian respondents experience high levels of satisfaction, only trailing New Zealand Europeans by 3 per cent (Girling et al., 2010, p. 14).

The different results between the surveys may be the result of subjective effects in the framing of questions and the provision of answers. Concepts such as discrimination in the questions may need to be considered as the products of both respondents' subjective feeling and society's objective reality; they have both subjective and objective dimensions. For example, as will be discussed below, while the elimination of candidates who have Asian surnames in the process of recruitment by employers can be an objective discrimination, sarcastic remarks by Pākehā toward them may or may not be experienced by Asians as discrimination because of the subjectivity of experience.

Objectively the same event can be experienced differently by subjects. This understanding may explain why younger and highly educated Asians tend to experience discrimination more frequently and feel less sense of belonging (Ward et al., 2011, p. vi). Thus, the contradictory survey results: Asians' high levels of experience of discrimination and also high levels of satisfaction may be approached from this understanding. Some Asians in this context may cope with the discrimination they experience by changing their mindsets rather than their external circumstances (Yamaguchi, 2001, cited in Girling et al., 2010, p. 14), by for example, telling themselves to 'forget about it' or that 'I was just unlucky today.' This subjectivity of discriminatory experience seems to be confirmed by the finding that the group who might complain the most about racial discrimination is that of New Zealand Europeans, who experience discrimination the least. According to a Human Rights

Commission's 2009 Race Relations report, 25 per cent of Europeans, as compared to 10 per cent of Asians (except Indians), claim to experience discrimination.[45]

This tendency, towards an internalisation of discriminatory experiences, may be interpreted as part of the process of 'mutual otherisation' between the dominant ethnic majority (Pākehā) and ethnic minorities (Asians).[46] In this process, neither group considers the other to be the same as themselves. One of the consequences of this mutual otherisation may be positive: no ethnic conflicts ensue, at least superficially, as there are no complaints from victims. In terms of social cohesion, however, this tendency of Asians to internalise discrimination appears to have negative implications. For example, the mindset that 'discrimination is something that we need to take lying down because we live in THEIR country' may contribute to Asians' lack of a sense of belonging and transnational opportunism.

Employment Discrimination

While random or tacit discriminations might be overcome through subjectification and internalization by Asian victims, areas exist in which overt and objective acts of discriminations occur against Asians. Emblematic in this regard is discrimination in the labour market. In Burns' (2000) research, 95 per cent of human resource professionals and recruitment consultants responded that some candidates experience unfair disadvantages due to, for example, their non-New Zealand English accent (70 per cent) and heterogeneous culture (57 per cent); half of them believe that Asian candidates experience discrimination, compared to 37 per cent for Pacific people and 32 per cent for Māori. Other studies show similar findings. In their research to investigate the impacts of ethnicity on the initial short-listing of job applicants, the authors conclude that employment discrimination persists and the most disadvantaged ethnic group is Chinese,[47] and that additional disadvantages appear to be imposed in relation to the specific immigration statuses of individuals, in relation to foreign qualifications and work experiences, and/or the possessions of 'foreign-sounding names' (Wilson, Gahlout, Liu & Mouly, 2005, p. 70).

A notable finding in the research of Wilson et al. is that ethnicity overwhelms immigration status in the recruitment process; for example, European immigrants with foreign qualifications were shortlisted more often than local Chinese with New Zealand qualifications. This finding is consistent with the finding of Grangier et al. (2012), that New Zealand qualifications of skilled migrants are not rewarded more than foreign ones in employment. Ward et al. (2007) also found from their comparison research that Chinese

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[45] Ibid., p. 15.

[46] While explicit forms of discrimination against ethnic majorities by ethnic minorities cannot occur because of the relative lack of socio-political resources by the latter, their otherisation of ethnic majorities can occur in a reactive, passive and internal form of discrimination.

[47] Other comparative groups are Pākehā /Europeans and Indians

immigrant candidates with equivalent qualifications and work experiences were significantly less likely to be engaged after initial contact and more likely to have further contact terminated than were native-born candidates.

Studies using psychological theories to interpret employment discrimination against Chinese and Indians also produce similar results. According to Coates & Carr (2005), New Zealand employers' selection biases against ethnic minority skilled migrants can be explained by similarity-attraction theory and social dominance theory: New Zealand employers prefer candidates who are perceived as similar to the majority and/or who are from countries the standards of living of which are perceived as not being inferior to New Zealand. Immigrants from China and India are not similar to Pākehā in terms of culture and appearance, and also are perceived as inferior to New Zealanders in terms of standards of living even though their home country as a whole may be much more influential than New Zealand in international politics and economics. This interpretation suggests that gaps exist between the government's expectation for newly selected skilled migrants and employers' expectations for prospective employees. New Zealand employers wish to employ culturally and economically similar individuals who are highly likely to integrate with the existing workforce. From the employers' point of view, they need neither to consider the government's political direction nor to take the risk of employing unproven heterogeneous labour without any economic incentives or urgency.

Employment discrimination against non-white immigrants is not a phenomenon limited to New Zealand, but a prevailing phenomenon in Western developed countries. In the case of Australia, labour market participation rates of immigrants with non-English speaking backgrounds are extremely low, compared with both the native-born and white immigrants with English speaking backgrounds (Wagner & Childs, 2006, p. 51). Amongst many factors contributing to the low rates of labour market participation, one appears to be particularly salient with regard to socio-cultural capital: the failure of formal and informal recognition of immigrants' knowledge and skills gained from their foreign qualifications and experiences. Australian governments have attempted to improve the formal recognition process by expanding the role of professional bodies. It has, however, on the contrary, effectively entrenched the current exclusionary system; for example, their implementation of competency-based assessment (CBA) qualification reform in nursing from the mid-1980s to the 1990s resulted in the immediate recognition rates dropping to 29 per cent of non-English speaking background nurses, compared to 97 per cent of English speaking background nurses (Hawthorne, 2002, p. 83). Further, one 2007 study found that job candidates with Chinese names are the most significantly discriminated against in the recruitment process in Australia (Trenerry, Franklin & Paradies., 2012, p. 19). The finding of an OECD research project corroborates the 2007 study: immigrants who changed their original name to an Anglicized name were revealed to earn more (Liebig, 2012, p. 26).

Employment discrimination against Asian immigrants does not seem to be limited to the recruitment process but also seems to occur in the workplace even after they are employed. Immigrants are significantly more likely than New Zealand-born employees to report discrimination in the workplace, and the highest likelihood of self-reported discrimination is found among Asians and Pacific people (Daldy, Poot & Roskruge, 2013, p. 137). In the

Australian context, immigrants from Asia and the Middle-East with non-English speaking backgrounds appear to be at high risk of experiencing discrimination in the work place; for example, almost half of them reported race-based discrimination in the workplace, according to some research (Challenging Racism Project, 2010, cited in Trenerry et al., 2012, p. 19).

In this context, initiatives are observed in Western developed countries to provide equal opportunities to ethnic minorities at an organizational level in the workplace. For example, ASDA, a British supermarket chain, introduced an equal opportunity policy in 1984[48] and the Race and Social Justice Initiative was initiated by the Seattle City Government in 2004.[49] While both organizations have benefited in terms of improvement of organizational efficiency to some extent since then, they have also exposed the limit of their initiative: both of them have failed to show the upward mobility of ethnic minority employees to managerial positions. Another case study, conducted for a local authority in the UK that implemented a race equality plan, shows a similar finding: only 12 per cent of visible minority women and 19 per cent of visible minority men felt that they had the same promotional opportunities, compared to 54 per cent of white men.[50] These studies seem to suggest that a superficial increase in the number of ethnic minority employees does not necessarily imply equal opportunities for ethnic minorities in employment; rather, it may mean an equal opportunity only in the recruitment process, but not in workplace practices. Thus, employment discrimination needs to be examined in terms of both the recruitment process and the working environments.

The costs caused by discrimination against immigrants, regardless of whether subjective or objective, seem readily apparent. Firstly, as direct economic costs, the original expectation for economic contribution from skilled migrants cannot be met in this discriminatory milieu. For example, immigrants may leave New Zealand again for their home country or overseas for a new opportunity in a less discriminatory milieu. In such a case, the government's ambitious plan to maintain economic growth by bringing in more highly developed human capital and, consequently, addressing skill shortages would fail. Secondly, as social costs, immigrants' subjective experiences of discrimination in daily life and also objective experiences of employment discrimination will contribute to the barriers to social cohesion, for example, lack of participation in social, cultural and political life (Ward et al., 2011, p. 1). A notable point in relation to the social costs in this context seems to be that a gap exists between the views of employers and/or capitalists on the one hand and the State and/or the social on the other; from the employers or capitalists' point of view – and in keeping with the tenets of classical liberalism – social costs caused by discrimination against immigrants are not their costs, but literally the costs of society. Thus, this gap seems to have an uncomfortable implication for the relationship between global and local capitalist

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[48] Ibid., p. 21.

[49] Ibid., p. 28.

[50] Ibid., pp. 33-34.

imperatives and the social imperatives of the nation-state. In the following section, the relationships between these global and local capitalist imperatives and discrimination will be discussed.

Discrimination and Neoliberalism

Racial discrimination against ethnic minority immigrants appears to have been deeply interwoven with social class in the milieu of global capitalism (Crothers, 2013a, p. 16). Both racial discrimination, another name for ethnic inequality, and class inequality emerge out of the very material conditions of peoples' live and the organization of production and reproduction (James & Saville-Smith, 1989, cited in Crothers, 2013b, p. 271). In the New Zealand context, a hierarchy of racialization persists: Pacific people are most negatively perceived, followed by Asians, with a significant gap to white Pākehā /Europeans (Spoonley & Bedford, 2012, p. 234). This hierarchy of racialization appears to have been reflected in the hierarchy of labour division, 'the ethnicisation of the division of labour' (Ongley, 2011).

The ethnicisation of the division of labour in New Zealand has formed as a consequence of the way in which ethnic groups are incorporated into capitalist relations of production, through colonization and immigration more particularly (Ongley, 2011, p. 218). Māori and Pacific people have tended to be incorporated into the capitalist relations of production as low-skilled production workers; subsequent Asian immigrants have tended to be incorporated into the capitalist relations of production as either low- or high-skilled workers in service industries; and the Pākehā /European majority seem to have occupied the most privileged positions such as executive employers and higher managers since the time of their colonial ascendancy. The tendency of this ethnicisation of labour has been reproduced over time, contributing to the transformation of ethnicized labour into ethnicized class divisions, as the intergenerational mobility of workers becomes restricted by the exclusionary practices of the dominant ethnic group and class, through the mechanisms of employment discrimination described above.[51]

The ethnicisation of class and ethnic discrimination – of racism, for short – seems inherent to the economic liberal (capitalist) project (Roberts & Mahtani, 2010, p. 250). In the late 19th and early 20th centuries, when imperial capitalism was the dominant production mode in Western countries, overt forms of racism such as biological racism were prevailing to justify and legitimize the exploitation of colonial labour. As imperial capitalism ended and post-modern late capitalism emerged in the late 20th century, such explicit racism disappeared with the effect of facilitating global capitalist imperatives, including overseas activities of Western multinational corporations and the importing of unskilled foreign labour. In conjunction with these shifts, the discourse of multiculturalism emerged (Oliver, 2011. p. 982). In the milieu of multiculturalism, discrimination against ethnic immigrants in New Zealand takes the nuanced form of 'human capitalisation' and of 'otherisation.'

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[51] Ibid., p. 212.

The human capitalisation of ethnic immigrants implies their transformation as human beings into economic units, in which ethnic immigrants are destined to economically contribute to the host society from the moment they enter the host country until their perceived visibility ends (as discussed in chapter 2). This exclusive definition of ethnic immigrants by neoliberal immigration policy naturally presents the image of ethnic immigrants to the people of the host society as objects that need to be monitored with caution because they can be 'good guys' in terms of economic contribution but, at the same time, can also be 'bad guys' in terms of ethnically homogenous Western liberal society (Roberts & Mahtani, 2010, pp. 252-254). Thus, ethnic immigrants are seemingly required to remain in the periphery of a nation-state as ethnically heterogeneous – but still neoliberal – subjects, while the people of the host society enjoy the core position as ethnically dominant neoliberal citizens. In this context, more harsh moral standards and behavioural norms tend to be applied to ethnic immigrants by members of the host society.

From the neoliberal point of view, there may be some exemplary immigrants who 'do all the right things,' including having a good command of Kiwi English, attaining New Zealand qualifications with excellence and working really hard to expand social networks (Wagner & Childs, 2006, p. 59). An issue here is that they, for example, Asians, have to work much harder than Pākehā for similar outcomes. This may be because their start line for the race is behind that of the average Pākehā. This gap between the two start lines might be understandable at a glance given the differences of accumulated social capital in New Zealand between these two groups.

This understanding, however, seems problematic for the following reasons. Firstly, no chance may be given to even hard workers due to, for example, employment discrimination, implying no opportunities to demonstrate their hard work. Secondly, given that Asian immigrants are not all exceptionally hard workers and their social and economic integration is significantly affected by the attitudes of the host society towards them, most ordinary Asian immigrants and their descendants may tend to fall behind Pākehā in this milieu. Nevertheless, the failure of social and economic integration of Asian immigrants seems to be attributed to the lack of individual efforts of Asian immigrants themselves, not to social discrimination against them, in the environments of neoliberalism.

While human capitalisation of ethnic skilled migrants through the transformation of them as social human beings into mere economic contributors by the points-system provokes the discriminatory attitudes of the people of the host society towards them, otherisation of ethnic immigrants appears to be a strategy of the people of the host society to cope with the influx of ethnic migrants in their social space. As Appadurai (2006) points out in his socio-psychological analysis, majority groups in developed countries – Pākehā in the New Zealand context – tend to fear the erosion of the traditional identical overlapping connections between national identity and state territory caused by the influx of ethnic minorities, in spite of the deepening dependency of their national economy on overseas markets; their fear tends to be expressed in the form of exclusionary discrimination. Any bold attempts to revive the old form of racism are, however, unlikely to succeed as they would face resistances from, on the one hand, the government and capitalists/employers whose economic interests are significantly grounded on the international connections even

with the countries of origin of ethnic immigrants; and, on the other, civic society, whose consciousness is based on egalitarian political liberalism. In this context, cultural and informal otherisation of ethnic immigrants in social space appears to be an alternative form.

For example, employment discrimination against Asian immigrants may be considered as an informal way of otherisation. Despite the fact that employment discrimination based on ethnicity is illegal under the Human Rights Act (1993) (Wilson et al., 2005, p. 71), if the cultural sameness of the workplace is closely associated with productivity improvement as some employers presume, their practice to exclude other-like candidates in the recruitment process can hardly be blamed for either legally or morally. Another example may be happening in relation to the proposals to brand Chinatown as a tourist destination. The proposals were made by mainstream scholars and politicians (Spoonley & Bedford, 2012, p. 248), but rejected by Chinese communities because of its nature: its otherisation of Chinese for the economic gains of Auckland city.[52] In addition, the invisibilization of ethnic immigrants seems to be another form of otherisation. For example, a TV program called 'Asian Downunder' once provided viewers with regular insights into Asian immigrants, but had its funding withdrawn by Television New Zealand in 2011. The program could have contributed to Pākehā's understanding of Asian immigrants, possibly leading them to an increased awareness of their sameness to Asians. In this context, Asian immigrants become and remain as invisible others who are still apparently visible.

This form of discrimination, of the otherisation of ethnic immigrants, seems to contribute to the enhancement of immigrants' ethnic identity, and may be related to the identification of some immigrants with ethnic enclaves. As Wieviorka notes, the effect of this may be the strengthening of ethnic ties and the weakening of attachments to national identity, an attachment which the immigrant may not have wanted initially (Wieviorka, 2004, p. 204). In other words, the otherisation of ethnic immigrants by members of the host society appears to contribute to the establishment of a reactive ethnic identity and the enhancement of spatial and psychological ethnic segregation. While Asian immigrants' seemingly segregated activities may be viewed by some Pākehā as a representation of a lack of will to integrate with the mainstream (Spoonley & Bedford, 2012, p. 226), they may need to recognise a reactive dimension of these activities. Ethnic segregation is, at least in part, a product of mutual otherisation between the existing dominant ethnic group of the host society and newly arrived ethnic minority immigrant groups.

To sum up, both the people of the host society and Asian immigrants have seemingly ambivalent attitudes towards each other: many Pākehā are reluctant to share the same social space with Asians, despite their awareness of the significance of Asian countries; and many Asian immigrants are satisfied with life in New Zealand despite their experiences of discrimination. The Asians' ambivalent attitudes seem to be related, in part, to the subjectification and internalisation of their experiences of discrimination, implying the mutual otherisation between Pākehā and Asians. An example representing objective

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[52] This issue will be discussed in depth in chapter 4.

discrimination against non-white immigrants is employment discrimination, which occurs in both the recruitment and promotion processes. Ethnic discrimination has transformed from explicit racism to a more inclusive multicultural form with the effect of facilitating global and local capitalist imperatives. In New Zealand, ethnic discrimination appears, in part, in attempts to define immigrants as economic contributors (via a process of human capitalisation) and the otherisation or invisibilization of those same people in social space.

The findings in this chapter may have the following implications. In the periods of pre-mass migration from ethnically different countries, the necessity of strategies to exclude other ethnic groups did not appear in Western countries as ethnically different people were separated by State boundaries. In the milieu in which State territories are eroded by people moving in response to global and local capitalist imperatives, however, the necessity emerges to exclude those ethnic groups, who are already in the State territory, from the perspective of the host society. One of the strategies seems to be, on a structural level, interweaving class with ethnicity in the form of the ethnicisation of class; another strategy seems to be, on a cultural level, inserting distance from ethnic immigrants in the form of an otherisation of them in social space. While these are strategies of the host society to cope with the influx of ethnic immigrants, ethnic immigrants also seem to have their own strategies to cope with these discriminatory practices of the host society, such as the development of ethnic enclaves and of immigrant transnationalism, which will be discussed in the following chapters.

Chapter 4. Ethnic Enclaves

This chapter will examine the nature of ethnic enclaves of immigrants in terms of both residence and economic activities, alongside the analysis of the neo-tribal economies of Māori who share the same social status as ethnic immigrant groups, that of 'ethnic minority'. Firstly, three theoretical models of the residential pattern of ethnic immigrants – the spatial assimilation model, ethnic disadvantage model and segmented assimilation model – will be examined as means by which to understand the relationship between the residential concentration of ethnic immigrant communities and the social integration of those communities into the host society. Secondly, recent proposals made by local academics for the commodification of Chinese ethnic precincts in Auckland will be critically examined, in terms of their implication for integration and social cohesion. Lastly, the nature of the relationship between the neo-tribal economies of Māori, biculturalism in a broad term, and neoliberalism will be discussed.

Ethnic Residential Concentration

The residential concentration of ethnic immigrant communities contributes strongly to the social segregation of immigrants, often in keeping with the development of ethnic economic enclaves. According to Massey & Denton (1998), in the context of the U.S. metropolitan areas, residential segregation of immigrants has several dimensions including evenness, exposure, concentration, centralization and clustering, leading to immigrants being segregated in a variety of ways. In this thesis, the dimension of concentration, rather than the broad concept of segregation, is used in order to prevent any possible false impression that the concept of segregation may convey; for example, one might conceive of a relative residential concentration of a certain ethnic group as an absolute majority of that group in a certain area (Johnston, Poulsen & Forrest, 2008, p. 216).

One of the most controversial questions in the debates on ethnic residential concentration appears to be whether it facilitates or impedes immigrants' integration (or assimilation) into the host society (Spoonley & Bedford, 2012, p. 235; Bilodeau, 2009, p. 134). This question seems to be closely related to another question: which of two policies, assimilation or multiculturalism, is more effective for social integration? To answer the question, it seems useful to examine three theoretical models in relation to the residential pattern of ethnic immigrants: the spatial assimilation model, ethnic disadvantage model and segmented assimilation model.

According to the spatial assimilation model, which has been argued by the Chicago School since the 1920s, immigrants' tendencies to congregate into co-ethnic residential enclaves are temporary and would disappear as they (and their descendants) assimilate into the mainstream economy (Johnston, Poulsen & Forrest, 2007, p. 733). This spatial assimilation model, however, seems to be applicable to certain groups in a certain period of time. For example, before the post-industrial era began in the late 20th century, European immigrants in the U.S. and settler societies such as Australia, Canada and New Zealand seemed to enjoy class mobility. This was in part because of the characteristics of the Fordist production model of manufacturing industries that consisted of a significant number of middle

management positions, providing promotion opportunities to unskilled or semiskilled European immigrant workers. As a result, their initial co-ethnic residential enclaves largely disappeared as their socio-economic status was elevated to that of the native-born. In the U.S., this spatial assimilation model seems to still remain as a normative theory of ethnic residential patterns, promoting the middle-class American dream to all (Clark, 2003).

As stated above, however, the application of this spatial assimilation model appears to be confined to the particular group of visually and culturally similar European immigrants in the particular period of Fordist industrialism. Blacks and Hispanics in the U.S. have not experienced any meaningful spatial assimilation process as yet, resulting in a paradoxical phenomenon that the U.S., in spite of its emphasis on assimilation, has higher levels of ethnic residential concentration than other countries that have adopted multiculturalism (Johnston et al., 2007, p. 733).

A multicultural model with regard to the residential pattern of immigrants seems to have gained its influence in Western developed countries, compared to the spatial assimilation model, in the milieu in which the number of non-European immigrants has significantly increased. This model recognises that economic and political assimilation of immigrants does not need to be accompanied by cultural integration, allowing immigrants to choose their residential pattern.[53] It implies that this model views ethnic residential concentration not as a transitional residential pattern of immigrants but as a potentially permanent residential pattern, contrary to the assumption of the spatial assimilation model. Also, one of the strengths of this model seems to be that it encompasses not only the residential pattern of unskilled non-European immigrants observed in current Europe and the U.S. but also that of newly emerged, relatively wealthy and skilled non-European immigrants observed in Australia, Canada and New Zealand.

This multicultural model can be divided into two sub-models: the ethnic disadvantage model and the segmented assimilation model (Iceland & Scopilliti, 2008). The ethnic disadvantage model argues, in contrast to the spatial assimilation model, that certain groups of immigrants, for example, unskilled Hispanic immigrants in the U.S., tend not to residentially assimilate into the mainstream even if they improve their knowledge about and familiarity with the culture of the host society, due to the persistent prejudice and discrimination against them by the dominant group.[54] On the other hand, the segmented assimilation model, which maps the general settlement processes of various immigrant groups, argues that this phenomenon needs to be viewed as a way of assimilation in a broad sense, not as segregation.

Both the ethnic disadvantage model and segmented assimilation model may be applicable in part to the New Zealand context: the disadvantage model for Pacific people and the segmented assimilation model for Asian immigrants.

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[53] Ibid., p. 716.

[54] Ibid., p. 80.

Pacific people are the most residentially segregated group from Pākehā, according to Grbic, Ishizawa & Crothers (2009, p. 8); as of 2006, there were 265,974 self-declared Pacific peoples living in New Zealand, 60 per cent of whom are born here New Zealand and 67 per cent of whom inhabited the Auckland region (Ministry of Pacific Island Affairs, 2014); and their main areas of residential concentration were outer suburbs of Auckland, including Otara, Harania, Mangere, Manukau, Tamaki and Glen Innes (Johnston et al., 2008, p. 231). Given that most first generation Pacific immigrants entered New Zealand as unskilled manufacturing and construction workers, it would be predictable that they tended to cluster in budget accommodation areas in which state housing stocks were concentrated.

A notable Issue surrounding the Pacific people's residential concentration seems to be that no signs exist this trend changing, even though the majority of them are now native-born (Grbic, Ishizawa & Crothers, 2008, p. 19). This trend counters the predictions of the spatial assimilation model. Given that an improvement in the socio-economic status of immigrants is passively associated with the levels of residential de-concentration, it may imply that there have been no substantial socio-economic improvements to Pacific immigrants and their subsequent generations although some upward economic mobility among native-born Pacific people has been observed (Grbic, Ishizawa & Crothers, 2010, p. 26). Overall, Pacific people's engagement with lower segments of the New Zealand labour market and discriminatory experiences, alongside their limited financial capital for housing, seem to have contributed to their 'voluntary self-segregation'.

While the residential pattern of Pacific immigrants and European settlers during much of the 20th century may be examples of the ethnic disadvantage model and the spatial assimilation model, respectively in the New Zealand context, Asian immigrants' residential pattern in Auckland, the so-called ethnoburb, seems to exemplify the segmented assimilation model. An ethnoburb is 'a suburban ethnic cluster of residential areas and … multiethnic and multicultural community in which one ethnic minority group has a significant concentration but does not necessarily comprise a majority of the total population' (Li, 2006, p. 12). While both Pacific people and Asian immigrants in Auckland have shown a similar trend of ethnic residential concentration, the density of the concentration of the former is higher than that of the latter. Thus, an Asians' ethnoburb is characterized by a dispersed concentration, whereas a Pacific People's ethnic enclave is characterized by an extreme concentration (Johnston et al., 2008). This seems to be because, unlike Pacific people, immigrants from Asian countries, such as Indians, Chinese and Koreans, do not tend to share the same residential space.

Even in the case of Chinese immigrants only, there is still a trend of residentially dispersed concentration; there were 171,957 self-declared ethnic Chinese in New Zealand as of 2013[55], around 22 per cent of whom were born in New Zealand[56], and two-thirds of whom inhabit Auckland (Xue, Friesen & O'Sullivan, 2011, p. 581). The areas of their dispersed residential

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[55] Source: 2013 Census - Statistics New Zealand

[56] Source: 2006 Census – Statistics New Zealand

concentration in Auckland can be divided into five ethnoburbs: North such as Albany; CBD, in which apartment buildings are concentrated; Central West such as Mt Albert; Central East such as Mt Eden; and East such as Dannemora, in which Chinese and other Asians each make up a quarter of the population.[57] These five ethnoburbs account for 60 per cent of Chinese in Auckland.[58] This dispersal seemingly occurs because, in part, unlike the Pacific immigrants, Chinese have various levels of financial capital and many of them are independent immigrants who do not have any links with existing Chinese immigrants (Johnston et al., 2008, p. 217).

Overall, all three models, in terms of the residential pattern of immigrants, seem to be observed in New Zealand: the ethnic disadvantage model exemplified by Pacific people who entered New Zealand as industrial unskilled labour migrants; the segmented assimilation model (ethnoburb) exemplified by Asians who entered New Zealand as post-industrial skilled migrants; and the spatial assimilation model exemplified by Europeans who entered New Zealand as settlers.

Meanwhile, there has been a notable tendency of Asians to become more residentially concentrated since 2000 while the level of Pacific people's residential concentration has been stable (Xue et al., 2011, p. 593). The causes of this tendency seem to be found in the close links between Asians' residential concentration and their socio-economic activities. For example, Chinese business owners extensively depend on co-ethnic employees, suppliers and, more importantly, customers (Spoonley & Meares, 2009, p. 2); Chinese ethnic economies need co-ethnic residential clustering for their survival and prosperity, and the prosperity of the ethnic economies reproduces the tendency towards co-ethnic residential concentration.

In particular, it is observed that the time at which the tendency started to occur (the year 2000) coincided with the time at which the number of Chinese immigrants from mainland China started to significantly increase. This seems to be because Chinese immigrants from mainland China tend to rely much more heavily on co-ethnic suppliers, employees and customers for their businesses, compared with other non-China-born ethnic Chinese who are from, for example, Hong Kong and Taiwan.[59] Furthermore, in addition to the ethnic enclave economies, ethnic socio-cultural institutions, such as churches and schools, appear to enhance the degree of institutional completeness, shaping self-sufficient Chinese ethnic communities (Zhou & Cho, 2010, p. 92). In this context, ethnic entrepreneurship appears to play a key role.

Ethnic Entrepreneurship

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[57] Ibid., pp. 588-590.

[58] Ibid., p. 593.

[59] Ibid., pp. 10-11.

According to Ho & Bedford, 32 per cent of Hong Kong Chinese and 43.3 per cent of mainland Chinese immigrants who are residents in New Zealand for five years or more are self-employed (Ho & Bedford, p. 226, cited in Meares et al., 2009, p. 119). The clarification of a number of terms around ethnic entrepreneurship will assist us to understand this high incidence of self-employment (amongst Chinese, at least). Ethnic entrepreneurship contributes to the development of ethnic-centred economies, the latter being 'an economic formation that incorporates the ethnic-self-employed and unpaid family helpers, ethnic employers, and their co-ethnic employees' (Light & Bonacich, 1988, p. x, cited in Kim, 2006, p. 929). Ethnic entrepreneurs are 'minority business owners or self-employed workers whose group membership is tied to a common cultural traits or origin and is known to out-group members as having such traits' (Yinger, 1985, cited in Zhou & Cho, 2010, p. 84). While admitting that it may be too simplistic, we may divide ethnic entrepreneurship into non-enclave entrepreneurship and enclave entrepreneurship.

Non-enclave entrepreneurship may refer to businesses that are owned by ethnic minorities and may be operated by co-ethnic workers, dealing with the general public of the host society; for example, a coffee shop that is owned by a Chinese entrepreneur and operated by a mix of Chinese and non-Chinese workers, and the majority of customers of which are Pākehā. Enclave entrepreneurship, on the other hand, may refer to businesses that are owned by ethnic minorities and operated by mainly co-ethnic workers, if not all, dealing with mainly co-ethnic customers; for example, a Chinese supermarket that is owned by a Chinese entrepreneur and operated by co-ethnic workers, serving mainly Chinese customers. Chinese non-enclave entrepreneurs tend to rely on co-ethnic networks for their business establishment and management while enclave entrepreneurs tend to capitalise upon co-ethnic residential concentration (ethnoburbs) for their clientele (Wang & Maani, 2012).

Due to the different customer base, non-enclave entrepreneurs tend to be scattered throughout the metropolitan area while enclave entrepreneurs need to be located in co-ethnic ethnoburbs. It is also observed that Chinese entrepreneurs have diversified their businesses when new skilled migrants have brought new consumer demand and investment opportunities with them to the host society (Fong & Luk, 2007). As a result, Chinese non-enclave entrepreneurs appear to extend their business areas from traditional business areas, such as takeaways, to more capital-intensive business areas, such as the import and distribution of Chinese goods. Chinese enclave entrepreneurs also appear to diversify their business lines in order to meet the new demand created by the socio-economic and demographic diversity contributed by new immigrants, temporary workers and international students; for example, from a Chinese grocery store to ethnic media business.

A question raised in this context is whether Chinese entrepreneurship is a voluntary choice on the part of those who take it up, or something of a forced option. It seems, in part, to be a result of the failure of their participation in the mainstream labour market as employees, due to their underdeveloped local socio-cultural capital, as is frequently expected by mainstream employers (Meares et al., 2009, p. 120). Thus, Chinese ethnic entrepreneurship seems to be regarded by some researchers as a reactive, alternative survival strategy, using their ethnic socio-cultural capital in the co-ethnic networks. This alternative characteristic of Chinese ethnic entrepreneurship, however, seems to have contributed to the easing of

potentially strained relations between, on the one hand, existing businesses and the labour force of the host society and, on the other, newly arrived immigrant workers and potential entrepreneurs; even further, it is expected to enhance the economic prospects of both groups (Zhou & Cho, 2010, p. 85). This is because Chinese ethnic entrepreneurs do not seem to compete with mainstream businesses for the same material resources or markets.

We may need to view ethnic entrepreneurship, however, not as an isolated economic segment but as an ethnic economic activity based on ethnic networks that are situated in the wider institutional context of the host society. The notion of 'mixed embeddedness' proves useful for understanding this dynamic (Kloosterman, van der Leun & Rath, 1999, p. 263). Ethnic entrepreneurship is embedded in both the co-ethnic networks of the business people involved – of a 'relational embeddedness' in Portes' term (Vertovec, 2009, p. 37, cited in Cain & Spoonley, 2013, p. 6) – and within the broader structures in a national society – of a 'structural embeddedness'; for example, a Chinese restaurant may significantly rely on co-ethnic networks for customers, staff and suppliers, but still requires local suppliers and is required to comply with such as the national food hygiene and minimum wage regulations. This gives rise to a mixture of relational embeddedness and structural embeddedness.

Further, it seems that a globalized economic context needs to be added to this framework of embeddedness, alongside the ethnic networks and national institutional structures. Due to the increasing flows of not only immigrants but also of international capital, over and above the financial capital of the immigrants themselves, the transnationality of ethnic entrepreneurship appears to be facilitated and enhanced. For example, three Chinese banks are scheduled to set up braches in New Zealand and, consequently, more investments from China to Chinese ethnic entrepreneurs are expected.[60] Thus, ethnic entrepreneurship seems to be embedded in the ethnic networks, national institutions and global economy simultaneously. In this context, some ethnic entrepreneurship may transform its nature from a defensive survival strategy to an aggressive inroad into the mainstream markets, taking advantage of ethnic financial capital, human capital and social capital.

Segmented Assimilation

Asian immigrants' residential concentration in the form of ethnoburbs and their ethnic enclave economy in the form of ethnic precincts may draw attention from policy makers in terms of social integration, as these phenomena did not occur during the period of British settlers' immigration in which assimilation theory was applied to the pattern of both residence and economic activities of those immigrants. Given that, as the assimilation theory argues, ethnic residential integration occurs when ethnic minorities achieve upward socio-economic mobility and choose to participate in broader networks and interactions beyond their co-ethnic community boundary (Pinkerton, Mare & Poot, 2011), the persistence and consolidation of ethnic enclaves in terms of both residence and economic

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[60] For more information, see http://tvnz.co.nz/business-news/chinese-banks-set-up-in-new-zealand-6029851

activities seem to reflect in part the continuing lack of socio-economic mobility of ethnic minorities.

In this context, some ethnic minority immigrants, in particular the second generation, reject the assimilation into the mainstream culture and economies as the only pathway for their success in the host society, and, instead, choose their ethnic enclave as a permanent platform for their future success; this phenomenon is conceptualized by Portes and Zhou (1993) as 'segmented assimilation.' Segmented assimilation may refer to a mode of adaptation of non-white second generation immigrants in Western developed countries, through which ethnic minorities create their own capitalism in their ethnic enclave in order to circumvent outside discrimination and the lack of the opportunities of socioeconomic mobility[61]; for example, in the U.S. context, up to half of immigrants who arrived in the 1980s and the early 1990s were employed by co-ethnic employers,[62] and self-employment was a prime avenue for mobility available to second generation youths.

Unlike white immigrants and their descendants in the Fordist industrial period, post-industrial non-white immigrants and their descendants may not even have the opportunities of access to the white middle class society; even if they join those domestic circles, in which they might well face permanent subordination and disadvantage, they rather voluntarily choose a strategy to capitalise on material and moral resources which are available only in their co-ethnic community.[63] Therefore, their engagement and choice to remain in their co-ethnic enclave is neither a symptom of escapism nor a failure of adaptation but rather a new way of adaptation; placed in the American context, Americanization is no longer a synonym of upward class mobilization for the second generation of non-white ethnic minorities in the U.S. (Portes, Fernández-Kelly & Haller, 2005, p. 1001).

This interpretation of the adaptation strategies used by ethnic minorities expands the definition of assimilation. While classical assimilation theory argues that the upward class mobilization of the second generation of ethnic minorities necessarily results in a weakening of ethnic identity (of a de-ethnicisation), segmented assimilation suggests that ethnicity is no longer a dependent variable in the process of adaptation of ethnic minorities. In other words, and again framed in terms of American experiences, 'the children of immigrants are likely to assimilate upwardly, downwardly or horizontally into an American society that is highly segmented by class and race, and to do so in different ways' (Zhou & Xiong, 2005, p. 1123). It may imply that the second generation of ethnic minority immigrants diversify their adaptation processes. Some of them are still incorporated into the middle-class white mainstream, as argued will occur by classical straight-line assimilation theory; some of them achieve upward socio-economic mobilization within their ethnic community, capitalising on

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[61] Ibid., p. 87.

[62] This finding seems very meaningful as it may indicate the extent of ethnic enclave economy. Unfortunately, there seems to be no research on this area in New Zealand.

[63] Ibid., p. 96.

their co-ethnic capital; and some of them remain at the bottom of the social ladder as the former two options are not available to them (Portes & Rumbaut, 2005, p. 986).

This diversification of adaption may be understood as a result of the conflicts between, on the one hand, the aspiration of the second generation of ethnic minority immigrants for social and economic success in the host society and, on the other, the informal and institutional discrimination of the white mainstream against them in the milieu in which ethnic communities expand their volume. For example, in the U.S. context again, Asian second generation immigrants tend to reject American identity, as they regard it as the identity of white Americans; instead, they prefer to identify themselves as a hyphenated American, such as Chinese-American (Zhou & Xiong, 2005, p. 1139). With this hyphenated identity, they tend to be opportunistic in search of their social and economic success, weighing the advantages and disadvantages of opportunities provided by both the mainstream and co-ethnic communities. This opportunistic attitude, instead of collective resistance to the discrimination, seems to be enhanced by a neoliberal ethos that asserts that individuals who lag behind do so because of their own poor choice, lack of efforts or an inferior culture.[64]

The concept of segmented assimilation seems to be applicable to the New Zealand context, for example, second generation Chinese immigrants. Given the growing Chinese ethnic economies, entrepreneurship and co-ethnic employment on the one hand and persisting social otherisation and employment discrimination against them on the other, the second generation Chinese immigrants in New Zealand may follow a similar trajectory to that of the second generation Chinese immigrants in the U.S. They may prefer identifying themselves as Chinese New Zealander, rather than Kiwi, the concept of which implies white New Zealander. Considerable room exists for the development of knowledge about this phenomenon and, in the absence of such for now, observations can only be gestural.

Contrary to the second generation Chinese immigrants in the U.S., who may still regard assimilation into the white mainstream as a normatively preferred pathway to adaptation, however, the aspiration of the second generation Chinese immigrants in New Zealand for assimilation into the white mainstream seems weaker than that of their counterparts in the U.S. This seems to be because of the difference in the national resources between the two countries as the host society: the U.S. has unarguably been regarded as a superpower while New Zealand lacks geo-political significance; moreover, New Zealand is increasingly economically dependent on the countries of origin of ethnic Chinese, such as China. Such differences between the countries of origin of Chinese immigrants and the host country seem to contribute to the lessening of the aspiration of the second generation Chinese immigrants for assimilation into mainstream New Zealand culture. Overall, in the concept of segmented assimilation, the aspect of 'segmentation' appears to be increasingly consolidated while the aspect of 'assimilation' seemingly finds less appeal with the second generation Chinese immigrants in New Zealand.

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[64] Ibid., p. 1144.

This fluid dynamics between the aspects of segmentation and assimilation in the segmented assimilation processes of Chinese immigrants and their descendants does not seem to draw attention from the government in spite of its reactive implication to their restricted upward socio-economic mobility in the mainstream labour market. Instead, attempts have been observed to embed their ethnic socio-economic segments, such as spatial ethnic economic concentration, in the local and national economic structures by some mainstream academia. Their attempts can be encapsulated as 'a commodification of ethnic precincts' which will be discussed in the following section.

Ethnic Precincts and Neoliberalism

New immigrants, who do not have the local social capital that seems critical for structural embeddedness in the host society, tend to rely more on relational embeddedness in the co-ethnic networks for their affective comfort and convenient living conditions and for more employment opportunities which are denied in the mainstream economy. This spatial ethnic residential and economic concentration appears to have neither been encouraged nor discouraged at the level of national policy in New Zealand. This is because, according to Spoonley and Meares (2011), 'the neo-liberalism of the 1980s continues to prevail primarily in minimal post-arrival interventions and an unwillingness of central and local government to recognise the ethnic/immigrant nature of such development' (p. 42). From the perspective of the neoliberal governments since 1987, it is the responsibility of the State to recruit qualified individual human capital through immigrant policy, while settlement after arrival is immigrants' own responsibility. Furthermore, the prospects for ethnic economies is contingent upon the operation of market forces, which does not necessarily need to be the direct concern of the State so long as the market mechanism is seen to be working efficiently. From the market-oriented governments, ethnic economic activities do not need to be differentiated from the mainstream economic activities, as market-based activity does not recognise identity based on ethnicity: every economic activity is equally individuals' economic activity. In consequence, 'the neo-liberal regulatory and policy environment tends (unwittingly) to privilege the relational embeddedness'[65]; in other words, classical liberal non-interventionism in the market system of the successive neoliberal governments has resulted in the effect of the encouragement of ethnic economic activities.

For commentators such as Spoonley and Meares, central and local governments' reluctance to recognise ethnicity as a key component in economic activities is viewed as the loss of potential opportunities for new forms of consumption such as tourism.[66] For example:

> it is surprising how little the local authorities have invested in understanding or responding to Chinese businesses that are in their communities. It is disappointing that the current debates about the governance of Auckland, and improving its

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[65] Ibid., p. 56.

[66] Ibid., p. 58.

economic competitiveness, do not give this now significant dimension of the Auckland economy more attention. (Spoonley & Meares, 2009, p. 29)

Thus, ethnic businesses and precincts are interpreted as being significant contributors to innovation and cultural and economic diversity; and Auckland, as the only multi-ethnic city in New Zealand, needs to recognise and capitalise on ethnic precincts as destinations for tourists and local consumers, like other cities such as Sydney and San Francisco (Spoonley & Bedford, 2012, p. 247). In Marxist language, a commodification of ethnic precincts is required for the branding of Auckland city, in order to boost the city's economy through ethnic cultural tourism (Spoonley & Meares, 2011, p. 62).

The perception of commentators such as these, that the potential economic opportunities through the commodification of ethnic space are not being capitalised on because of neoliberal politics (of 'laissez-faire multiculturalism'[67]), is, however, questionable. A possibility exists that the commodification of ethnic space may have been hindered not *because of* neoliberalism, but *in spite of* neoliberalism: neoliberalism becomes the mechanism most supportive of a commodification of ethnic economic enclaves. It appears necessary in this context to recall the differences between (classical) liberalism and neoliberalism, emerging from the work of Polanyi. Classical liberalism is represented by the notion of laissez-faire, in which a deliberate State policy of non-intervention in a self-regulated market prevails; alternatively neoliberalism, by extension, implies a policy of State intervention, of a marketisation of non-market relationships and this marketisation is realized in the form of a commodification of non-economic social entities. Given that ethnicity is a non-economic social entity, the commodification of ethnic precincts as cultural products to be sold in the market (tourism) may need to be viewed as an effect of neoliberal hegemony, and the naturalisation of projects to marketise non-market realms.

The commodification of ethnic precincts such as Chinatown is different in nature from, for example, the Howick Historical Village in Auckland. A Chinese ethnic precinct is a site for real Chinese employers, employees and customers who share the same social life with other ethnic groups including Pākehā, whereas the Howick Historical Village is a site for selling taxidermized nostalgic images and experiences by hiring people who act as historical exemplars. Every visitor recognises that the workers in the Howick Historical Village are the same people as her/him; the visitors enjoy the experiences of differences provided by the Howick Historical Village without any illusion about the workers' identity. On the contrary, while admitting that some businesses sell exoticness to non-Chinese visitors, most Chinese workers in Chinese ethnic precincts seem to be there, not to sell their images to non-Chinese visitors, but to earn a livelihood by trading in their ethnic community. Similar examples in different contexts can be the ethnic festivals in Auckland such as the Pasifika Festival and the Diwali Festival. While the exotic differences of Pacific People and Indians in these festivals may be enjoyably consumed by Pākehā, it does not necessarily mean that

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[67] Ibid., p. 45.

Pacific People or Indians are welcomed to share the same social and economic space with Pākehā in real life.

Given that the prosperity of ethnic economies is in part a product of ethnic immigrants' failure to participate in the mainstream labour market due to the lack of local social capital, the commodification of Chinese ethnic precincts may imply that Chinese workers in the ethnic precincts will not have any experiences of sameness with Pākehā, and vice versa. There may exist only Pākehā 'consumers' and Chinese 'sellers'; Chinese are different 'Others' as sellers and their Chineseness is only acceptable and enjoyable insofar as it remains as an exotic cultural 'Object' to be consumed. This otherisation and objectification of Chinese may be perpetuated in the form of stereotypes, such as Chinese restaurant owners, unless there are, for example, personal experiences of the sameness by both Pākehā and Chinese and institutional strategies such as equal employment opportunities between the two groups. The image of Chinese immigrants' sticking together, which may have represented their lack of intention to integrate into their new home country, may have new light shed on it in this context as newly created added value; more different, more valuable.

In addition, this commodification of ethnic precincts, of the marketisation of non-market realms in a broad sense, seems to have practical difficulties in its materialization. For example, an indoor shopping mall in the eastern suburbs of Auckland, claiming Chinatown for its name,[68] the proprietor of which is not a Chinese but a Cambodian,[69] seems to struggle to attract both Chinese consumers and non-Chinese consumers. In the case of Australian cities, Sydney and Melbourne's attempts in the late 20th century to transform the relational embeddedness of existing Chinatowns into mixed embeddedness by inserting structural embeddedness such as taxation and vocational trainings, in order to convert them into national and international tourist attractions, ended in failure; this is in part because ethnic entrepreneurs in the Chinatowns could not afford to embrace structural embeddedness, requiring more costs than relational embeddedness, due to their small scale (Collins, 2003).

In the case of the U.S., traditional Chinatowns have lost their anchoring position in the Chinese community to newly emerged Chinese ethnoburbs, remaining as a spot only for the non-Chinese middle-class who expect exotic flavour from them (Zhou & Cho, 2010). Thus, the commodification of ethnic precincts, in this context, seems to undergo a phenomenon of estrangement between, on the one hand, the functional and dynamic trading nature for co-ethnic consumers in the co-ethnic community and, on the other, the external pressure for reaming as taxidermized traditional images for non-co-ethnic consumers in a broader society.

Māori Neo-tribal Economies and Neoliberalism

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[68] https://www.facebook.com/pages/Chinatown/195369000494431?sk=info&ref=page_internal

[69] http://kroad.com/heritage/on-the-road-migrant-history/

In the previous sections, it was argued that the ethnic concentration of immigrants – in terms of residence and economic activities – is in part a survival strategy of ethnic immigrants. It enables them to endure where they lack the local social capital necessary for successful labour market participation, and in the context of neoliberal reluctance on the part of government to meaningfully intervene in discriminatory practices against ethnic immigrants. Also, attempts to commodify ethnic precincts as tourist destinations such as Chinatown may need to be interpreted not as a progressive facilitation of ethnic identification but as an effect of neoliberal hegemony: the commodification of ethnicity through such projects resonates all too strongly with the neoliberal marketisation of non-market entities and realms. A similar neoliberal marketisation project, but in a different setting, is that of the development of Māori neo-tribal economies.

The analysis of the influence of neoliberal imperatives on Māori neo-tribal economies is included in this chapter because, while the indigeneity of Māori differentiates them from ethnic minority immigrant groups, Māori and ethnic immigrants share the same status in terms of ethnic minorities in New Zealand. Unlike the ethnic minority immigrant groups who voluntarily immigrated to New Zealand, however, the ethnic minority status of Māori is the direct result of the mass migration of British settlers since the late 19th century. Ethnic immigrants since the 1990s may be defined as neoliberal immigrants most of whom have shown a similar trend of settlement after arrival in the neoliberal socio-political milieu; whereas Māori people seem to have diverged into beneficiaries and non-beneficiaries of neoliberal global capitalism and biculturalism, both of which coincided with each other in terms of the time of appearance.

Thus, the analysis of the impacts of neoliberalism on Māori communities seems to require a more nuanced approach due to the coexistence of their collective privileges, represented by biculturalism, and the impoverishment of most urban Māori, caused by neoliberal economic reforms. While the impacts of neoliberalism on Māori communities in general are negative, exemplified by the job and welfare losses of urban non-tribal members caused by the reforms of the 1980s (Lewis, Lewis & Underhill-Sem, 2009, p. 169), these impacts seem complex and even ambiguous in their effects (MacDonald, 2006, p. 209; Lewis, 2009, p. 113).

One of the most debatable issues in relation to the impacts of neoliberalism on Māori concerns how the relationship between biculturalism and neoliberalism might be viewed. For example, Spoonley and Meares (2011) assert that 'neo-liberalism has lost this battle in relation to Māori' (p. 55). Their argument is that, unlike other ethnic minority immigrant groups, only Māori have enjoyed the privileges derived from their collective identity under the neoliberal governments, hindering the spread of the (neo) liberal doctrine of cultural pluralism based on individual universality. The official recognition of the collectivity of Māori for their indigeneity by the State's biculturalism apparently contrasts with the status of other ethnic groups that are not supported by any State's policy, such as multiculturalism in Australia and Canada. Their argument may be legitimated if the interpretation of the relationship between biculturalism and neoliberalism is defined solely in relation to matters of citizenship and identity; that is, as to whether or not the collective identity of Māori might be played down – as the ACT Party has argued – for the sake of the universal citizenship of all New Zealanders.

Given that capitalism is an economic form of liberalism and liberal democracy is a political form of liberalism, as suggested by the work of Polanyi, however, we may need to consider both forms of liberalism in the analysis of the relationship between biculturalism and neoliberalism. From this perspective, the collectivity of Māori, guaranteed by biculturalism, appears to have successfully been embedded in the global and national capitalist system while liberal democracy based on individualism within Māori communities does not seem to have successfully taken root. It implies that neoliberal capitalism has successfully encroached upon and marketised Māori's resources, as gained through biculturalism in a collective form, while democracy within the communities has not materialized either in a communal form or in an individualistic liberal form. This imbalance between economic liberalism and political liberalism may well also accompany the transplantation of Western liberalism into the Third world; for example, Western capitalist countries are concerned with the liberalization of the markets of undeveloped countries, whereas they seem much less concerned with the political liberalization of these countries, insofar as political stability for the realization of the profits of their multinational corporations is secured by whatever polity form exist; one of the examples might be Singapore which is still not an electoral democracy.[70] It implies that economic liberalism, capitalism, has a more fundamental impetus than political liberalism, liberal democracy.

Elizabeth Rata (1999, 2004), through her theory of neo-tribal capitalism, describes well how neoliberal capitalism has transformed the traditional communalism of Māori and has embedded traditional Māori resources in the global and national capitalist system. Her work also suggests that questions of democracy, as to whether or not political liberalism might be inserted into the decision-making processes of the revived tribal structures, has been left to the newly emerged élite within the tribes. According to Rata (1999), a popular assumption exists that 'the communal relations of Māori's traditional society were revived in the ethnification, indigenization, and retribalization movements of the post-1960's era' (pp. 235-236). In other words, 'contemporary Māori tribal economic activity is understood to be modernization and capitalization of the productive forces in articulation with the restoration of the communal relations of production of a traditional redistributed mode of production' (p. 234). The effect is 'communal capitalism' (p. 235). If, as neotraditionalists argue, only technological modernization occurs in the productive forces and that the traditional communal relations of production within the Māori neo-tribal economy remain intact, neoliberal capitalism may be said to have failed to colonise Māori tribal authorities. From Rata's perspective, however, the communalism found in traditional Māori tribes has been undermined by the capitalist relations of production as Māori neo-tribes have become class societies, in which labour is commodified to be sold and bought and, consequently, workers become proletarianized while broker élites become comprador bourgeois.[71]

The revival of the collective identity of Māori does not necessarily mean the revival of communality of Māori society, according to Rata. Instead, she distinguishes the existence of

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[70] https://freedomhouse.org/report/freedom-world/2013/singapore#.VKcWltKUeSo

[71] Ibid., p. 258.

a 'communal mode of regulation' from that of a 'capitalist mode of production'; communalism in the neo-tribes exists only in the realm of ideology, operating as a mode of disciplinary regulation, not at the level of business structure. The capitalist mode of production may be accompanied by different modes of regulation depending on periodical and local context; for example, individualism for the Fordist industrial capitalism in Western countries, and collectivity for the post-Fordist capitalism in Māori neo-tribes (Rata, 1999, p. 258). Thus, two capitalist regimes of accumulation appear to exist in New Zealand: the dominant Pākehā regime and the Māori neo-tribal capitalist regime, both of which share the capitalist mode of production while being separated by ideologically distinguishable modes of regulation (pp. 285-286). In the Māori neo-tribal capitalist regime, communalism exists and functions as an ideology, concealing and disguising the capitalist class relations of production. This produces, for Rata, an illusion (that is, false consciousness) amongst workers; that in neo-tribes they work with *their* tribe's means of production, for *their* sense of tribal community. This de-politicization of Māori workers in neo-tribes implies the suppression of both liberal democracy, based on individual rights, and class consciousness, stemming from the capitalist relations of production.

We may sum up Rata's argument in the following way: economic neoliberalism, post-Fordist global capitalism, has successfully incorporated traditional Māori economic resources through the re-tribalization of Māori ethnic collectivity while the traditional communalism based on Tino Rangatiratanga (Māori sovereignty), aspired to by Māori revivalists, is exploited in the form of ideology for the effective practices of capitalist accumulation in neo-tribes. Therefore, the State's transformation of Māori ethnic collectivity into neo-tribes as economic entities under the name of biculturalism can be interpreted as a successful neoliberal project to marketise Māori collective ethnicity. To this end, it does not constitute a 'failure' of neoliberalism, as some current commentary suggests.

In conclusion, unlike the prediction of the spatial assimilation model, the tendency towards ethnic residential concentration does not appear to be temporary. This is in part because of the restricted upward social mobility through participation in the mainstream labour market. The ethnic disadvantage and segmented assimilation model may be applicable in part to the New Zealand context: the disadvantage model for Pacific people and segmented assimilation model for Asian immigrants. Asians' ethnic enclaves in New Zealand appear in the two forms: the ethnoburb, with regard to residence; and ethnic precinct in terms of economic activities. According to segmented assimilation theory, the ethnic enclave needs to be viewed as another option of ethnic immigrants for upward social mobility. The neoliberalism of recent government response to the growth of ethnic enclaves seems to be one of non-interventionism, reflecting the assumption that pathways of settlement are the preserve solely of immigrants' themselves. Moreover, an assumption appears to be at work that the outcome of the development of ethnic enclaves eases potential tensions between Asian immigrants and the people of the host society through the avoidance of competition between the two groups. Viewed within this context, recent academic proposals to commodify Chinese ethnic precincts as local cultural products for tourists appear as neoliberal projects to marketise non-market realms, by otherizing Chinese immigrants. The State's transformation of Māori ethnic collectivity into the neo-tribes as economic entities

under the name of biculturalism can also be interpreted as a successful neoliberal project to marketise Māori collective ethnicity, not as a failure of neoliberalism.

The findings of this chapter confirm a mixture of classical- and neo-liberal imperatives at work in the State's management of ethnic relations: the State's non-interventionism and its interventionist marketisation. The State's non-interventionism prevails in some non-economic realms, such as the emergence of residential concentration, in which market values do not influence outcomes; alternatively, the State's interventionist marketisation prevails in non-economic realms such as the development of ethnic precincts, in which the operation of market values can be observed. In the context of Māori's neo-tribalism, the State's interventionist policy of marketisation prevails in the realm of traditional material resources, which has market value, whereas the State's non-interventionism prevails around the politics of tribes, which has no immediate market value. The co-existence of these imperatives and the State's selective application of these imperatives seem to be also found in immigrant transnationalism, which will be discussed in the next chapter.

Chapter 5. Immigrant Transnationalism

In the same way that the development of ethnic enclaves represents a reactive social practice used by ethnic immigrants to situations of restricted upward social mobility, immigrant transnationalism comprises another adaptive strategy. This chapter, firstly, identifies the internally reactive and externally post-national dimensions of immigrant transnationalism; and then, transnationalism's relationship with assimilation. Secondly, the implications of immigrant transnationalism from the perspective of Asian immigrants in New Zealand, in particular Chinese, will be analysed. Lastly, a question will be addressed as to whether immigrant transnationalism will endure over generations, which is closely related to the question of whether ethnic concentration will endure over generations as discussed in the previous chapter.

Definition of Immigrant Transnationalism

One of phenomena observed with the ethnic minority immigrants in New Zealand, alongside their ethnic concentration in terms of both residence and economic activities, is that of transnationalism. While the notions of assimilation and multiculturalism have both normative and descriptive dimensions, the concept of immigrant transnationalism seems to be entirely descriptive as, in terms of social cohesion, immigrants' transnationality does not seem to be advocated and encouraged by national policy makers. Of course, as discussed in chapter 2, immigrants' transnational socio-cultural capital may be regarded as a valuable economic asset for the expansion of national economies into the immigrants' countries of origin by neoliberal governments. It does, however, not necessarily lead them to officially encourage ethnic immigrants within their country to identify as 'transnational' because immigrant transnationalism may be negatively correlated to the social cohesion of the nation-state.

According to Glick-Schiller, Bash and Szanton-Blanc (1992, p. 1), who coined this term, immigrant transnationalism is 'the process by which immigrants build such social fields that link together their country of origin and their country of settlement'. Portes, Guarnizo and Landolt (1999, p. 219) add more specificity to the concept by delimiting it to 'occupations and activities that require regular and sustained social contacts over time across national borders for their implementation'. While these two definitions are more concerned with a horizontal linkage between immigrants' country of origin and the host country, a more widely used, and more inclusive, definition of transnationalism in current sociological research on immigration refers to 'some combination of plural civic-political memberships, economic involvements, social networks, and cultural identities reaching *across* and linking people and institutions in two or more national-states in diverse, multi-layered patterns' (Morawska, 2009, p. 153. Original emphasis).

Given that this definition still shares with the previous definitions an emphasis on the dimension of 'across' in immigrant transnationalism, we may need to add the dimension of 'beyond' to the definition of immigrant transnationalism. This is because post-national or suprastatal phenomena are found in current immigrants, for example, the pan-religious solidarities of Muslim immigrants and the cosmopolitan sense of belonging for some

immigrants.[72] While the previous immigrant transnationalism may be characterized as bi-national practices of immigrants between their country of origin and the host country, current immigrant transnationalism may encompass more broad phenomena, including multinational and even post-national practices and attitudes of immigrants.

A range of different views on the term 'transmigrant' emerge in this broadened context. Transmigrants are actors of transnationalism who maintain social memberships of two or more nations and engage regularly in economic, political, social-cultural, or personal activities spanning national boundaries (Yang, 2006, p. 308). Portes et al. (1999, p. 219) contend, on the basis of their delimited definition of transnationalism, that the term 'transmigrant', as coined by Glick Schiller et al. (1992), has no new meanings compared with the conventional term 'immigrant' as immigrant transnationalism is not a new trend of immigrants. Given the nomadic character of current immigrants and their decentralized cultural practices and psychological sense of belonging, however, we may distinguish previous immigrants, who were oriented towards assimilation into the host society, for example, European immigrants in the U.S. in the early 20th century, from current immigrants, who do not seem to be pressured for assimilation to the same extent as their predecessors were. From this perspective, the term transmigrant may still validly represent the new phase of immigrant transnationalism in the milieu in which post-national practices are becoming more prevalent at both macro and micro levels.

When we focus more on the post-nationality of current immigrants, the term 'transnational social space', coined by Faist (2000), seems to be a useful concept in analysing current immigrant transnationalism. Immigrant transnational social space refers to a space created by a new form of ethnic community that is located in a space that encompasses two or more nation-states, unlike conventional ethnic enclaves that are confined by physical boundaries of nation-states (Kivisto, 2001, p. 568). According to Faist (2000, p. 243), the concept of immigrants' ethnic space in both assimilation and multiculturalism is grounded on the 'container concept of space' in a nation-state. In the transnational social space, on the contrary, immigrants enjoy both a geographically confined ethnic community and a trans-statal 'imagined ethnic community,' in which immigrants' ideas, symbols and material cultures are circulated.[73]

This imaginative trait of immigrant transnational social space seems to have added more depth to the concept of immigrant transnationalism as it suggests another space that is neither 'here' (the host country) nor 'there' (the country of origin), but 'somewhere else' that may not exist in the real world. The group of Hmong refugees from Laos in the U.S. may be an exemplar that shows this imagined transnational ethnic community; their transnational social space is linked, not to Laos which they came from, but to the Miao regions of China that are known as their co-ethnic origin. Even the real Miao regions are,

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[72] Ibid., p. 152.

[73] Ibid., p. 13.

however, not 'there' in this context, as the Miao regions for Hmong refugees in the U.S. remain only as a video image: hence 'somewhere else' (Schein, 1998).

As Glick-Schiller and Fouron (1990, p. 341) note, immigrants may see themselves as persons with two homelands. It does not necessarily mean, however, that immigrants do not mind living in either place. There are obviously reasons for them to leave their country of origin for the host country while there are also reasons for them to maintain ties with the country of origin. For example, on the one hand, transmigrants may enjoy the welfare services provided by the host country, but, at the same time, as an ethnic minority they may experience unsatisfactory cultural conditions in the host country; on the other hand, they may not be satisfied with the welfare services provided by their country of origin, but may feel more comfortable with the cultural conditions of their country of origin. Thus, ambivalent attitudes towards both countries might be expected amongst transmigrants: they could be anticipated to like and, at the same time, to not like both countries. This ambivalence could be expected to deepen amongst with some cohorts, the 2nd generation in particular, who may feel foreignness in both countries; they may see themselves as persons with, not two homelands, but no homelands. Thus, immigrant transnationalism may imply, neither 'here OR there,' nor 'here AND there,' but 'somewhere else.'

Immigrant Transnationalism and Assimilation

For notable immigration scholars in the U.S., such as Portes, the transnationalism of ethnic immigrants is one variant of assimilation, as part of segmented assimilation, rather than an alternative to it (Portes, cited in Kivisto, 2001, p. 563). Unlike Glick-Schiller (1992), who insists on the need for an alternative theory to those of assimilation and multiculturalism in the context of transnationalism, they argue that the relationship between immigrant transnationalism and assimilation is not antipodal. That is, the relationship trends towards a recognition of transnationalism rather than the pursuit of conventional exclusive assimilation. Their argument emerges from attention being placed upon both the 'external extension' of immigrants' identities beyond their host societies and the newly emerging (re)definitions of assimilation. While the conventional concept of assimilation, as a normative doctrine that views immigrants' foreign attachments as disappearing anomalies (Waldinger & Fitzgerald, 2004, p. 1179), refers to 'amalgamation', that is a melting-pot model, their newly revised concept of assimilation refers to non-teleological 'acculturation' (Kivisto, 2001, p. 570).

Further, this new version of assimilation encompasses not only acculturation and incorporation of immigrants into the main stream but also resistance, group survival, discrimination, ethnic conflict and variation in outcomes.[74] Thus, according to this new version of assimilation, immigrants' retention of ethnic identity through the generations, in the form now of transnationalism across borders, can be understood as one of the phenomena occurring in the process of assimilation. It is as if the ethnic concentration of

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[74] Ibid., p. 556.

immigrants within both residence and economy in the U.S. were defined by them as 'segmented assimilation,' not as 'ethnic segregation.'

While there seems to be a consensus that immigrants' assimilation – now understood in terms of amalgamation – and transnational practices are simultaneous processes informing each other (Levitt, 2009, p. 1225; Morawska, 2009, p. 178), a reactive dimension of immigrant transnationalism raises a new question: to what extent is immigrant transnationalism really a part of the assimilation process? Glick-Schiller, Basch & Szanton-Blanc argue (1995, p. 52) that 'immigrant transnationalism is best understood as a response to the fact that in a global economy contemporary migrants have found full incorporation in the countries within which they resettle either not possible or not desirable'. According to them, even if discrimination against immigrants is defined as part of the assimilation processes, it may need to be interpreted in a way that immigrants become integrated, not into the mainstream by overcoming the discrimination against them gradually for generations, but into a society in which discrimination is perpetuated. Immigrants may acclimatize themselves to the discriminatory practices of the host society in their own way.

None of this implies, of course, that all transnational practices of immigrants are the results of their reaction against discrimination. By way of an exception to this is the case of transnationalism amongst second generation Italians in Switzerland (Wessendorf, 2013). Wessendorf identifies two ways in which second generation Italians in Switzerland relate to their ethnicity: as 'typical Italians' and as 'Swiss Italians.' Typical Italians are a group of second generation Italians who treat Italianness as a publicly celebrated lifestyle which stands in contrast to that of the Swiss majority; whereas Swiss Italians tend to detach themselves from the reactive ethnicity of typical Italians.[75] It can be said that the former group may be more transnational in their orientation while the latter is more oriented towards assimilation into Swiss life (and of an 'amalgamation' kind). Interestingly, despite their different approaches to ethnicity, both groups feel integrated in Switzerland. One of Wessendorf's research participants informed, in this regard, that 'being integrated means that being Italian is not an issue' (p. 143). This seems to represent the relationship of immigrant transnationalism to assimilation in Switzerland. Thus, it may imply that immigrant transnationalism cannot be an obstacle for social integration insofar as there are no socio-economic discriminatory practices against immigrants in the host society.

While the Italians' transnational practices in Switzerland, which are cultural in kind, remind us of the concept of segmented assimilation, the origins of the concept demands that attention be given to how it is being applied. Given that this concept was originally constructed from the observation of the settlement processes of non-white immigrants from Central-South America in the U.S., we need to note that Italians in Switzerland have the same skin colour as the Swiss majority. The transnational practices and residential concentration of non-white immigrants from Central-South America in the U.S. are strong reactions to the limited upward social mobility caused by institutional discrimination;

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[75] Ibid., p. 140.

alternatively, the reactiveness evident within the transnational practices of Italians in Switzerland appears to be confined only to the cultural realm, not to limitations placed upon upward social mobility. For example, only a small number of the Italians maintain ties with Italia on the grounds of their limited opportunities for upward mobility in Switzerland (Wessendorf, 2013, p. 145). Thus, the concept of segmented assimilation in the case of Italians in Switzerland may refer to cultural diversity without a socio-economic (structural) discrimination; whereas the concept of segmented assimilation in the case of non-white immigrants from Central-South America in the U.S. may refer to a survival strategy in situations of institutional discrimination.

In this context, the extent of upward social mobility of ethnic migrants and their descendants seems to emerge as a key factor in establishing relationships between the strategies of transnationalism and assimilation. While the growth of, and persistence of, immigrant transnationalism are regarded as obstacles to the efforts of nation-states to enhance social integration within their borders (Ley, 2003), the greatest threat to social integration appears to be, not immigrant transnationalism, but the hegemonic institutional discrimination of the host society against immigrants that hardens categorical boundaries (Massey & Sánchez, 2010, p. 252). As shown in the case of Italians in Switzerland above, the relationship between immigrant transnationalism and their social integration with the host society is not necessarily a zero-sum game, as many policy makers and members of the public assume (Vertovec, 2007, p. 1046). Whether the relationship between them is characterized as a zero-sum game or a win-win game which enriches cultures and the economy of the host society seems to depend upon the extent to which upward social mobility is achieved by immigrants and their descendants.

Asian Immigrants' Transnationalism in New Zealand

While Faist argues that transnationalism could be found in the white settler societies in the early 20th century (Kivisto, 2001, p. 565), in the New Zealand context, the transnationalism of white settlers during this period seems, however, different in nature from that of recent post-industrial immigrants from Asian countries. While the former may refer to the one-nation-two-states type, which is an extension of the UK, the latter can refer to the two-nations-two-states type. Settlers may also be different from immigrants in nature: while settlers may understand themselves to be 'constituting' the 'host society', as a consequence of their arrival, immigrants do not as there is already an existing host society. Unfortunately, as with the matter of ethnic concentration in relation to economic activities such as employment, no comprehensive empirical research appears to exist on the extent to which Asian immigrants in New Zealand participate in transnational practices amongst. Nevertheless, we may pick up an idea about their transnationalism by canvassing results from related fields of research.

One phenomenon in which immigrant transnationalism is detected seems to be immigrants' rates of re-migration from host societies (permanent departure). According to Philippa (2006, pp. 87-89), the rate of immigrants' permanent departure is overall higher than that of the usually resident population in New Zealand; for example, 18 per cent of the 1998 cohort had left and not returned as at December 2003. It is also observed that many Asian

migrants in New Zealand have a strong tendency to spend a large proportion of their residence period absent; for example, immigrants from Taiwan, Hong Kong, Malaysia, Singapore, Indonesia and China spent 75 per cent or more of their residence period absent for the year 2002/2003 and these immigrants shared the same characteristics with those with high rates of permanent departure. In a related manner, research by Chiang (2012) suggests that Asian immigrants' dissatisfaction with the labour market of the host society is the main cause of their re-migration (p. 22). According to this study, a large number of 1.5 generation Taiwanese and Hong Kong migrants in New Zealand consider returning to their country of birth and moving to a third country with future options for better career opportunities, while their parents adopted the 'astronaut' solution to overcome the same problem (pp. 13-15).

This tendency of Asian immigrants and their descendants to return to their country of origin or to re-migrate to a third country does not seem to necessarily mean that they intend to completely sever links with New Zealand. Survey results confirm this observation. Bartley observes (2010, p. 389), in this manner, that 71 per cent of 1.5 generation Asian immigrant respondents in New Zealand identified with New Zealand as home, while the same number of them anticipated leaving New Zealand for a higher education or better career opportunities. Likewise, a study by Ip & Liu (2012) shows similar findings. Twenty seven returnee migrants of New Zealand who participated in Ip and Liu's study, who returned to China for the reasons of better career opportunities in the rising Chinese market alongside familial comfort and cultural familiarity, expressed their intention to move back to New Zealand again. They anticipated this would occur when a specific need arose, for example, the education for children or retirement.

These survey results suggest that both immigrants' citizenship/denizenship[76] of the host society and their ethnicity are subjugated to, and opportunistically exploited for, their individual or familial interests. For example, both those returnee migrants in China and those remaining migrants in New Zealand appear to, despite their different choices, share the same attitude, that of seeking a better place in which to maximise their human, social and cultural capital.

In addition, the rising geo-political influence of China stands to add more fuel to this tendency. Although mere speculation at this point, we could anticipate that the growing significance of China in the New Zealand economy might come to affect not only Chinese immigrants' transnational economic activities such as trade, but also their psychological and affective attitudes towards the host society. Assuming that a strong tradition of and orientation towards assimilation is possible in the U.S. because the U.S. has, in all aspects, been regarded as the only superpower in the world and an ultimate destination for many prospective immigrants, ethnic immigrants in the U.S. may feel an imperative to be assimilated into the host society, as observed in the example of Asian migrants as a model minority. In the New Zealand context, however, Chinese immigrants may be conscious of

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[76] Denizenship in this thesis means immigrants' right to permanently reside in the host society without the citizenship of the host society.

the significance of China in the host society and this consciousness, in combination with their experiences of discrimination, is likely to boost their ethnic pride, enabling them to enjoy their transnational practices more openly.

Given that assimilation may metaphorically refer to the image of 'the uprooted' and multiculturalism to the image of 'the transplanted' (Handlin, 1973; Bodnar, 1985, cited in Kivisto, 2001, p. 568), the transnationalism of Chinese immigrants in this context may refer to the image of 'pot planting.' They put down roots as much as needed where and when necessary, using either their ethnicity or their citizenship/denizenship of the host society; they may, on the one hand, pursue opportunities to exploit co-ethnic economic and cultural resources in China and, on the other, enjoy relatively better natural environments and social welfare services in New Zealand. In this context, for some of them, both countries can be regarded as homes that supplement shortcomings of each other while, for others, both countries may remain as still strange places. For example, in the U.S. context, in spite of its potential, it appears questionable whether second generation Chinese and Korean immigrants can materialize their ethnic capital in their country of origin (Kibria, 2002, p. 309). This is because their personal cultures have been modified through life in the U.S., leading to their being different from the people of their country of origin. (Yang, 2006, p. 307).

These uncertainties and practical difficulties in the realization of transnational lives of Asian immigrants have the potential to induce more culture-oriented transnational practices that do not require physical movement. An example of this cultural transnationalism can be Chinese co-ethnic transnational social space on the internet, in which they can build an imagined community, while enjoying material benefits provided by the host society. Difficulties in socialising with members of the host society, which some Chinese immigrants seemingly experience in New Zealand due to the lack of social networks, seem to drive them to withdraw to their own haven, that is, their co-ethnic cyber community (Yin, 2012). Through identification with the co-ethnic imagined community, Chinese immigrants may succeed in negotiating the gap between the cultural life of that co-ethnic imagined community and civic life in New Zealand. While admitting that there are some positive functions in the cyberspace, for example, acquisition of local knowledge in Chinese language, this cyberspace seems to enhance the transnationality of Chinese immigrants in New Zealand: 'here in body, but not in spirit.'

 Future of Immigrant Transnationalism

Disagreement exists amongst immigration scholars over whether or not the transnational practices of immigrants and their descendants will endure over generations (Levitt, 2009, pp. 1226-1227; Levitt & Waters, 2002, p. 4; Morawska, 2009, p. 225; Portes et al., 1999, p. 229; Wessendorf, 2013, pp. 145-146). Some scholars predict that transnational practices of second and further generation immigrants will gradually weaken and ultimately disappear for reasons including: weakening familial ties between the host country and the country of origin; heightening cultural (including language) barriers between them and native people of the country of origin; and progressive incorporation into the host society. On the other hand, some other scholars argue that immigrant transnationalism may well continue across

generations because it stands to enhance the life chances of immigrants, such as career opportunities in the absence of the support and connections given by direct familial ties.

We may need to recognise the context-dependent nature of immigrant transnationalism here as it is a product of the interplay between, on the one hand, the economic, political and social circumstances of both the country of origin and the host country and, on the other, second and further generation immigrants' concerns and purposes (Morawska, 2009, p. 225). For example, if the country of origin is considered not to have any economic capacity to provide new career opportunities to the second and further generation immigrants, a transnationalism based on nostalgic symbolic ethnicity may gradually lose its importance amongst them. In this case, if their upward social mobility is still restricted by institutional discrimination from the host society, they may strive more for either engagement in their co-ethnic enclave within the host society or incorporation into the mainstream. In addition, while many studies of immigrant transnationalism focus on bi-national and transnational practices between immigrants in the host country and their country of origin, we ought not to miss the alluring presence of the 'beyond' in their transnational practices. In the New Zealand context, 1.5 and second generation Asian immigrants' departure for a third country for better life chances, such as Australia and the UK, may exemplify this.

Nevertheless, the transnationalism of Chinese immigrants and their descendants in New Zealand appears to maintain a strong bi-national tendency and their transnational practices seem to be performed quite openly. Unlike Chinese immigrants who arrived in New Zealand before World War II, and who may have wanted to be 'white' due to the discrimination enforced by the State, current Chinese immigrants and their descendants, like the second generation Asian immigrants in the U.S., do not seem to be interested in 'whitening' themselves. This differentiated attitude of recent Chinese immigrants and their descendants, compared with their predecessors, may be attributed in part to the rising China effect, as described above. They may neither feel 'small' for the reason that they are newcomers, nor need to feel obliged to assimilate into the mainstream. Thus, alongside these changed dynamics between China and New Zealand, continuing social discrimination, for example, employment discrimination, may contribute to the persistence of Chinese (bi-national) transnational practices in New Zealand.

In addition to the economic dynamics between the two countries and the social milieu of New Zealand, the neoliberalism of New Zealand governments' approach to the transnational practices of Chinese immigrants seems to implicitly encourage this tendency. Given that the facilitation of de-territorialization for the enhancing of global capital flows, of enabling a process of transnationalism 'from above', is one of the new roles of neoliberal governments in the era of capitalist economic globalization, the transnational practices of Chinese immigrants do not seem to be regarded as an area for intervention by the neoliberal governments. This is because, even though Chinese immigrants' transnationalism has a reactive dimension as a survival strategy from below, it may also accompany capital inflows. Furthermore, and perhaps more importantly, it may contribute to an easing of competition in the labour market that can be brought on by immigration, as with the operation of ethnic enclave businesses. Therefore, whether Chinese immigrants form ethnic

enclaves or engage in transnational practices may not concern a neoliberal government, insofar as the choice is interpreted as the preserve of economic immigrants with individual responsibilities for their own settlement.

To sum up, immigrant transnationalism has a substantially reactive dimension to immigration under neo-liberal conditions, insofar as it operates as a survival strategy. Those conditions create a situation in which more and/or better life chances may be found in their country of origin or a third country than the host society and in which discrimination persists in the host society. In this context, the upward social mobility of immigrants within the host society appears critical. Transnational immigrants seem to make strategically selective use of their ethnic capital and citizenship/denizenship of the host society for their individual and/or familial interests. Thus, immigrant transnationalism may endure over generations unless its economic value disappears. In the New Zealand context, several factors including biculturalism, discrimination and the rising China effect all seem to contribute to Chinese immigrants' transnationalism. The neoliberalism of current government immigration policy does not seem to express concerned about the immigrant transnationalism, as the transnationalism may have the potential to promote flows of foreign capital into the domestic economy and a consequential expansion of national economies into global markets. The implications of such neoliberalism on immigrant transnationalism appear to be in line with the positions taken towards ethnic enclaves: the State holds back from intervening in those transnational practices of ethnic immigrants that do not convey market values, such as participation in the culture of immigrants' countries of origin; and the State intervenes marketisation in other areas that do have market values, such as potential which immigrants' transnational practices have for the enhancing of international trade links.

At risk of oversimplifying the last four chapters, the following becomes evident: ethnic immigrants enter New Zealand as economic contributors and experience various forms of discrimination in their search for social and economic spaces to occupy. These experiences act as levers upon them to find alternative social and economic spaces, which have come to take the form of ethnic enclaves and transnationalism. The next chapter asks about the implications of these tendencies for social cohesion and, even further, for the project of nation building.

Chapter 6. Social Cohesion and Nationhood

This chapter examines ways in which social tensions in Western countries between ethnic immigrants and the people of the host society might be lessened and, consequently, social cohesion enhanced. To attain this aim, firstly, the concept of social cohesion will be explored with particular attention to the differences between, and implications of, culturalist and structuralist interpretations of the term. Secondly, public discourses on social cohesion across Western countries, which currently experience tensions in relation to ethnic difference, will be introduced and their implications analysed. Lastly, the New Zealand government's current strategies for maintaining social cohesion will be introduced and suggestions made for the pursuit of a cohesive multi-ethnic national society as part of the nation-building project.

Social Cohesion

The notion of social cohesion has been used in the developed countries since the 1990s and considered as a condition for political stability, as a source of well-being and economic growth, and as a justification for public spending on social policies (Klein, 2013, p. 892). Social cohesion has remained politically important in these countries as it has been believed to facilitate collective action by, for example, supporting the ability of the society to maintain a well-functioning market economy with minimal transaction costs and the ability of the welfare state to redistribute its wealth with minimal coercion (Lægaard, 2010, p. 455). A recent interest in social cohesion seems to be also related to the neoliberal economic and political reforms and consequent labour market insecurity in these countries (Spoonley, Peace, Butcher & O'Neill, 2005, p. 91).

Social cohesion has been defined in a wide range of ways, resulting, ironically, in a lack of cohesion between these definitions (Tolley & Spoonley, 2012, p. 3). While the classical sociologist Emile Durkheim defined social cohesion as 'a bond created by loyalty and solidarity among individuals' (Manole, 2012, p. 128), the Canadian social theorist Jane Jenson describes 'a "socially cohesive society" as one where all groups have a sense of "belonging, participation, inclusion, recognition and legitimacy"' (Jenson, 1998, cited in Spoonley et al., 2005, p. 88).[77] New Zealand public policy on social cohesion is based on her definition (Girling et al., 2010, p. 17).

Another useful definition in the New Zealand context is that

> social cohesion is a state of affairs concerning both the vertical and the horizontal interactions among members of society as characterized by a set of attitudes and norms that includes trust, a sense of belonging and the willingness to participate and help, as well as their behavioural manifestations. (Chan, To, & Chan, 2006, p. 290)

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[77] Emphasis in the original.

The definition of Chan et al. indicates the existence of multiple dimensions and components in the phenomenon of social cohesion: a horizontal dimension, implying cohesion between, for example, ethnic immigrants, Pākehā and Māori; a vertical dimension, implying cohesion between, for example, the State and members of society; and subjective components, for example, people's attitudes towards ethnic immigrants; and objective components, for example, discrimination against ethnic immigrants in the labour market (Klein, 2013, p. 895).

Amongst the three main aspects of social cohesion in the social policy of the European Union, which are social inclusion/exclusion, social capital and quality of life, the aspect of quality of life in particular seems to have significance as it may suggest that social cohesion is an essential and inherent part of human life (Manole, 2012, p. 131). While this ontological dimension of social cohesion may be taken for granted in general, from the socialist point of view in particular, its absence is a defining characteristic of societies that are governed in neoliberal terms, in which 'the social' has become fragmented into 'individuals'. Wilkinson expresses this point in the following way:

> Although we are wholly dependent on one another for our livelihoods, this interdependence is turned from being a social process into a process by which we fend for ourselves in an attempt to wrest a living from an asocial environment. (Wilkinson, 1996, p. 266, cited in Coburn, 2000, p. 142)

The reduction of social links to individual capacities seems to be why internal tensions within, and contradictory logics between, the policy domains of European social cohesion exist (Boucher, 2013, p. 223).

When we focus on the aspect of the quality of life (well-being) in social cohesion, the question of how to view the normativity of social cohesion may arise. According to Chan et al. (2006, pp. 274-279), the normativity of social cohesion is found in the means-end approach adopted by policy makers and the policy-oriented analysts, while the descriptive and analytical dimension seems critical in academic circles. In the means-end approach, it is emphasised that social cohesion is both a consequence and a cause (Spoonley et al., 2005, p. 102); the role of social cohesion policy is, not to pursue social cohesion directly, but to establish conditions for social cohesion (Koonce, 2011, p. 144). In support of the analytical dimension, on the other hand, Duncan (2012) asserts that social cohesion needs to be separated from normative considerations such as social justice and to be seen as a purely empirical matter (p. 261). In a similar vein, Koonce (2011) argues that social cohesion is a performance variable and 'a measure of a society's members' willingness to cooperate and their autonomous action in support of social norms' (p. 145).

A more useful understanding of social cohesion in relation to neoliberalism and current patterns of immigration seems to be gained through the comparative analysis of the culturalist perspective and the structuralist perspective on social cohesion. In his analysis of social cohesion in Europe, Boucher (2013) argues that contemporary debates on social cohesion in Europe are inclined to the culturalist perspective, which argues that social cohesion can be achieved by the immigrants' assimilation into the traditional core national cultures, identities and histories of the host societies. The problem of social cohesion in

Europe is, however, according to him, fundamentally associated with the increasing inequalities and insecurities in European societies, resulting from the prevailing neoliberal political economic policies (p. 215); his understanding reflects the structuralist perspective. The culturalist perspective on social cohesion, he goes on, tends to ignore the significance of structural outcomes involving levels of material equality and social inclusion/exclusion in their explanation of social cohesion (p. 219). The culturalist perspective on social cohesion has, consequently, had the effect of tacitly normalising neoliberal policies, which have increased structural socio-economic inequalities and insecurities amongst members of societies, resulting in the undermining of the socio-cultural cohesion in Europe (p. 228). This structuralist interpretation of social cohesion may serve as 'a useful counter-balance to an overly economic-centric tendency of neoliberal governments' (Stanley, 2003, Draibe, 2011, cited in Biles, 2012, p. 323).

The structuralist perspective on social cohesion seems to be widely supported in academic circles (Biles, 2012, p. 321). For example, Bernard (1999), who regards social cohesion as a 'quasi-concept' (p. 2), distinguishes three dimensions of social cohesion: economic, political and socio-cultural (p. 20). He then emphasises the importance of economic equality in social cohesion (p. 22). Klein (2013) also argues that social cohesion should include the economic dimension when researchers analyse societies using this concept (p. 908). Their arguments seem to be also supported by empirical research findings. For example, Coburn (2000) argues that, in neoliberal capitalist Western societies, neoliberal policies produce a higher level of income inequality which leads to lowered social cohesion, resulting in the poorer health status of members of societies (p. 135). In a similar vein, Engel & Rutkowski and Rutkowski (2014) demonstrate a link between socioeconomic status (SES) of members of societies and the strength of their links with the host society. These findings indicate that the extent of members' trust in civic institutions, as one of the measures of social cohesion, can change as their SES changes (p. 135).

Similar perspectival differences to those between culturalists and structuralists, in relation to social cohesion, are also found in the debates on the relationships between social cohesion and social capital. Social capital, as defined by Putnam, comprises 'networks and the associated norms of reciprocity' (Putnam, 2000, p. 21, cited in Koonce, 2011, p. 145). Also, according to Putnam, social capital consists of two kinds: bonding and bridging capital. Bonding capital highlights ties within a group, such as an ethnic community, while bridging capital highlights the connections with other groups and broader networks, and, consequently, is more likely to positively contribute to social cohesion.[78]

Another approach to the relationships between social cohesion and social capital suggests that social capital should be considered as a micro concept while social cohesion a concept which is more appropriate for macro-scale analysis (Klein, 2013, p. 892). In other words, social capital is developed on the individual level with the perspective of a future return like human capital, while social cohesion exists on the society's level, which is more than the

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[78] Ibid., p. 145.

simple sum of individuals' social capital due to the existence of externalities in the production of social capital (p. 896). This approach seems to be underpinned by Bourdieu (1986, cited in Cheong, Edwards and Goulbourne & Solomos, 2007, p. 37) who had argued that social capital refers to individuals' resources which develop as a result of their membership or connections to particular groups.

The approach underpinned by Bourdieu's analysis of social links, suggests that approaches which assume social cohesion can be achieved through the enhancement of ethnic immigrants' social capital – as Putnam's approach might be read as suggesting – are 'putting the cart before the horse': ethnic immigrants' development of social capital is always impacted upon by the distribution of socio-economic resources, and by the forms and degrees of ethnic discrimination at work within the host society. This approach challenges any hegemonic and normative interpretations of social capital. It undermines the validity of those forms of analysis, for example, that emphasise the role of bridging capital for ethnic immigrants, insofar as those approaches erroneously assume that everyone lives and works within the same social and economic context, sidelining the issues of ethnic immigrants' economic, material and structural inequalities (p. 29). It reminds us of the aforementioned culturalist perspective on social cohesion. Whether immigrants focus on bonding social capital or bridging social capital is a matter of their survival strategy, depending on the forms of financial and human capital which they brought with them from the home country and their experience of, for example, discrimination in the host society (p. 38). Thus, the normative emphasis on the bridging social capital of ethnic immigrants, without consideration of the socio-economic structures, in which immigrants are embedded, can be regarded as another culture-oriented approach to social cohesion.

Social Cohesion and Immigration

Even though socio-economic inequality is a substantial factor influencing social cohesion, ethno-cultural diversity created by the inflows of ethnic immigrants seems to be the most conspicuous factor in relation to social cohesion in developed countries, generating active public and private discourses (Tolley & Spoonley, 2012, p. 4). For example, in many Western countries, the concept of social cohesion, which has been based on multiculturalism in the milieu of ethno-cultural diversity, seems to be recently challenged by the new approaches to social cohesion such as neo-assimilation. In the case of Canada, as concerns about the potential for fragmentation caused by immigrants arise, the centre of gravity seems to have shifted from structuralist social cohesion, focusing on equality, redistribution and recognition, to culturalist social cohesion, emphasising individual (immigrant) responsibility and a shared knowledge of Canadian values and histories (Tolley & Spoonley, 2012, p. 6). In the case of Australia, well known for its multiculturalist tradition, the stress of political discourses seems to have shifted from cultural diversity to 'exclusive social inclusion,' exemplified by the rejection of 'boat people.' Unlike Canada and Australia, interests in social cohesion in New Zealand have never been activated, due to biculturalism, having hindered the adoption of official multicultural policies, and a relative absence of social conflicts in relation to immigrants (p. 7).

Amongst the various discourses, a view that social cohesion in developed countries is undermined by ethnic immigration does not seem to be agreed by most researchers (Biles, 2012, p. 305). For example, empirical research projects conducted in the Netherlands and the UK have come to similar conclusions, that the impacts of ethno-cultural diversity on social cohesion are limited. Instead, they show, the SES of a neighbourhood has a more substantial impact on social cohesion in general in these countries (p. 306). One of the reasons to place the blame, by policy makers, on ethno-cultural diversity rather than on socio-economic inequality for the weakening of social cohesion seems to be that poverty and ethnicity are strongly associated (Letki, 2008, p. 121, cited in Biles, 2012, p. 306). In this context, two political approaches seem possible: one which focuses on the cultural assimilation of ethnic immigrants as advocated by the culturalist perspective, and one which focuses on the improvement of immigrants' SES as the structuralists advise. Given the neoliberal ethos of contemporary developed countries, in which individual responsibility is emphasised, it might be an easier option for policy makers in these countries to choose the former.

The tendency to put the onus on ethnic immigrants for the maintenance of social cohesion in developed countries is also found in approaches taken to the matter of ethnic immigrants' spatial concentration. Some unusual findings emerge in this regard, in situations where high levels of residential concentration could be expected. In Canada, for example there is no evidence that immigrants are more residentially concentrated than white natives; on the contrary, British- and French-origin Canadians are more residentially concentrated.[79] In the British context, even though social segregation is significantly driven by the changing social behaviour of the white middle and upper classes, this trend is taken for granted without any problematization.[80] Immigrants' spatial concentration per se may not necessarily be a problem (Papillon, 2002, p. iii, cited in Spoonley et al., 2005, p. 93). It can become a problem in terms of social cohesion, however, when it is combined with lowered SES, leading to the perpetuation of immigrants' social exclusion.

Duncan (2012) suggests in relation to the ethnic immigrants' spatial concentration that, while still regarding the 'ghetto' type problematic, the people of the host society need not be afraid of the 'parallel lives' type of immigrants' residential concentration in terms of social cohesion, insofar as the level of the SES of immigrants is similar to that of the native-born middleclass, and the State's civic projects and rules of law are shared by them (p. 264). His suggestion seems to have important implications: a need to separate cultural aspects from civic aspects and a shift of emphasis from the cultural aspects to the civic aspects in social cohesion.

Reconceptualization of Social Cohesion and Nationhood

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[79] Ibid., p. 309.

[80] Ibid., p. 310.

In accordance with Duncan's suggestion, we may distinguish a social cohesion which is based on ethnic nationalism from a social cohesion which is based on civic nationalism. While Western countries may be considered as internally civil societies, it seems debatable whether they are grounded on civic nationalism or ethnic nationalism. For example, unlike the period of the early 20th century, Chinese in New Zealand could acquire British subjecthood through naturalization for much of the 19th century even though they were discouraged from becoming naturalized citizens (Pearson, 2009, p. 37). It may imply that the New Zealand civil society at the time was still grounded on civic nationalism. The imposition of restrictions on the naturalization of non-British immigrants such as Chinese in the early 20th century, however, seems to have represented a shift in the State's approach; from one of civic nationalism to that of ethnic nationalism. The government at the time may have considered the ethno-cultural diversity created by non-white immigrants as a great setback in their nation-building project to make New Zealand a 'Briton of the South' in terms of ethnic homogeneity (Beaglehole, 2012). If contemporary Western countries continue to tend to emphasise the sharing of common culture in relation to immigration, virtually implying the cultural assimilation of ethnic immigrants into the culture of the ethnic majority, we may regard this discourse on social cohesion as being based on ethnic nationalism.

Further, given that liberal democracy is a mechanism for producing consensus amongst members of societies who are not the same but different from each other, the kind of social cohesion which is grounded on civic nationalism may reflect that same principle: that immigrants' differences are not traits to remove but, rather, attributes to respect and embrace in process of building social consensus. Nevertheless, the current tension between ethnic diversity and the policies related to the production of social cohesion in Western countries does not seem to be alleviated. This seems to be the case because the conventional notion of social cohesion in Western countries is based on an ethnically homogenous nation-state, an image that made sense in the period of pre-mass migration from non-white countries (Veit-Brause, 2010, p. 86). Thus, if we want to escape from the deadlock in which ethnic diversity appears almost as the arch-enemy of Western civil society, in terms of its quests for social cohesion,[81] we may need to put ethno-cultural diversity and cohesive civil society at different layers respectively. Otherwise, the building process of 'a cohesive multi-ethnic civil society' would tend to be oriented towards a coercive and exclusive cultural assimilation.

In this context, it is useful to review two conventional concepts in relation to social cohesion: integration and a sense of belonging. While the prospect of pursuing shared values through the vehicle of 'social cohesion' raises the question as to whose values will count, the concept of integration also raises the question as to the identity of the object into which people will be integrated. According to the definitions in both academic circles and political discourses, the concept of integration is not one-way process (Biles, 2012, p. 293; Spoonley et al., 2005, p. 96); that is, integration is a process, unlike assimilation, by which new

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[81] Ibid., p. 84.

residents (immigrants) and existing residents (natives) adapt to each other. In spite of the emphasis on the reciprocity in the definitions given of 'integration', however, the final state of 'being integrated' does not seem to be realized by the two-way process. With these points in mind, Favell observes of the British context that the aim of integration is extremely difficult and improbable to attain (cited in Spoonley et al., 2005, p. 97) and, in the Canadian context, Li argues that it is immigrants, not Canadian society and its institutions, that are required to change despite the defining of integration as a two-way street (2003, p. 10, cited in Spoonley et al., 2005, p. 97).

Their observations suggest that the concept of integration in Western societies still implies a process whereby people arriving into the country must integrate into the existing values and cultures of the native ethnic majority, which are deemed neither to be contestable nor to be evolving in relation to newly arrived ethnic immigrants (Samers, 1998, p. 129, cited in Spoonley et al., 2005, p. 98). Thus, the definitions referring to integration as a two-way process seem to be nothing but political rhetoric. Ultimately, the onus and burdens of integration are put on immigrants alone (Portes, 2010, cited in Vasta, 2013, p. 197).

In a similar vein, the concept 'belonging' raises the question as to the identity of the object in respect of which a state of belonging will be experienced. Immigrants' seemingly divided loyalties, exemplified by their transnationalism, and of their ethnic identity, exemplified by their ethnic concentration, may be deemed to threaten the social cohesion of the host society. An analysis from Statistics New Zealand shows, for example however, on the contrary, that the vast majority of immigrants to New Zealand feel they belong to the host society: 86 percent of the immigrant respondents of the survey, having been in New Zealand for more than 12 years, answered that they have either a 'strong' or a 'very strong' sense of belonging to New Zealand (Statistics New Zealand, 2013). This gap in perception, between the views of people of the host society and those of immigrants, seems to be caused by different identifications of the (national) object in which they all reside. According to Mason (2000, p. 127, cited in Vasta, 2013, p. 202), immigrants may have a sense of belonging to a 'polity' without necessarily having a sense of belonging together at the level of society. In other words, they can have both ethnic identity and national identity, as the relationship between them is not a zero-sum linear relationship but a multilayered co-existing relationship as suggested above; the idea of national identity, in this context, implies a sense of belonging; not to the nation but to the State as a citizen.

This perspective prompts changes in how national identity is conventionally understood and, even further, how social cohesion is interpreted. More particularly, the reformulation of the idea of social cohesion in this context implies the abandonment of the horizontal dimension of social bonds, as suggested by Chan et al. (2006). While Parekh's suggestion for of an 'expansion of identities' (Parekh, 2008, cited in Vasta, 2013, p. 202) and of Kymlicka and Banting's concept of 'a modified and thinned national identity' (Banting, 2006, p. 301, cited in Spoonley & Bedford, 2012, p. 273) attempt to retain something of the horizontal dimension of social cohesion, by being more inclusive of ethnic diversity in their respective reconceptualizations of national identity, an emphasis on the vertical dimension between immigrants as citizens and the State provides an alternative pathway for re-imagining social

bonds: a decoupling of Statehood from nationhood. It is this decoupling which could productively constitute multi-ethnicized nation-states in the era of neoliberal globalization.

Given the historical relationship between political liberalism and economic liberalism, the prospect of an uncoupling can already be anticipated (Allegritti, 2010, p. 173). Political liberalism (liberal democracy), whose origin underpins the emergence and prosperity of economic liberalism (capitalism), tends to be indifferent to cultural differences between individuals and, instead, encourage individuals' free and equal participation in the capitalist system. As a consequence, liberal states have traditionally sustained a policy of non-intervention into their citizens' cultural differences, frequently doing so in the name of tolerance.[82] The current relations between Pākehā and ethnic immigrants, between different immigrant groups and between immigrants and the New Zealand State, all seem to reflect this liberal stance. The State, however, intervenes in the cultural ream of citizens when they find marketable value in the citizens' cultural diversity, as described in the previous chapters. To reframe the point, neoliberal states tend to pay attention to the conversion of cultural diversity into diversity capital (Walsh, 2014, p. 293). Immigrants whose cultures do not value market-relations, or socio-cultural capital, tend to be ignored by the neoliberal states for the reason that they are treated as responsible individuals along with the majority population. Thus, from the perspective of neoliberal states, any investments for the enhancement of cohesiveness between citizens with different cultures, which has no market value, are nothing but a commitment without returning value for money (Allegritti, 2010, p. 173).

The persistent tensions between ethnic immigrants and the people of the host society, witnessed in most developed countries, however, seem to suggest that room still exists for the development of social policies of cohesion, to promote horizontal cohesiveness between members of societies. As recent phenomena of Western countries show, such as persistent mistrust and clashes of values between Muslim immigrants and the people of the host society in Europe (Kern, 2013), horizontal cohesiveness between members seems to be a long-term project. Assuming that the social cohesion of Western welfare states before the mass-migration from ethnically heterogeneous countries could be attained in part through the processes of conflicts and negotiations, for example, between the social classes, we may need to undergo similar conflicts and negotiation processes. This is because immigrants as new actors have become incorporated in these processes.

Thus, what is now needed for these processes seems to be public institutions capable of managing the social conflicts that characterize democratic life (Biles, 2012, p. 325); what is critically needed to be shared by both existing inhabitants and immigrants, for the enlarging of social cohesion, is 'the legitimacy of the State itself and the democratic processes that underpin it'.[83] For example, the conventional nationhood of New Zealand, which was established on the ground of white British ethnic homogeneity before the mass-migration

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[82] Ibid., p. 172.

[83] Ibid., p. 319.

from countries with different ethno-cultural backgrounds, may not be an object to be shared in this context. Given that nationhood is (re)recreated by the State in the process of nation-building, in accordance with the changes in the characteristics of members of the nation, Biles' point seems plausible as both immigrants, as new actors, and native-born inhabitants, as existing actors, can and need to participate in the nation-building through the State, creating new core national values.

In spite of these seemingly long-term processes for creating 'new' core national values in the face of the inflows of non-white immigrants, attempts to curtail such processes can be seen amongst neoliberal states by proponents of shared 'existing' core national values. Many of them, according to Heath (2003, cited in Biles, 2012, pp. 315-316), mistake core national values for the principles that underpin liberal democracy, creating an illusion that immigrants are not willing to acknowledge even the liberal democratic principles. In fact, in the Canadian context, support for democracy is higher among the foreign-born than the native-born, even those from countries with authoritarian regimes, according to Biloudeau and Nevitte (2007, cited ibid., p. 315).

One of the attempts involves embedding the elements of existing core national culture and values in the process of citizenship acquisition by immigrants. For example, strengthened language requirements and tests for naturalization in Europe may represent this tendency: integrationist citizenship (Joppke, 2008, p. 536, cited in Lægaard, 2010, p. 453). Citizenship itself is revalued as an important value and identity (Kymlicka, 2003, p. 195, cited ibid., p. 456) and regarded as a social bond by this attempt; citizenship is identified with national identity in this context. This naturalization policy appears to be advocated by many liberal nationalists or conservatives who are concerned that a classical link between citizenship as legal status and identity in the national-state is broken and, consequently, citizenship seemingly no longer acts as an effective form of closure in the milieu in which global heterogeneity overwhelms nationhood (Pearson, 2001, p. 195).

In their analysis of the recent transformation of citizenship in the Netherlands, this attempt represents what Schinkel and van Houdt (2010) call 'neoliberal communitarianism'. This refers to situations in which communitarian care of the Dutch community is combined with a neoliberal emphasis on the individual's responsibility to achieve membership of the community (p. 696). According to these researchers, the concept of citizenship becomes a means by which to couple conventional Dutch cultures, norms and values with statehood in the name of 'active citizenship,' in which citizenship becomes an extra-juridical normative concept. This leads to the moralization of citizenship, in which every immigrant has a responsibility to embrace the Dutch culture, its norms and values, so as to become a subject of the State. This leads to a 'responsibilization of citizenship' (p. 697). Thus, immigrants who intend to acquire citizenship of the host society must promise to fulfil their duty of civic integration through this new form of contractualism (p. 704). Further, the costs associated with participation in the civic integration courses — for example, of language courses, which became privatized — are also to be paid by the immigrants themselves (p. 705). Some

commentators point out that this 'authoritarian moralism' has become an integral component of the neoliberal state (Wacquant, 2009, p. 311, cited in Walsh, 2014, p. 281).[84]

New Social Cohesion and Nationhood in New Zealand

Unlike some European countries, in which social cohesion has been widely discussed in both academic circles and political realms, there seems to be little public discussion and certainly no consensus that such a concept should be the key policy focus in New Zealand (Spoonley et al., 2005, p. 108). Public concern over Asian immigration, exemplified by the substantial support for the New Zealand First party in the 1996 election, emerged as a matter of concern for the following Labour-led governments in the 2000s (Spoonley & Peace, 2012, p. 91). As the National-led government was elected in 2008, however, the interest and enthusiasm for a high level policy goal of social cohesion rapidly waned (p. 93). Since then, New Zealand governments seem to have minimized a normative approach to social cohesion in their policy making.

Instead, they have tended to simply register the realities of contemporary migration – including immigrants' transnational practices, their divided loyalties, no virtual differences in the rights between permanent residence and citizenship, and multiple citizenships of some of them – without acting towards their alleviation (Spoonley & Bedford, 2012, p. 267). In spite of this seeming indifference from recent conservative governments to the matter of social cohesion, surprisingly, there has been little conflict observed between immigrant and existing communities (p. 101). This relative silence, however, does not necessarily mean that New Zealand does not suffer the separation between statehood and nationhood which is violently experienced by many other Western countries. New Zealand may undergo just a different form of separation between them.

In contrast to many other old nation-states, in which the State was built gradually on the foundation of an existing nation, in New Zealand, like other British settler societies, the nation was built on the foundation of the State: hence, state-nation (Pearson, 2009, p. 34). As Habermas argues (2002, p. 113, cited in Skilling, 2010, p. 177), the idea of nation was needed for state elites as it appeals more strongly to people's hearts and minds (their ethnic dimension) than the dry idea of popular sovereignty and human rights (their civic dimension). Thus, the establishment of a state-nation became a multilayer project, involving the establishment of civic institutions on the one hand and the alignment of them with shared ethnic sentiments on the other (Pearson, 2009, p. 34). Through the achievement of the linkage between state formation and the ethnic component of nationhood, civic factors and ethnic factors are so interwoven as to be only analytically distinguishable (Smith, 1995, p. 99, cited in Pearson, 2001, p. 10). In this context, both civic nationalism and ethnic nationalism appear to have contributed to the conversion of state-nation to nation-state. This equation of statehood with nationhood in New Zealand seemingly began to rupture

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[84] Emphasis in the original.

when ties with the UK were weakening and New Zealand became independently placed amidst the flows of global capitalism in the late 20th century.

Both biculturalism, advocated by Māori, and multi-ethnicisation, driven by Asian immigration, during this period seem to be two of the more significant factors contributing to the rupture between New Zealand's statehood and conventional nationhood; and neoliberal global capitalism seems to be closely associated with these two factors. The emergence of biculturalism seemed possible on the premise that the property rights and cultures of Māori would be incorporated into global and local capitalist economies. The acceptance of Asian immigrants also seemed to be significantly influenced by the rising importance of Asian countries as trade partners.

Through biculturalism, the conventional sense of nationhood, as based on the naturalisation of an homogeneous Pākehā/European ethnicity, became threatened and New Zealand's civic nationalism in this context could no longer be identified with Pākehā ethnic nationalism. Further, the inflows of Asian immigrants as a third people other than Pākehā and Māori seemed to make the New Zealand state undergo complex and difficult tasks of reconfiguring the links between statehood and nationhood and of redefining the peoplehood of New Zealand. The difficulty of these tasks is compounded by the fact that States are no longer the sole builders of nations in the era of global capitalism and, even further, they are increasingly required to be agencies of global capitalist interest in for the realization of profit within national territories.

Facing these challenges, New Zealand neoliberal governments seem to have used two different strategies: one for Pākehā and Māori, and the other for ethnic immigrants. In order to satisfy both Pākehā, who might still feel nostalgia for the British ethnic homogeneity, and Māori, who may be eager to re-establish socio-political containers for the reconstitution of collective identities, the successive conservative governments have proposed biculturalism, in which both Pākehā ethnic nationalism and Māori ethnic nationalism[85] could amalgamate into what can be termed 'indigene nationalism.' While conceding some material resources to Māori, neoliberal governments appear to have persuaded Pākehā to embrace this indigene nationalism as a new national identity. This strategy seems to have worked to a certain degree. For Pākehā, many of whom have seemingly suffered an identity crisis after the weakening of ties with the UK, the introduction and embedment of Māori culture in their national identity seems to have provided some solution to their identity crisis (Pearson, 2009, p. 48). For Māori, whether or not their overall socio-economic status has improved, biculturalism may be deemed an achievement that restored their identity. For the State as an agency to meet global and local capitalist imperatives, biculturalism can be deemed a successful strategy insofar as Māori's resources are incorporated into the global and local capitalist markets.

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[85] Strictly speaking, Māori ethnic nationalism in this context is a form of quasi-nationalism, or minor-nationalism, as Māori never considered themselves a singular nation prior to colonisation.

Meanwhile, a strategy of New Zealand neoliberal governments for ethnic immigrants seems to be to remain loyal to a traditional liberal principle that emphasises the separation between State and civil society. It seems to be a natural choice as, unlike some other Western countries in which a reactive hegemonic cultural assimilation is re-introduced due to the civil unrest seemingly caused by ethnic immigration, there has been little such conflict caused in New Zealand. There seems to be no urgent necessity for governments to consider interventionist policies. In spite of some concerns for the immigrants' transnational practices and their residential concentration, insofar as those tendencies neither provoke any conspicuous social problems, nor act as obstacles in meeting the global and local capitalist imperatives, they do not seem to be urgent political agendas, from the perspective of the neoliberal governance.

If there is a policy tacitly at work, it might be the policy of 'invisibilization of ethnic immigrants.' For example, as described in chapter 3, there have been no regular programs about Asian immigrants on the public TV networks since the end of the 'Asia Downunder' programme in 2011. This indifference from successive governments to Asian immigrants does not seem to cause any resistance from Asian immigrants either, as their attention may lie in the vertical contractual relationship with the State, not in horizontal social cohesion; they might be satisfied with their invisibility as passive citizens.

These strategies, however, seem to be far from a permanent or, at least, a future-oriented solution. The fundamental flaws of biculturalism may be: firstly, the agreement between the coloniser and colonised, ethnic Māori, was hegemonic and exclusive in nature by excluding other ethnic groups such as Chinese at that time; secondly, perhaps more importantly, the coloniser in the agreement has transformed into, not the State, but Pākehā, implying a denial of other ethnic groups' participation in the nation-building as it is based on two static ethnicities, Pākehā and Māori; lastly, as a result, the official biculturalism necessarily tends to dismiss the reality of the multi-ethnicized New Zealand society (Williams, 2009, p. 301).

Also, indifference to or invisibilization of other ethnic immigrants seems to drive them to be marginalized because the ethnic majority, Pākehā, who may feel an anxiety over the current statehood that has faltered by global capitalist imperatives, appear to naturally tend to seek a reactive hegemonic cultural homogeneity, as exemplified by the discrimination against Asians in the labour market. While some ethnic immigrants may cope with this tendency of marginalization by their transnational practices and/or ethnic concentration to some extent, some others may fall into the underprivileged.

Thus, both strategies, indigene nationalism for Pākehā/Māori and indifference for ethnic immigrants, do not seem to contribute to the re-establishment of the civic nationalism in the contemporary multi-ethnicized New Zealand society. This has the effect of defining and perpetuating Pākehā as 'just Us', Māori as 'intimate Others in Us', and ethnic immigrants as 'different Others from Us.'

An ultimate question in relation to social cohesion in terms of ethnic relations in the New Zealand context thereby emerges as to how relationships between Pākehā, Māori and ethnic immigrants might be reconfigured for the establishment of a new multi-ethnic

national identity (Pearson, 2001, p. 16). A recent history of policies and their outcomes in relation to the social cohesion of ethnic immigrants in Western countries raises a set of question in this regard: in the case of assimilation, can non-white 'Others' become a whitened 'Us'? In the case of multiculturalism, where are the 'Us'? Are there not only 'Others'? In the case of integration, who are 'Us'?

Facing new external circumstances such as global capitalism, in conjunction with new members in our society such as Asian immigrants, we may need to rethink social cohesion not in terms of the nation-state but of state-nation. This would be as if we were to start our nation-building project anew, as in the early settler societies. A critical point in such a project is summarized well in a Cabinet Policy Committee document from 2006: 'Social cohesion is more likely to be achieved when economic growth results in each community sharing the benefits of progress, and when people from all communities can see their individual needs are met by society' (p. 1, cited in Spoonley & Bedford, 2012, p. 270). In other words, the significance of a structural socio-economic dimension of social cohesion cannot be overemphasised in the building of a new cohesive national society.

To sum up, the conventional approaches towards social cohesion and nationhood in most Western countries before the mass-migration from non-white countries were grounded on an assumption that ethnic homogeneity would prevail. Both the social cohesion and nationhood of these countries appear to have faltered recently, and ethnic immigrants' refusal or reluctance to accept the core national values and cultures of the host society tend to be blamed for it. This tendency represents a culturalist view on social cohesion that ignores a structural socio-economic dimension of social cohesion. Further, culturalists and some neoliberal governments, sympathetic to them, attempt the restoration of social cohesion by amalgamating traditional core values with the process of citizenship acquisition, leading to the appearance of neo-assimilation. Against these attempts, a proposal, perhaps as a provisional solution, is submitted, which argues that only statehood and the democratic processes to underpin it need to be shared by both native-born and immigrants. In the New Zealand context, the conventional sense of nationhood, grounded on Pākehā ethnic homogeneity, was challenged by the appearance of biculturalism and the influx of Asian immigrants. In this context, a need seemingly emerges to dismantle the ethos of nation-statehood and to set up a new sense of state-nationhood, in order that a new form of political community might be created for the new multi-ethnic nation. The significance of socio-economic equality of all members cannot be overemphasised in this process of building a new nationhood.

The findings in this chapter seem to have following implications: current tensions in Western countries in terms of ethnic relations are structurally associated with class inequality; these tensions are the products of the collision between (neo) liberal imperatives and the social imperatives which are inherently inclined to seek cohesiveness in the society; and the significance of the democratic processes needed to underpin statehood, in which ethnic immigrants participate as new members, needs to be underscored.

Conclusion

To sum up, this thesis examines how classical- and neo-liberal ideological imperatives have influenced and penetrated immigration-related practices, policies, and procedure, including the formulation of immigration policy, the selection of immigrants, their settlement, residential and economic activities, social experiences, and, further, on a national level, our nation-building project for a cohesive multi-ethnic civil society.

From the outset, it has been argued that achievement of this goal depends upon, on the one hand, a distinction being made between economic liberalism/capitalism, and political liberalism/liberal democracy, and, on the other hand, between classical liberalism and neoliberalism. Deeply embedded tensions exist between economic liberalism and political liberalism, with economic liberalism having a more fundamental impetus than political liberalism because of the supplementary kind of role which political liberalism has come to play in supporting the production of prosperity through economic liberalism. Classical liberalism is characterised by the generalised policy of laissez-faire, the absence of State interventions being based on the belief that the market is self-regulating; whereas neoliberalism recognises a need to marketise non-economic realms, including social relations and the State, in order that capitalist imperatives might be realised. Neoliberalism is based on an understanding that the market economy is not self-regulating in kind. In the immigration and settlement policies of the New Zealand government, both classical liberal non-interventionist and neoliberal marketisation practices can be found at work.

Chapter 1 examined the validity of positions which justify immigration in terms of national economic benefits. Most research results show that the overall impacts of immigration on the New Zealand economies are marginally positive. Nevertheless, the belief in the necessity of immigration amongst the public seems solid because this belief seems to have gained the status of an ideology, in terms of a self-fulfilling prophecy, and as one of the neoliberal projects to meet global and local capitalist imperatives. Also, current New Zealand immigration policy is to a substantial degree the product of international trade negotiations. This leads to a state of ignorance regarding the social implications of immigration in the national society. The incorporation of national immigration policy into international trade negotiations may imply the commodification of immigration policy, of its reformatting as an internationally tradable product and, in broad terms, a marketisation of immigration.

Chapter 2 argued that the points-system in the SMC, representing the New Zealand immigration policy to recruit skilled workers from overseas, is substantially a product of the changing international political and economic dynamics between New Zealand and Asian countries in the era of global capitalism. The characteristics of this points-system can be summarized in the concepts of human capitalisation and the quantification of immigrants as fragmented economic units, both of which ignore the relational nature of human knowledge and skills such as local socio-cultural capital. This can result in higher rates of unemployment/underemployment of Asian immigrants. The forms of ethnic socio-cultural capital which ethnic immigrants bring with them does not contribute to their participation in the local labour market, but can attract attention from the government when it can

contribute to the expansion of the New Zealand economy to overseas markets in the name of productive diversity or diversity capital. The defining of immigrants as purely economic contributors seems to be deeply connected with the Polanyi's notion of 'fictitious commodities' and can be interpreted as the fictitious commodification of immigrants.

Chapter 3 has examined the implications of discrimination. The Asians' ambivalent attitudes towards the host society seem to be caused in part by the subjectification and internalization of their experiences of discrimination, implying the mutual otherisation between the people of the host society and Asian immigrants. One of the examples representing institutional discrimination against Asian immigrants is employment discrimination, occurring in both the recruitment and the promotion processes. Ethnic discrimination has changed in form from explicit racism to a more inclusive multicultural form. This shift facilitates global and local capitalist imperatives. The more inclusive multicultural form of ethnic discrimination, which has the effect of excluding ethnic immigrants who are already in the State's territory, appears to entail two strategies. One of them involves, on a structural level, an interweaving of class with ethnicity in the form of the ethnicisation of the division of labour or, in a broad term, the ethnicisation of class. The other strategy involves, on a cultural level, an otherisation of ethnic immigrants in social space.

Chapter 4 has investigated the phenomenon of the ethnic concentration of immigrants in terms of both residence and economic activities, alongside the analysis of the neo-tribal economies of Māori. The significance of the latter lies with the status they share with ethnic immigrant groups as ethnic minorities. The tendency of ethnic concentration may endure over generations if ethnic immigrants' upward social mobility through participation in the mainstream labour market is continuously restricted. While the New Zealand neoliberal governments' policy on the residential concentration of ethnic immigrant groups is non-interventionist in kind, proposals have emerged for the commodification of Chinese ethnic precincts as local cultural products. These proposals need to be viewed as being neoliberal in kind, involving the marketisation of non-economic realms through an 'othering' of ethnic immigrants. The State's transformation of Māori ethnic collectivity into neo-tribes, as economic entities under the name of biculturalism, can also be interpreted as a successful neoliberal project to marketise Māori collective ethnicity, not as a failure of neoliberalism. This is because the State's non-interventionism prevails in some non-economic realms in which market values are not found, whereas the State's practices of interventionist marketisation prevail in other non-economic realms which are seen to have market value; in the context of the Māori's neo-tribes, marketisation prevails in the realm of material resources which have market values whereas non-interventionism prevails in the realm of politics which has no market values.

Chapter 5 argued that the phenomenon of immigrant transnationalism has a substantially reactive dimension as a survival strategy in the milieu in which more and/or better life chances may be found in their country of origin or a third country than the host society and in which discrimination is still persistent in the host society. Despite the reactive dimension of immigrant transnationalism, however, it does not necessarily mean immigrants' entire disconnection with the host country. Transnational immigrants seem to make selective use

of their ethnic capital and citizenship/denizenship of the host society for their individual and/or familial interests. Thus, immigrant transnationalism may endure over generations unless its economic implication disappears. The neoliberal government's policy on immigrant transnationalism appears to be in line with that of the ethnic enclave: non-interventionism in the areas that do not have market value whereas marketisation of the areas that have market value.

Chapter 6 has argued that the reconceptualization of social cohesion and nationhood is needed for a cohesive multi-ethnic civil society. This need arises because the conventional concepts of social cohesion and nationhood of most Western countries were established on the ground of ethnic homogeneity before the mass-migration from non-white countries. In this context, attempts can be observed from some neoliberal governments to restore social cohesion by combining the traditional core values of the existing ethnic majority group with the process of citizenship acquisition, causing the appearance of neo-assimilation. In contrast to such programmes, this thesis proposes, as a provisional solution, that only statehood and the democratic processes to underpin need to be shared by both the people of the host society and ethnic immigrants. In the New Zealand context, the conventional sense of nationhood that is grounded on Pākehā ethnic homogeneity was challenged by the appearance of biculturalism and the influx of Asian immigrants. In this context, we may need to dismantle the existing ethos of the nation-state and foster a replacement sense of state-nationhood, in order to create a new nationhood for the emergent multi-ethnic nation.

Towards a Cohesive Multi-ethnic Civil Society

In conclusion, current tensions and conflicts surrounding immigration in Western countries appear to be the immediate products of the collision between, on the one hand, ethnic immigrants who experience socio-economic discrimination in their search for socio-economic space in the host society and, on the other, the people of the host society who feel anxiety over the changed social space around them. The ultimate cause of these tensions and conflicts, however, seems to be the collision between, on the one hand, global and local capitalist imperatives to incorporate nation-states into the global capitalist system and, on the other, the social imperatives of nation-states to maintain a cohesive national society. Some people of the host society, for whom the sociological imagination to link this change in their daily lives to the cause of this change is not yet available, seem to be inclined to blame directly immigrants rather than these capitalist imperatives.

The State, which has the onus to mediate the collision between them through the establishment of a new sense of nationhood, appears to be more loyal to global capitalist imperatives, being a milieu in which the State is no longer a sole nation builder. New Zealand seems to have both an advantage and disadvantage in this respect, compared with European countries, for the building of a new nationhood that encompasses both native-born and ethnic immigrants. The advantage is that New Zealand seems to still have the tradition of the state-nation as a legacy of having been a settler society, implying the consensus that nation-building is still in progress, not completed yet. The disadvantage lies with the consolidated ethnic nationalism in the name of biculturalism or indigene

nationalism, hindering the growth of the civic nationalism that is critical for the new nationhood.

Assuming that the Western welfare states before the mass-migration from non-white countries in the late 20th century were relatively cohesive societies, the social cohesion of those countries at that time seems to have been the result of a compromise between, on the one hand, local capitalist imperatives that pursued the commodification of labour as costs and, on the other, the countermovement, in Polanyi's term, from the labourers and other marginalized people against these imperatives. These ones wanted to be treated as social human beings, not as economic costs. Now, we may need another countermovement to restore social cohesion. The countermovement this time seems, however, more complex compared with the previous one given: the globalized capitalist imperatives; States' re-identification of themselves as agencies of these imperatives; and multi-ethnic character of membership within national societies. It implies that a new countermovement will need to encompass not only class relations but also ethnic relations, both of which share a common issue: commodification – the commodification of labour as costs, of immigrants as imported labour products, of ethnic precincts as cultural products, and of ethnic diversity as diversity capital. Therefore, the achievement of a cohesive multi-ethnic civil society in the 21st century seems to depend on the extent to which we can de-commodify and protect these non-economic entities and realms against neoliberal capitalist imperatives.

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