

# ACTION ASIA BUSINESS

ASIA NEW ZEALAND FOUNDATION • BUILDING NEW ZEALANDERS' KNOWLEDGE AND UNDERSTANDING OF ASIA

## Chinese Businesses

AND THE TRANSFORMATION OF AUCKLAND

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## EXECUTIVE SUMMARY

### HIGHLIGHTS

New Zealand-born, Asia Pacific-born and China-born business owners and operators were interviewed about their experiences of starting and running businesses in Auckland. Participants operated businesses in a diverse range of industries, with the largest number of interviewees in 'retail trade' and 'accommodation and food services'.

One of the major findings is the extent to which these businesses rely on the Chinese community. The research shows that Chinese business owners depend extensively on other Chinese for employees, suppliers and customers. For example, just under 50 percent of New Zealand-born, Asia Pacific-born and China-born business owners rely on the labour (paid or unpaid) of family members. Family members generally include parents, husbands and wives, and sons and daughters. China-born participants are particularly reliant on other Chinese for labour, the supply of goods and as customers. This is related to a lack of local networks, including business networks, and English language difficulties. But local Chinese businesses have also adapted to the recent influx of Chinese immigrants. Many New Zealand-born business owners have expanded or adapted their businesses to cater for the arrival of new Chinese migrants. This often means employing Chinese-speaking staff to communicate with these new migrants.

Interesting aspects of these Chinese businesses are their extensive networks and contact with Chinese communities internationally. Overseas Chinese contacts are considered important for business owners from all three birthplace groups. Business owners make regular personal visits to maintain their relationships with overseas business contacts, especially in China. Even though the customers might be here in New Zealand, these business owners are very reliant on these international connections for supplies or ideas. They differ from many other New Zealand businesses in this regard.

Many immigrant business owners we interviewed are satisfied with their migration to New Zealand, but there are others who feel frustrated, lonely and unhappy. English language difficulties are a common cause of frustration and discontent.

This echoes the findings of other research, which highlights the importance of English language in doing business in New Zealand.

Chinese business owners often expressed frustration in dealing with some host institutions (e.g. local banks) or with the lack of interaction with non-Chinese businesses. It appears that many local institutions have yet to realise the importance of Chinese business development.

However, it also raises the question of what local organisations might do to help these businesses to succeed. Our experience in conducting this research has suggested a way forward for those organisations interested in responding to this challenge. In the same way that we were able to engage with Chinese business owners in this research through the involvement of members of the Chinese community itself, non-Chinese business organisations and institutions might usefully enlist key stakeholders within the Chinese community to advise them on productive ways to develop their relationship with Auckland's Chinese business owners.

Another important dimension of Chinese business activity is the way in which it is concentrated in particular locations in Auckland. These 'ethnic precincts', or the concentrations of small and medium-sized Chinese businesses in certain locations, have emerged rapidly in the past decade.

This has been fuelled by the growth in the Chinese community, especially those who have arrived from China since 2000. Examples include Dominion Road in Auckland City, Northcote in North Shore City and Meadowlands in Manukau City. Such developments are now an important aspect of the retail landscape of Auckland.

## RECOMMENDATIONS

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If Auckland is to gain from the arrival and growth of Chinese businesses, there are a number of issues that may need to be addressed by other local businesses or business organisations. We make the following recommendations to address these issues:

- Recognise and more adequately accommodate Chinese language use
- Understand the nature of the discrimination experienced by some Chinese and help to improve the understanding and attitudes of other New Zealanders
- Address the discrimination experienced by Chinese employees in the labour market, as well as the concerns and attitudes of local employers
- Recognise the difficulty Chinese migrants often experience in adjusting to the New Zealand business environment and provide appropriate support, both initially and on an ongoing basis
- Provide post-arrival support (courses, advice, documents) with regard to local business regulations and policies in Chinese
- Increase understanding among host (business) organisations – and other businesses – of the particular cultural background and inclinations (e.g. self-employment, employment of other Chinese) of the Chinese business community
- Provide opportunities for Chinese business owners to establish links/networks with non-Chinese, particularly as a means of social networking and of increasing inter-ethnic conversations and understanding

## INTRODUCTION

Chinese businesses have long been part of the economic landscape of Auckland. However, the number and diversity of businesses began to grow with the arrival of skilled and experienced Chinese from Hong Kong and Taiwan after the changes to immigration policy in 1987. After 2000, the arrival of significant numbers of Chinese migrants from mainland China<sup>1</sup> provided a different dimension to Chinese settlement and business activities in Auckland. As the discussion later in the report indicates, the growth in these numbers between 2001 and 2006 was a feature of migration.

Auckland is seeing concentrations of Chinese in certain residential areas and ethnic precincts (the co-location of Chinese businesses) as a result of these migration flows. The latter tend to be located so that they can be easily accessed by the former. This growth follows the experiences of many other gateway cities, although there is no specific local 'Chinatown' equivalent to those in Sydney, Vancouver or London. It is important to understand what has produced these new developments as well as the experiences of those who live and work in them.

It was therefore surprising to see that these relatively new – but still very important – dimensions of Auckland's economy were not given more attention in the Royal Commission's report on the governance of Auckland or the government's initial response to the report.

These activities are a major source of interest internationally, as Chinese immigrant communities play an important role in business innovation, entrepreneurial activities and international trade.<sup>2</sup> Chinese immigrant entrepreneurs are seen as typical of a creative and internationally competitive city. They bring very different business experiences and ambitions to city economies; ethnic precincts are a major destination for both locals and tourists; and the business owners are internationally connected through their prior experiences, personal connections and current business activities.

Ethnic diversity can, potentially, be a major contributor to the economic competitiveness of a city, especially with business start-ups by ethnic minority groups; workforce and linguistic diversity; creativity and innovation arising from combining different ethnic influences; and the international connections that these communities bring with them.<sup>3</sup>

This report is a response to the observation in an earlier Asia New Zealand Foundation report that '... more detailed research on the development of Asian retailing in Auckland is rare.'<sup>4</sup>

This report provides details of the growth and current locations of various Chinese communities in Auckland. This is supplemented by interviews with immigrants from China and from other parts of the Asia-Pacific region, and with New Zealand-born Chinese, about their business experiences.

It provides a snapshot of these businesses and how their owners have sought to establish themselves in a super-diverse Auckland in the 21<sup>st</sup> century.

1 People's Republic of China, China and PRC are used interchangeably in this report.

2 See Kloosterman, R & Rath, J (2001). Immigrant Entrepreneurs in Advanced Economies: Mixed Embeddedness Further Explored. *Journal of Ethnic and Migration Studies*, 27(2), 189-201.

3 Kitching, J., Smallbone, D., & Athayde, R. (2009). Ethnic Diasporas and Business Competitiveness: Minority-Owned Enterprises in London. *Journal of Ethnic and Migration Studies*, 35(4), p. 690.

4 Friesen, W. (2008). *Diverse Auckland. The Face of New Zealand in the 21st Century?* Wellington: Asia New Zealand Foundation, p. 14.

## METHODOLOGY

The aim of this research is to understand better the experiences of Chinese business owners and/or operators in the Auckland region. In order to achieve this broad objective, we sought the following information in surveys of various Chinese communities: participants' biographical details, including their age, education and employment history; profiles of the interviewees' businesses, such as the number of employees, the main business activities and the structure of their organisations; and finally their business networks, including their membership of business organisations and information about their customers, suppliers and business associates, both here in New Zealand and overseas. A survey was used in hour-long, face-to-face interviews with Chinese business owners and/or operators in each of Auckland's four main cities: Manukau, North Shore, Auckland and Waitakere.

Ten New Zealand-born Chinese and 11 Chinese immigrants born in Asia (from Pakistan to Indonesia) or the Pacific were interviewed. Participants in these groups own and/or operate businesses in Auckland in a range of locations and industries. This data was supplemented with that collected in 18 interviews with immigrant business owners from the People's Republic of China (PRC). Given the recent predominance of this Chinese group in Auckland's cities (53,694 compared with 26,049 born in other countries and 17,682 born in New Zealand),<sup>5</sup> it was important to include information on their experiences as business owners.

These interviews were also an hour long and face to face. The survey used with this group of participants covered the same three broad areas: biographical information, business profile and business networks, but it also included additional questions on language, assets and income, and employment history.

Participants in the New Zealand-born and the Asia Pacific-born groups were selected on the basis of their ethnicity and the fact that they owned and/or operated businesses in Auckland. Those born in the PRC were selected according to more specific criteria:

they had received their permanent residence in 2003 or later; they had at least one employee (paid or unpaid); and they worked in the retail industry or in accommodation and food.<sup>6</sup>

Participants were recruited using a number of different approaches. Email flyers in both English and Mandarin were sent to key people in business organisations and local government, and distributed through personal networks. Hard copies of the same flyers were also sent to a number of individual businesses and professional organisations. Notices about the project were posted on a range of electronic mailing lists, such as the Aotearoa Ethnic Network.<sup>7</sup>

Native speakers of English and Mandarin went in person to speak to business owners in several ethnic precincts, including Dominion Road and Meadowlands. An article about the project was released by Massey University Communications and Marketing and resulted in a brief mention in *The New Zealand Herald*<sup>8</sup> and an interview with one of us (Spoonley) on World TV.<sup>9</sup> While each of these methods contributed in a small way to raising the profile of the project, the key factor in recruiting participants was the involvement of members of the Chinese communities in the recruitment process.

This involvement was invaluable in assisting the research team to navigate successfully a number of challenges that arose during the recruitment of interviewees. There were concerns, for example, about the possible misuse of participants' personal and business information, but the fact that some of the interviewers were from the Chinese community helped to establish a degree of trust.

In addition, on their advice, the practice of audio-recording each interview was modified in situations where the interviewee felt this to be a barrier to their participation. In these cases, interviewers spent considerable time making detailed notes and later translating them into English for analysis. Also on the advice of the researchers, each participant was offered a \$20 supermarket

5 2006 census.

6 These were selected because, according to the 2006 census, immigrants born in the PRC are concentrated in these industries.

7 aotearoaethnicnetwork@aen.org.nz.

8 [http://www.nzherald.co.nz/business/news/article.cfm?c\\_id=3&objectid=10557101](http://www.nzherald.co.nz/business/news/article.cfm?c_id=3&objectid=10557101).

9 Satellite digital service on the SKY network offering programmes in a number of Asian languages.

voucher in recognition of their time. Lastly, and perhaps most importantly, the interviewers' facility with Mandarin made the participation of many interviewees possible, particularly those born in the PRC. New Zealand-born participants all chose to be interviewed in English.

Although the sample is not representative of Chinese business owners in Auckland, the information gathered in these interviews nonetheless provides valuable insights into the varied experiences of both migrant and New Zealand-born Chinese operating businesses in a range of industries across the Auckland region.

Interviews were conducted in the participants' language of choice (English or Mandarin), audio-recorded with their consent, and transcribed and/or translated.



# CHINESE BUSINESSES IN AUCKLAND

## BUSINESS OWNERS

Survey participants from the three groups (New Zealand-born, Asia Pacific-born and those born in the PRC) came from diverse personal and professional backgrounds. Overall, they ranged in age from 25 to 70 years. The Asia Pacific-born and those born in the PRC had an average age of early to mid-40s, while the New Zealand-born were slightly older with an average age of 51 years. Women represented slightly less than half of the New Zealand-born and China-born groups but less than 10 percent of those born in the Asia Pacific area. There were differences in the way that immigrants had gained permanent residence. The majority of those born in the Asia Pacific had entered as skilled principal migrants (45.5 percent), while the China-born participants had gained permanent residence across three categories: as skilled principal migrants (27.8 percent), in business categories (33.3 percent) and as family sponsored (27.8 percent).

Participants' highest educational qualifications ranged from 'no formal education' to Master's degrees. In each of the three birthplace groups, the greatest number of participants (23.8 percent amongst the New Zealand- and Asia Pacific-born and 22.2 percent in the China-born group) had Bachelor's degrees. This compares with 11 percent across the general population.<sup>10</sup> As expected, there were significant differences between the three groups with respect to the number of years interviewees had been in New Zealand. Asia Pacific-born participants had lived in New Zealand for an average of 20 years, those born in the PRC for six years, and the families of the New Zealand-born for 117 years. Participants from the overseas-born groups generally belonged to the second wave of Chinese migration (after 1987), while most of the interviewees born in New Zealand were part of the first wave of migration from southern China in the mid-19th century. The majority of the overseas-born had been managers of their own companies or professionals before they arrived in New Zealand.

New Zealand-born Chinese generally defined themselves as both Chinese and 'New Zealander', or 'Kiwi'. For some, one or the other of these identities took precedence, as this participant

explained: 'I see myself as a New Zealander first, and as a Chinese, second'. Others described the way their identities shifted over time. One interviewee noted that he identified most strongly as Chinese when the Chinese were being portrayed negatively in the media. The importance of maintaining Chinese culture, customs and language was emphasised by many New Zealand-born participants. This was illustrated by the fact that, despite their long residency in New Zealand, almost all this group were still able to hold a conversation in either Mandarin (30 percent) or Cantonese (90 percent).

The majority of Asia Pacific-born participants and all of those born in China described themselves as Chinese, although several of the former group also claimed two identities (usually Chinese together with their country or region of origin). This group's connection to a range of countries of origin was illustrated in the diversity of responses to questions about the language they spoke best and the language they spoke at home, which included English, Mandarin, Cantonese and other Chinese languages such as Shanghainese. With respect to their English language skills, 63 percent of Asia Pacific-born interviewees claimed that they spoke English 'well' or 'very well' and all could read a newspaper or hold an everyday conversation in English. In contrast to the range of languages spoken by the Asia Pacific-born participants, the majority (94.4 percent) of those born in the PRC spoke Mandarin best and Mandarin was the language they spoke most at home. While 22.2 percent of China-born participants spoke English 'well', the same proportion of respondents said that they spoke English 'very poorly', and only 60 percent claimed that they could have a conversation in English about everyday things.

There were also differences across the three groups in the number of hours spent in paid work each week. New Zealand-born participants worked an average of 47.5 hours, those born in the Asia Pacific region worked 54 hours, and China-born participants worked, on average, 67.5 hours per week. Table 1 (page 8) lists the industries represented in the sample and the number of participants operating in each.

<sup>10</sup> <http://www.stats.govt.nz>

**TABLE 1: INDUSTRIES OF PARTICIPANT BUSINESSES**

INDUSTRIES	NUMBER OF PARTICIPANTS' BUSINESSES
Professional, Scientific and Technical	11
Retail Trade	17
Agriculture, Forestry and Fishing	3
Accommodation and Food Services	20
Wholesale Trade	3
Rental, Hiring and Real Estate	3
Construction	1

All the New Zealand-born participants, 70 percent of those born in the Asia Pacific region and a third of China-born interviewees claimed that they had personally experienced discrimination in New Zealand because of their ethnicity. Participants were also asked for their opinions about discrimination in specific contexts: at work; in the media; in organisations such as banks or government departments; and on the street. The majority of New Zealand-born and Asia Pacific-born interviewees believed that discrimination did not occur at work but those born in China believed that there was either 'some' (44.4 percent) or 'a lot' (22.2 percent) of discrimination in this context. Similarly, New Zealand-born (25 percent) and Asia Pacific-born (18.2 percent) interviewees thought that there was a lot of discrimination on the street, while no China-born participants believed this to be the case. There was more agreement across the three groups about discrimination in the media (at least 20 percent of each group thought that this occurred 'a lot') and in organisations (between 60 percent and 90 percent of each group thought that there was no discrimination in this area).

The differing experiences of discrimination reflect the length of time in New Zealand. The most obvious difference is between the New Zealand-born who had not experienced work-based discrimination owing to their local networks and New Zealand experience and qualifications and those who were not born in New Zealand and had experienced work-based discrimination. Two-thirds of the Chinese-born had encountered discrimination

in the New Zealand labour market. The reluctance of New Zealand employers to see recent immigrants as desirable employees (especially those whose first language is not English) is well documented.<sup>11</sup> Accent and surname discrimination is a widespread experience for this group. However, the reverse is true for discrimination on the street; a quarter of New Zealand-born thought there was a lot of discrimination but none of the Chinese-born saw this as an issue. While we did not pursue the details of why this might be the case, one possibility is that the locally born were more attuned to the language (including body language) that signalled distaste or hostility. The Asia Pacific-born were much more like the New Zealand-born in their experiences of discrimination, perhaps because many had come from English-speaking backgrounds as well as the fact that they had been in New Zealand quite a lot longer than the Chinese-born.

### CONDUCTING BUSINESS IN A GLOBAL CITY

We now turn to the business experiences of the three groups of Chinese respondents. The New Zealand- and Asia Pacific-born business owners had established their businesses as early as 1975 and as recently as 2008, while the China-born, reflecting their more recent arrival (post-2000), had established their businesses between 2002 and 2009. In terms of the legal structures of the businesses they owned/operated, more than half of New Zealand-born and Asia-Pacific-born were sole proprietors (53 percent and 67 percent respectively) while China-born were more likely to be in partnerships (64 percent) or family-owned businesses (18 percent).

A number of participants from all categories had more than one business (nine had two businesses while five had three or more). With respect to paid employees, what is interesting is the extent to which businesses made use of family labour. About 40 percent of New Zealand- and Asia Pacific-born employers, and 22 percent of the China-born, had paid employees who were family members. These included partners and children primarily, along with a smaller number of other family members.

11 North, N. (2007). *The Employment of Immigrants in New Zealand: The Attitudes, Policies, Practices and Experiences of Employers*. Palmerston North: Massey University New Settlers Programme.

In addition, about 40 percent of businesses in all three groups had unpaid family members working for them. In this case, partners and children were again involved but so too were the parents of the owners. Family labour, both paid and unpaid, was a critical aspect for businesses in all three groups.

### **SETTLEMENT**

*I did not have professional help. It was just so hard.*

The Chinese- and Asia Pacific-born business owners varied significantly in terms of their settlement experiences and their feelings about migrating to New Zealand. At one end of the spectrum were those who were very positive about having settled and established a business in Auckland.

*All my hopes have been realised and I have an extra goal to run my own business. I never imagined that I would have my own restaurant before I came to New Zealand... I felt myself become younger.*

Others noted that settlement required effort and a 'start-again' mentality.

*My opinion is that once you decide to live in a foreign country, you have to start from the very beginning, just like a new-born baby. What you bring is your life experience.*

One business owner explained that his mother had encouraged him to have 'Kiwi' friends and to bring them home. She had said that they had not come all this way to 'live in China'. He felt, as a result, that he was comfortable with 'Kiwis' and 'stable' in his identity as a Chinese. And it was widely recognised that setting up and establishing a business required an investment in establishing new networks, including friends.

*You have to make friends in New Zealand, business is not just business. We have to know each other so that we can establish trust.*

As another commented, '... the more we understand each other, the less discrimination there will be'. Yet another wanted to make a difference by 'changing the hearts and minds of New Zealanders'.

Other participants, however, still felt estranged and frustrated at the difficulties they had experienced. Many felt that they did not belong.

*I still feel this place is not my home.*

*I have been in New Zealand for about five years but I still do not get a sense of belonging in my new homeland.*

Some of the reasons for the latter sentiment concerned the very different business environment.

*I lack knowledge of local laws and business policies. I think the government should publish their... policies in different languages, for example, Chinese. In order to run a successful business I need to obey these local laws and policies. If I can't understand them, how can I follow them?*

When asked which organisations were helpful in providing assistance to their businesses during their start-up phases, Inland Revenue was mentioned by several participants as providing useful advice on finance and tax issues. Although a small number of interviewees identified their membership of business or professional organisations (such as the Restaurant Association) as helpful, what was most noticeable was the absence of positive comments about such organisations, suggesting that they were not seen as relevant or welcoming. While half of the New Zealand-born participants and 60 percent of those born in the Asia Pacific region were members of business or professional organisations, only 6 percent of China-born participants belonged to relevant industry groups.

Other responses to the question about who provided assistance during the establishment of participants' businesses included business partners, previous colleagues, accountants, bank managers and Citizens Advice Bureaux. By far the most common response to this question, however, was 'friends and family', particularly amongst the China-born.

*I received a lot of help from my parents.*

*My young sister came here from China and helped me to set up my restaurant.*

*My son is very important for my business. He helps me to communicate with other people in English.*

The kinds of assistance provided by friends and family included advice, labour, information, language assistance and financial support, including the initial investment required to set up the businesses.

*My parents helped me a lot in finance.*

*My friends and family in China helped me a lot, particularly in overcoming financial hardship.*

And language was often an issue.

*My English was so broken, I was not confident enough.*

*The ability to speak English is fundamental.*

But this was balanced by the focus on other Chinese as customers, where Chinese language ability was important in providing a safe and welcoming business environment.

*We realised that there was room in Auckland... for a practice that was specifically targeted at the Chinese population. We wanted to set up a firm where people who did not speak English could communicate with people in the office, right from the receptionist through to the [professional] who were talking their own language.*

In terms of why they came to New Zealand, many of the responses revolved around the quality of life, even though re-establishing themselves in New Zealand and setting up businesses had not been easy.

*When I look back at Hong Kong and compare it with here, I have no regrets... when I go back to Hong Kong, I cannot see the air, the skyline... and the stress... here it is so quiet, you are able to talk... Hong Kong, no way. Always busy, busy, busy!*

## **SELF-EMPLOYMENT**

*To be a success you must establish a business at the right time, right location and with the right people.*

When participants were asked to explain why they had started their own businesses, there was a strong emphasis on self-employment.

*I do not like to work for other people and I wish to have my own business.*

*I do not like to work for an employer because the pay was too low... I like to work hard and pay tax. I like to be my own boss.*

*I am middle aged and a mature man. As a new immigrant and a Chinese, I do not have many choices. I can only start a new business.*

This interest in being self-employed is the subject of debate (is it something that is chosen by the immigrants or are they forced into it by difficulties in getting salaried/waged work?).

## **EMPLOYEES**

*I found it hard to get the right person. I recruited new staff through friends or put an advertisement in [a] Chinese newspaper.*

Another interesting issue is the degree to which businesses from each of the three groups relied on other Chinese for labour, the supply of goods or as customers. In terms of the ethnicity of non-family employees, 55 percent of businesses owned by New Zealand-born participants, 80 percent of businesses owned by the Asia Pacific-born and almost 100 percent of businesses in the China-born group had Chinese employees. These figures are also reflected in the responses to questions about the languages spoken by employees; for example, 55 percent of New Zealand-born participants' businesses had employees who spoke Chinese. For many businesses, it was important to employ other Chinese for language reasons. Some New Zealand-born business owners, for example, had developed customer bases that included new immigrants from China and had employed Mandarin- and Cantonese-speaking employees to cater for them.

Similarly, Asia Pacific-born and China-born participants often employed Chinese workers who were English speakers because they could take care of both 'Kiwi' and Chinese customers. For those China-born business owners who had difficulty communicating in English, bilingual Chinese employees were able to talk to both their employers and their English-speaking customers. They could also take on the role of interpreters for their employers when necessary.

### **SUPPLIERS**

*I found that I could always get cheaper and more suitable products from Chinese suppliers...*

The percentage of businesses with Chinese suppliers for New Zealand-born was 30 percent and for Asia Pacific-born, 40 percent but not for China-born owners, whose businesses were supplied almost exclusively by other Chinese. Again, one of the main reasons for the China-born business owners' reliance on Chinese suppliers was language. As one participant explained, 'The reason for using Chinese suppliers is that it is easier for me to communicate with them'. In addition, because most of the China-born participants operated Chinese restaurants or sold goods sourced in China, the suppliers of these goods tended to be Chinese-owned and -operated wholesalers.

### **CUSTOMERS**

*My company is mainly wholesale, sometimes retail. My customers are 100 percent Chinese.*

With respect to the mix of customers, 70 percent of New Zealand-born participants' businesses had Chinese customers with whom they spoke Chinese. As mentioned previously, some New Zealand-born business owners had responded to the increased numbers of China-born migrants in Auckland by expanding or altering their businesses to cater for them. This had other benefits, as this participant explained:

*... a lot of my Chinese [customers] I speak with them in Cantonese... I thank my parents for making us speak Cantonese... my Cantonese has improved a lot since... I have to talk Chinese all the time!*

Equally, however, many of the New Zealand-born business owners catered to a specific market, and the fact that this included Chinese customers was a secondary rather than a primary issue.

*We aim at the top end of the market, whatever that is. At the moment... it would be mainly Kiwis but we have a lot of Chinese [too].*

In contrast to the New Zealand-born, 90 percent or more of the China-born and Asia Pacific-born participants' businesses had Chinese customers with whom they spoke Chinese. In addition to communication issues, this was also about providing familiar or culturally appropriate services or products. As this Asia Pacific-born participant explained, 'We speak the language, we know their culture. We are lucky because some of them, they couldn't speak English very well, so they couldn't get the right orders or the right service from [others]'. Although most of the China-born business owners catered to a majority of Chinese customers, they also served customers from a range of other ethnic groups. One participant explained:

*... it will limit your business if you only target Chinese customers. Anyway, Chinese are still a minority in this country. Many Chinese customers wish to have good quality of food but they may not really want to pay [a] high price. Sometimes I find it is hard to make them [feel] satisfied. As a business, you have to make [a] profit, then you can put money to improve your restaurant environment. I know some Chinese restaurants could not afford to improve their restaurant environment so they [find it] very hard to attract Kiwi customers. Most Kiwi customers are very [conscious] of the eating environment. That is also a part of reasons for them to have dinner in a restaurant. If a restaurant has an odd smell no one would like to come.*

The ethnicity of customers for China-born and Asia Pacific-born business owners varied significantly. Some catered predominantly (in some cases exclusively) for the Chinese community; others had a mix, while for a small number (admittedly a minority), the majority of their customers were non-Chinese. The proportions very much depended on the nature of the business and the inclination of the owner.

*My main customers will be Chinese and Chinese international students.*

*The majority of customers are Kiwis.*

*The English course was important for me to work but it was not very necessary... because most of our customers are Chinese.*

And this extended to workers and suppliers.

*I have difficulty communicating in English. I can overcome this problem by employing workers who can speak good English [and Chinese].*

*Because I speak little English, so I have to recruit staff from the Chinese community.*

Part of the reason for appealing to the Chinese community in terms of attracting customers, or employing Chinese workers or working with Chinese suppliers, was language and culture. But an important supplementary reason was price or quality.

*Only occasionally [do] I use Chinese suppliers from mainland China... and then only if the price is right and the quality is good.*

*My criteria are first price and second whether they are suitable to [do] the job. I look for the end result – whoever can do the best job.*

#### **NETWORKS**

*My Chinese business company must import Chinese medicine from China... if I lost my business contact in China, my business will not be able to continue running.*

Questions were asked about networks related to participants' businesses as well as non-business activities and contacts. Fifty percent of the New Zealand-born said that Chinese contacts were important for their businesses; this rose to 63 percent for the Asia Pacific group and 78 percent for the China-born. Several New Zealand-born participants stressed their social involvement in the local Chinese community, noting that their lawyers or doctors were Chinese but that this had occurred because they were longstanding personal friends. The importance of Chinese networks

overall was emphasised by the fact that overseas Chinese contacts were also important. A China-born restaurateur talked about the importance of his networks in China in this way: 'I need to learn any new dish in China so I can provide it to my customer here [in a] very short time. The other reason is that some materials [I] can only get from China'. Thirty percent of the New Zealand-born had business relationships with overseas Chinese communities and this figure rose to 81 percent for the Asia Pacific group. A quarter of the former group and 63 percent of the latter group saw these contacts as important.

That said, all groups acknowledged that it was important to establish contacts with non-Chinese businesses and that such contacts and the supply of goods and services were critical to their business success. As one New Zealand-born professional explained, 'Our niche is the Asian or Chinese population, but within that we have tried to diversify ourselves and broaden our base. Even having said that, it was part of our strategy to have a significant number of our clients be non-Asian, so we've tried to diversify from that point of view [too]'.

#### **CONTACTS**

*They ring me up and ask for advice... I don't ever charge them... I see it more like a community service.*

Contacts and relationships were maintained through various means. Local contacts were maintained through email, phone calls and personal contacts. When it came to overseas contacts, email and phone were also used but what was surprising was the extensive use of personal visits – two-thirds of the New Zealand-born owners maintained networks through personal visits, both by visits from these contacts to New Zealand and by overseas travel by the participants, while the figure was 75 percent for the Asia Pacific group. Forty percent of the New Zealand-born used international travel to maintain these contacts; the figure was 50 percent for the China-born and 90 percent for Asia Pacific-born owners. In each case, these owners had made between one and four trips in the previous 12 months. Domestic travel was also important for 40 percent (New Zealand-born) and 60 percent (Asia Pacific-born) of those surveyed.

### DOING BUSINESS INTERNATIONALLY

Forty percent of the businesses owned by New Zealand-born respondents and 27 percent of businesses owned by those born in the Asia Pacific region operated internationally. Of those businesses trading outside New Zealand's borders, half the New Zealand-born respondents and 66 percent of the Asia Pacific-born were operating in China. In addition, respondents were doing business in Australia, the United Kingdom, the United States, Malaysia, Hong Kong, Taiwan, Vietnam, Indonesia and Singapore.

Those operating internationally talked about the advantage of language fluency and a familiarity with cultures and markets as reasons for starting their international work in, or close to, their countries of origin.

*[Hong Kong] is the easiest for me... I mean there are other choices, Taiwan, Singapore, China and Korea, but because I speak the Hong Kong language, I know the culture the best, it is the easiest.*

China-born participants were not asked whether they operated internationally but an indication of their international activity was provided by the extent to which they travelled internationally to support their businesses. As mentioned in the previous section, half of the PRC-born interviewees travelled internationally to support their businesses and 90 percent of these participants travelled to China.

### NEW ZEALAND-BORN CHINESE

*At the end of the day, it is still home. I know we are not perfect but... I think we are one of the luckiest countries.*

The New Zealand-born Chinese differed significantly from immigrant Chinese in a number of regards. One obvious difference was their long-term experience of living in New Zealand and the networks that this provided.

*... my Mum suggested that I speak to the person who owned this business because he was thinking of going overseas. When I asked if he would like to sell the business, he jumped at the opportunity.*

*I finished a contract with the Ministry of [ ] and I didn't have employment for a few months and someone rang and said 'could I do this [work] for them?'. So I started [firm] and I loved it.*

*... networking is not the same for new migrants. They come from large populations... who are they going to know in a city of 50 million? [But] New Zealanders will know somebody I went to school with... or a teacher... New Zealanders work the network thing.*

Even when professional contacts were Chinese, it was often because they were friends.

*... my accountant and my lawyer are both Chinese but they are friends and that is why I chose them. I did not really choose them because they are Chinese.*

Another difference was around family expectations, especially in terms of tertiary qualifications and obtaining professional qualifications and employment.

*... my grandparents always wanted me to be a professional – dentist, accountant, doctor. For Chinese, that was the big thing.*

### ETHNIC PRECINCTS

One of the effects of the recruitment of significant numbers of skilled Chinese is that they have sought economic opportunities by locating their businesses close to one another in precincts.<sup>12</sup> These have been further emphasised by informal or temporary activities such as festivals and markets, notably in Avondale and Otara. We have focused on ethnic precincts, or location of small and medium Chinese businesses in particular locations. They have taken a variety of forms, including small pockets of co-location in the inner city, such as in some of the malls, strip developments like Dominion Road and more extensive sites where the majority of the businesses are Chinese. The latter might involve the conversion of a longstanding retail shopping area, such as Northcote, or purpose-built developments.

<sup>12</sup> Friesen, W., Murphy, L., & Kearns, R. (2005). Spiced-Up Sandringham: Indian Transnationalism and New Suburban Spaces in Auckland, New Zealand. *Journal of Ethnic and Migration Studies*, 31(2), 385-401.



Figure 1 List of Commercial Premises at an Auckland Shopping Centre

These ethnic precincts have emerged rapidly and in the past decade. They are located in areas that have a significant Chinese clientele and are marked by particular characteristics: food is a core activity that draws customers, and these restaurants/food stalls or food suppliers (supermarkets, fruiterers, butchers) are then located alongside a range of other activities, including hairdressers, travel and real estate agencies, health product suppliers, and often professional services such as dentists, lawyers and doctors. What identifies all these businesses is that some and sometimes all of their signage is in Chinese script, the products are Chinese in origin or nature (Chinese vegetables grown locally),

and those working in these businesses and varying proportions of their clientele are Chinese. It is an element of New Zealand urban economies that has not been seen since the late 19th and 20th centuries, when there were pockets of Chinese activity in areas like Haining Street in Wellington and around Greys Avenue in Auckland. But contemporary ethnic precincts are very different in a number of respects: there are many more of them and they involve a range of business activities; they serve a large Chinese clientele in Auckland; and they do not attract the same hostility that earlier ethnic precincts did.

In discussing London's Chinatown, Sales et al note:

*A host of activities take place there, involving an array of social and economic ties. It is a meeting place, a place to eat and shop, a source of employment, the home of many community organisations and a place where Chinese people may seek a familiar 'Chinese' environment and find a sense of being 'at home'.<sup>13</sup>*

The same could be said of many Chinese ethnic precincts in Auckland. What follows is a brief description of how Chinese ethnic precincts operate.

#### DEVELOPING ETHNIC PRECINCTS

Talking to those involved in establishing ethnic precincts, we learned that it was often non-economic factors that brought them to New Zealand in the first place, such as a desire for a better quality of life, a cleaner environment and a good education for their children. After their arrival, however, they saw opportunities to establish businesses that met the needs of their fellow migrants. One of the first Chinese ethnic precincts in Auckland was in Manukau City. In such purpose-built precincts, the design features ensured that a number of social, cultural and economic imperatives were met. They included:

- a level site that was near to Chinese residential areas so that customers, especially elderly Chinese, could walk to the precinct
- shops that were built facing each other so that owners and employees could keep an eye on neighbouring businesses for sociability and security

<sup>13</sup> Sales, R., Hatziprokopiou, P., Christiansen, F., D'Angelo, A., Liang, X., Lin, X. et al. (2009). *London's Chinatown: Diaspora, Identity and Belonging*. London: Middlesex University, p. 3.



- shops of different sizes with easily movable partitions to create new spaces as demand required
- a mixture of shops so that people could buy their products or services as well as have somewhere to sit, eat and socialise
- encouraging 'Kiwi' businesses such as KFC, Video Ezy and Barfoot and Thompson to locate in the precinct to ensure that the businesses were not exclusively Chinese and to facilitate business activity during the Chinese New Year when many Chinese were away.

One of the first ethnic precincts was opened in 1997 by the then Prime Minister, Jim Bolger and the Mayor of Manukau City, Sir Barry Curtis. Ceremonial events as part of the opening included a Maori haka, a Korean drum dance and performances from Indonesian and Thai groups as well as Chinese performances.

Despite this recognition and promotion of a multicultural New Zealand setting, the local papers (*Eastern Courier* and the *Howick and Pakuranga Times*) were critical of this development. Eventually, the development of a much larger retail centre nearby altered the retail dynamics of the area.

In another purpose-built ethnic precinct, there are approximately 80 businesses, the overwhelming majority of which are Chinese. There is an obvious core food retail function accompanied by a range of other businesses serving Chinese customers, then some larger 'Kiwi' businesses such as the Bank of New Zealand, AMI and Barfoot and Thompson, all of which have signage in Chinese and Chinese language facilities (such as a Chinese option on the ATMs).

Those involved in establishing precincts talk about the difficulties they encounter with local institutions such as banks. Typically, this results in migrants approaching co-ethnics for financial support.

Ethnic precincts are now an important part of Auckland's retail landscape. Chinese ethnic precincts are especially obvious because of the extensive use of the Chinese language as well as the nature of the businesses.

In terms of Auckland's future, a number of questions arise about how such developments ought to be recognised in planning procedures and approval, or in terms of connections with other (non-Chinese) businesses and organisations.

## CHINESE POPULATIONS IN AUCKLAND

People of Chinese ethnicity have lived in the Auckland region since the late 19th century, drifting northwards after working as itinerant labourers in the goldfields of central Otago, Southland and the West Coast.<sup>14</sup> This first wave of Chinese immigrants came overwhelmingly from the poverty-stricken province of Guangdong in southern China and spoke variations of the Cantonese dialect.<sup>15</sup>

In Auckland, they settled in the inner city and worked as laundrymen and women, market-gardeners and fruit and vegetable shop owners.<sup>16</sup> Although Auckland has never had a Chinatown like those in Sydney, Vancouver or Los Angeles,<sup>17</sup> the cluster of homes, laundries, fruit and vegetable shops, eateries and churches that developed around Greys Avenue served as a focal point for the Chinese community during the first half of the 20th century.<sup>18</sup> Among these businesses was Wah Lee's, which opened its doors in the early 1900s selling Chinese food ingredients, offering banking and postal services, and providing a space for exchanging news and gossip from China. After the buildings in this area were demolished in the 1950s and 1960s, Wah Lee's shifted to Hobson Street where it is still operating today.<sup>19</sup>

The second major wave of Chinese migration occurred after the historic policy shift of 1987,<sup>20</sup> when country of origin preferences were abandoned in favour of criteria based on merit.<sup>21</sup> In contrast to earlier Chinese settlers, the new immigrants came from a range of source countries, including the PRC, Hong Kong, Taiwan, Singapore and Malaysia, and were well educated, skilled individuals with considerable business experience and/or investment capital.<sup>22</sup> Most of these new arrivals have settled in the Auckland region; of the 147,570 people identifying as Chinese in the 2006 census, 97,425 (66 percent) lived in Auckland.

It is important to acknowledge that the Chinese community is very diverse. The descendants of these early immigrants live and work alongside those who have arrived in the past two decades.

There are important differences in terms of origin, political inclinations, religion and language (dialect). The use of the label 'Chinese' and the way that official statistics are collected mean that these distinctions are not always clear. As Elsie Ho and Richard Bedford<sup>23</sup> point out in their review of the changing demographics of New Zealand's Asian population, it is important not to confuse birthplace with ethnicity. Aucklanders who identified as Chinese in the 2006 census were born in several different countries, including New Zealand.

Table 2 (page 17) shows the numbers of ethnic Chinese resident in the Auckland area at the last five censuses, according to their places of birth. The most common birthplace at the 2006 census was the PRC (53,694), a figure that had more than doubled since the previous census in 2001.

In the 1986 census, which took place before the major immigration policy changes of that year, Chinese born in the PRC constituted just 15.8 percent of the total Chinese population of Auckland. At the latest census, they comprised just over 55 percent. In contrast to this growth, the numbers of ethnic Chinese born in either Hong Kong or Taiwan decreased in the 2001-2006 intercensal period, from 8,406 to 5,280 in the case of the former, and from 8,563 to 7,323 in the case of the latter. Figure 3 (page 17) illustrates these demographic changes.

14 Ho, E., & Bedford, R. (2006). The Chinese in Auckland: Changing Profiles in a More Diverse Society. In W. Li (Ed.), *From Urban Enclave to Ethnic Suburb* (pp. 203-230). Honolulu: University of Hawai'i Press, p. 204.  
 15 Ip, M. (2003). Chinese Immigrants and Transnationals in New Zealand: A Fortress Opened. In L. J. C. Ma & C. Cartier (Eds.), *The Chinese Diaspora: Space, Place, Mobility and Identity* (pp. 339-358). Lanham: Rowman and Littlefield, pp. 346-347.  
 16 Ho & Bedford (2006:205).  
 17 Ibid:206.  
 18 Ip (2003:348).

19 Ng, E. W. (2005). *Greys Avenue and the Auckland Chinese Scene 1890-1960*. Paper presented at the Crouching Tiger Hidden Banana Conference. from [http://www.goingbananas.org.nz/papers\\_2005.php](http://www.goingbananas.org.nz/papers_2005.php)  
 20 Bedford, R. & Ho, E. (2008). *Asians in New Zealand: Implications of a Changing Demography*. Wellington: Asia New Zealand Foundation, p. 13.  
 21 Ip (2003:342).  
 22 Ho & Bedford (2006:210).  
 23 Ho & Bedford (2008:5).

**TABLE 2: AUCKLAND'S RESIDENT CHINESE POPULATION BY BIRTHPLACE 1986-2006**

YEAR	BIRTHPLACE						TOTAL
	CHINA	HONG KONG	TAIWAN	MALAYSIA	NZ	OTHERS*	
1986	1,668	561	39	597	5,250	2,433	10,548
1991	4,110	2,850	2,838	3,681	6,306	3,891	23,676
1996	12,054	8,868	7,965	4,596	10,293	5,928	49,704
2001	26,547	8,406	8,562	4,953	13,203	6,459	68,130
2006	53,694	5,280	7,323	6,003	17,682	7,443	97,425

\*Note: This category includes all those born in countries other than those listed in the table

Source: New Zealand Census of Population and Dwellings, 1986, 1991, 1996, 2001 and 2006

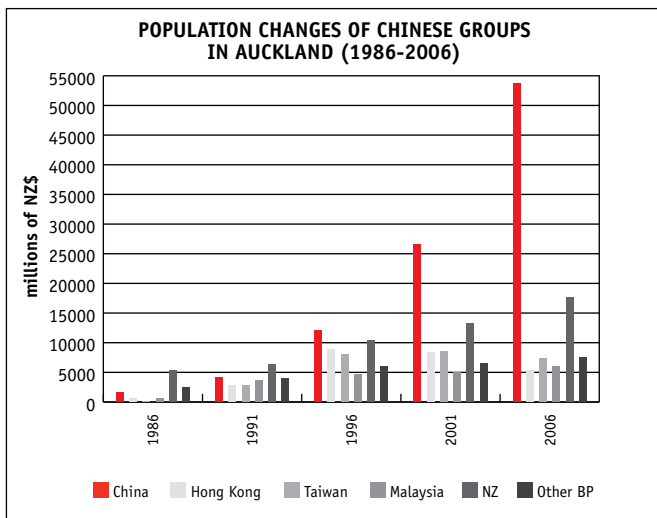


Figure 3: Source Statistics New Zealand

In his recent review of the Asian population of Auckland, Ward Friesen<sup>24</sup> challenged the common assumption that Asian peoples are concentrated in particular suburbs in the Auckland area.<sup>25</sup> Table 3 (page 18) shows the numbers of ethnic Chinese and the total population living in Auckland's four cities at the 1986

census (before the second wave of Chinese migration) and in the most recent census in 2006. Overall, the data illustrates a tendency towards a more even distribution of ethnic Chinese throughout the Auckland area over time. In the earlier period, people of Chinese ethnicity were under-represented in North Shore City and Waitakere City (0.7 percent and 0.9 percent respectively, with Chinese comprising 1.3 percent of the overall population of Auckland). Ho and Bedford<sup>26</sup> noted a continuation of this under-representation in the 2001 census, when 4.6 percent of ethnic Chinese were resident in Auckland's northern suburbs and 4.3 percent in Waitakere City (the overall proportion of Chinese living in Auckland at that time was 6.3 percent). According to data from the most recent census, this under-representation continues in West Auckland (5.3 percent versus 8.6 percent) but is no longer the case in North Shore City (now 8.3 percent).

The relatively high percentage of Chinese living in central Auckland in 2006 was related to the increased number of international students as well as property investment by the Chinese community. Overall, there has been a significant increase in the size and clustering of Chinese.<sup>27</sup>

24 Friesen, W (2008:6-8)

25 Ho & Bedford (2006:215) make a similar claim based on 2001 census data.

26 Ibid (2006:215).

27 Johnston, R. J., Poulsen, M., & Forrest, J (2008). Asians, Pacific Islanders and Ethnourbs in Auckland, New Zealand. *The Geographical Review*, 98(2), p. 226.

**TABLE 3: CHINESE AND TOTAL POPULATION LIVING IN AUCKLAND'S FOUR MAIN CITIES, 1986 AND 2006**

CITY	CHINESE POPULATION		1986 TOTAL POPULATION		% CHINESE IN TOTAL POPULATION 1986	CHINESE POPULATION		2006 TOTAL POPULATION		% CHINESE IN TOTAL POPULATION 2006
	N	%	N	%		N	%	N	%	
North Shore City	1,161	11.0	162,888	19.9	0.7	17,046	17.5	205,608	18.3	8.3
Waitakere City	1,104	10.5	126,999	15.5	0.9	9,960	10.2	186,444	16.6	5.3
Central Auckland	4,665	44.2	288,876	35.4	1.6	43,068	44.2	404,658	35.9	10.6
Manukau City	3,615	34.3	238,167	29.2	1.5	27,351	28.1	328,968	29.2	8.3
Total Population	10,545	100.0	816,930	100.0	1.3	97,425	100.0	1,125,678	100.0	8.6

Source: New Zealand Census of Population and Dwellings, 1986 and 2006

The following maps illustrate the distribution of various Chinese populations across the Auckland area<sup>28</sup> based on 2006 census data. Figure 4 (page 19) shows the percentage of a particular Census Area Unit (CAU)<sup>29</sup> that identifies as ethnically Chinese (this includes people born in the PRC,<sup>30</sup> Hong Kong, Taiwan and other countries such as Malaysia and Singapore, as well as New Zealand) while Figure 5 (page 20) indicates the actual headcount.

28 Auckland includes the four existing local territorial authorities: North Shore City, Auckland City, Manukau City and Waitakere City.

29 Census Area Units are small geographical areas that together make up territorial authorities. They usually contain 3,000-5,000 people.

30 People's Republic of China, China and PRC are used interchangeably in this report.

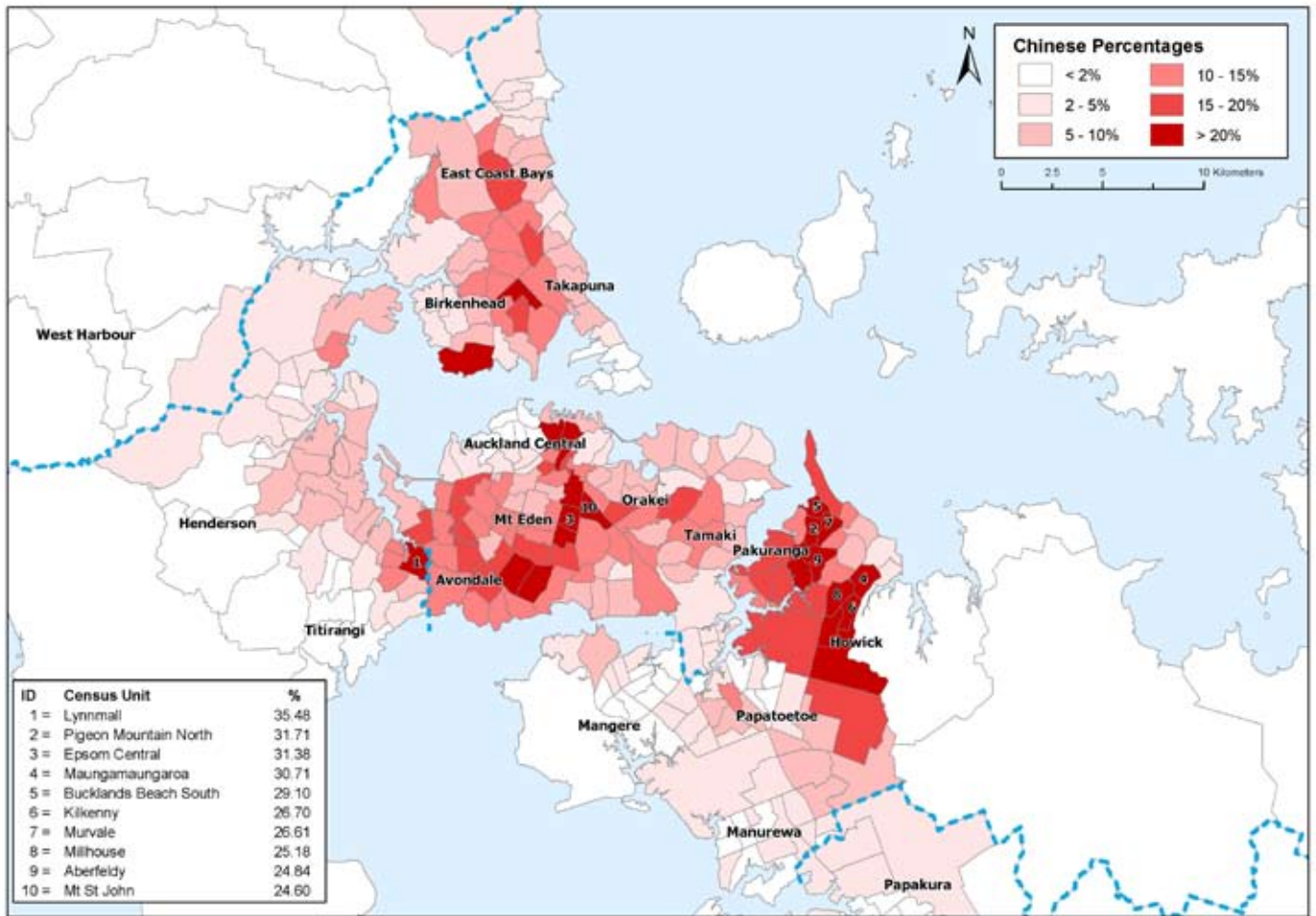


FIGURE 4: Distribution of Chinese in Auckland as percentage of the total population (2006 census)

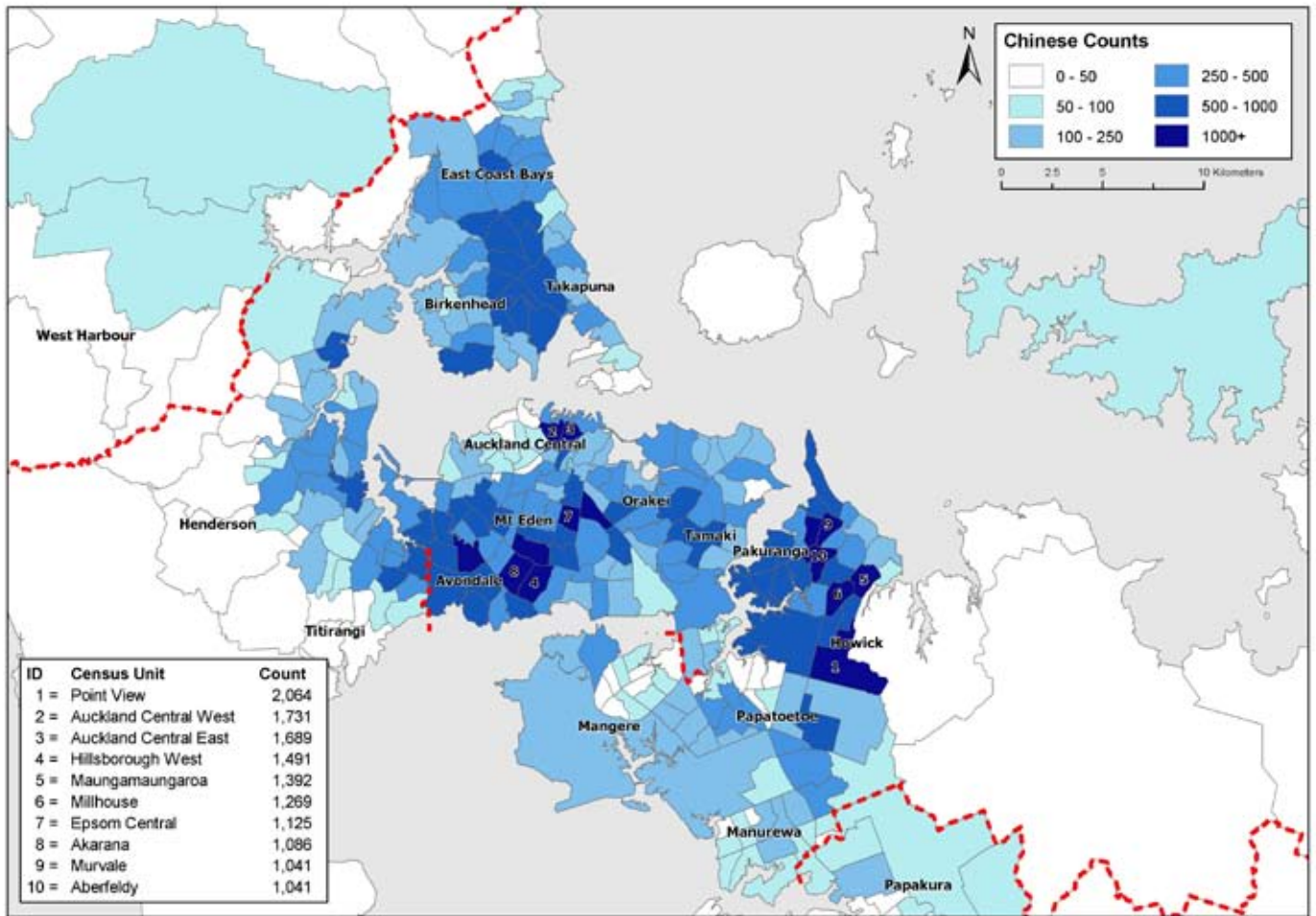


Figure 5 Distribution of Chinese in Auckland by number (2006 census)

Both maps illustrate the concentrated nature of Chinese residential settlement in Auckland.<sup>31</sup> In North Shore City, there is a corridor that extends from Northcote and Chelsea in the south to Albany in the north. There are distinct but quite different pockets; one is around the working-class/lower-middle-class settlement of Northcote, while new subdivisions and relatively upscale housing in Birkenhead and Albany provide for other Chinese communities. None of these Chinese settlements comprises more than 24 percent of a local CAU, nor is the headcount more than 1,000.

In Waitakere, there is one distinct area of concentration in Lynn Mall. This is a relatively small CAU but Chinese comprise 35.48 percent of the local population, making it the CAU with the highest percentage concentration of Chinese anywhere in Auckland.

In Auckland City, there are a significant number of Chinese (3,420) living in the downtown area, especially in the high-rise developments that have appeared in the past decade.

31 See Johnston, Poulsen & Forrest (2008) on ethnobarbanization.

However, while the headcount is high, they do not constitute a significant percentage of the local residents given the population density of these areas. The Chinese then live in a corridor that tracks south of the city centre and that bifurcates at Epsom (31.38 percent Chinese) towards Mt St John (24.60 percent) in the east and Avondale in the west.

In the latter, while the CAU percentages are not high, there is a significant headcount (Akarana and Hillsborough West contain 2,577 Chinese).

The largest settlements of Chinese are to be found in Manukau City in the suburbs of Bucklands Beach, Pakuranga and Howick. In contrast to the other three cities where Chinese have settled away from urban boundaries and the coast, the Manukau Chinese community can be found in a band that goes from Bucklands Beach through to Pakuranga then along the suburbs that are on the edge of the city boundary.

In terms of the percentage of each CAU who are Chinese, seven of the highest-ranking units are to be found here while four of the top headcount CAUs are also in this belt.

Point View (2,064) provides the highest headcount while both Pigeon Mountain North (31.71 percent) and Maungamaungaroa (30.71 percent) provide the most significant percentage concentrations.

In terms of residential settlement patterns, Chinese residents of Auckland (both immigrant and New Zealand-born) are to be found throughout most of the city, with some notable exceptions – Waiheke, Devonport, Otara, Papatoetoe and Mangere – while the numbers are very low in East Coast Bays, most of Waitakere, the eastern suburbs and the southwest of Manukau.

The settlement pattern is largely continuous, although purchases of housing in some of the new suburban developments (Albany, Birkenhead, Lucken Point) have produced distinct concentrations that appear detached from this continuous co-location.

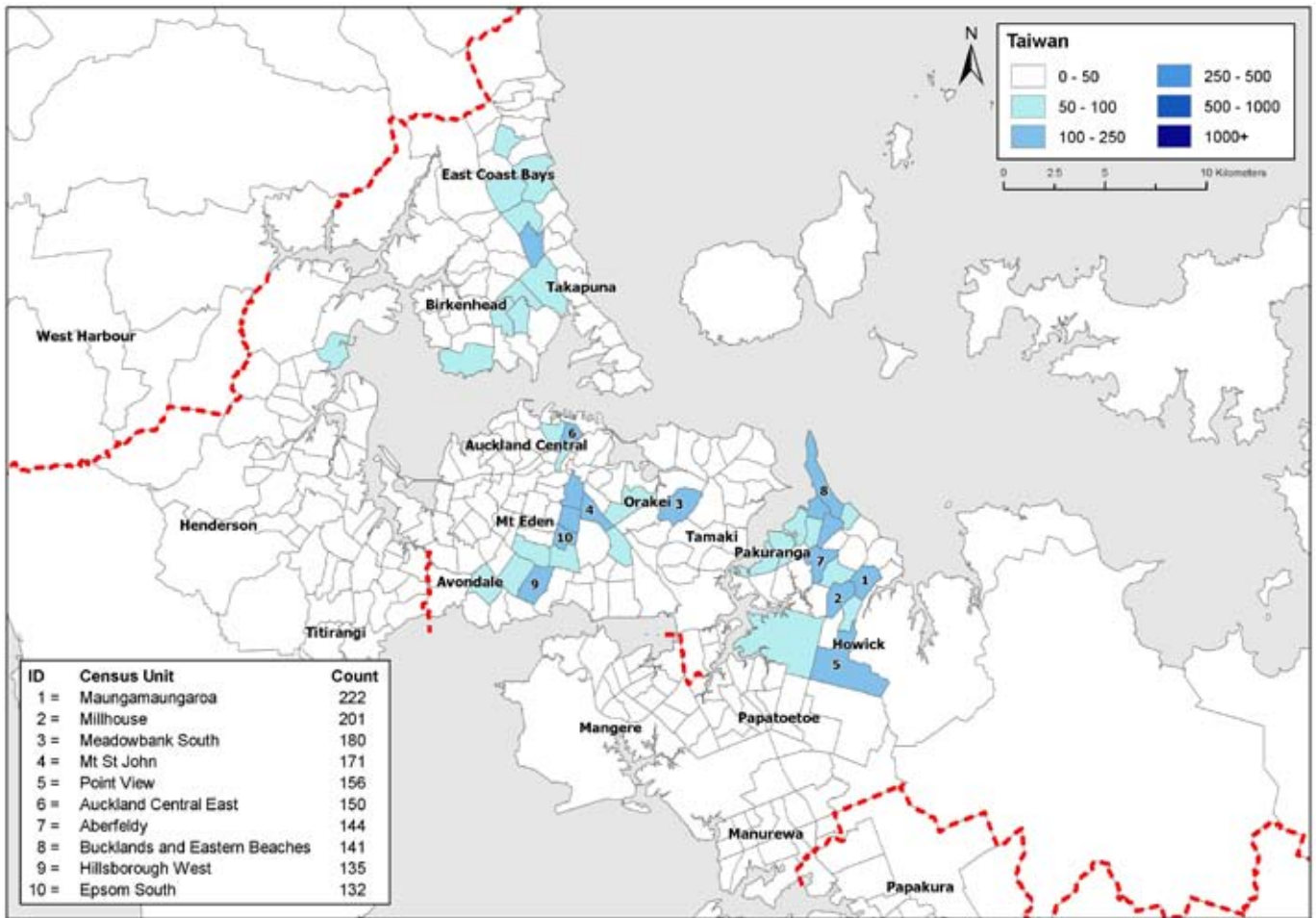


Figure 6: Distribution of Taiwanese-born in Auckland by number (2006 Census)



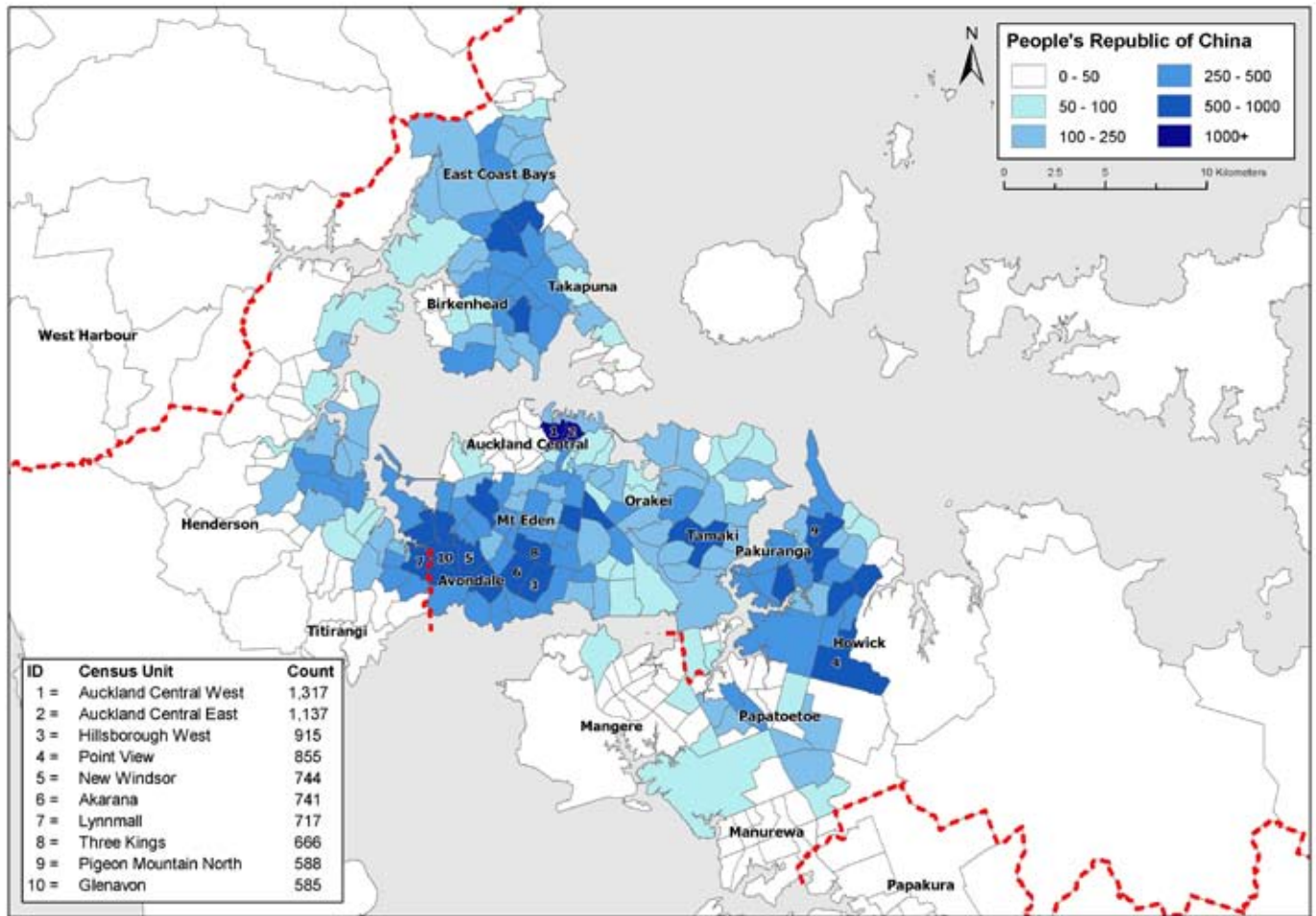


Figure 7: Distribution of China-born in Auckland by number (2006 Census)

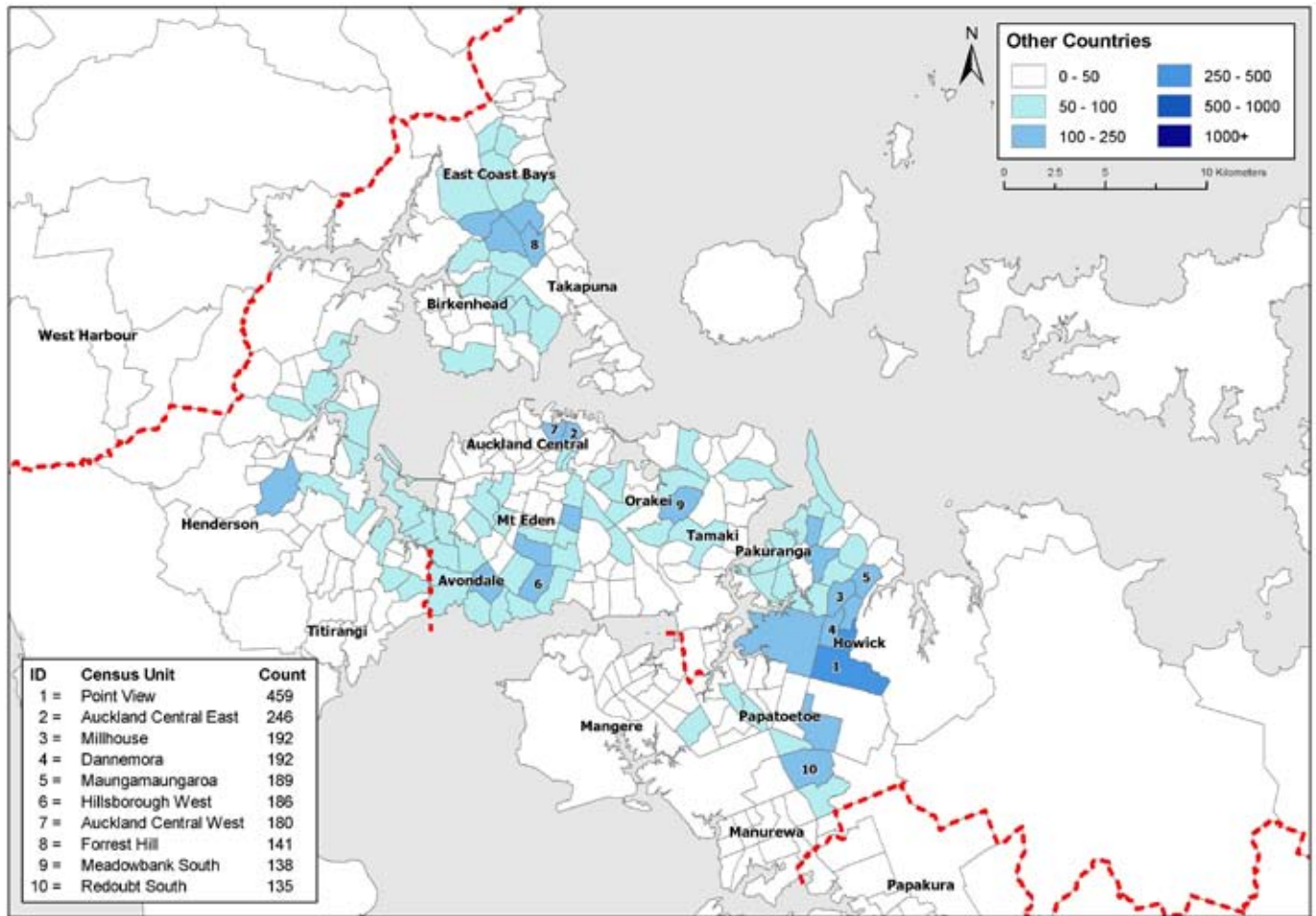


Figure 8: Distribution of Chinese born in Other Countries in Auckland by number (2006 Census)

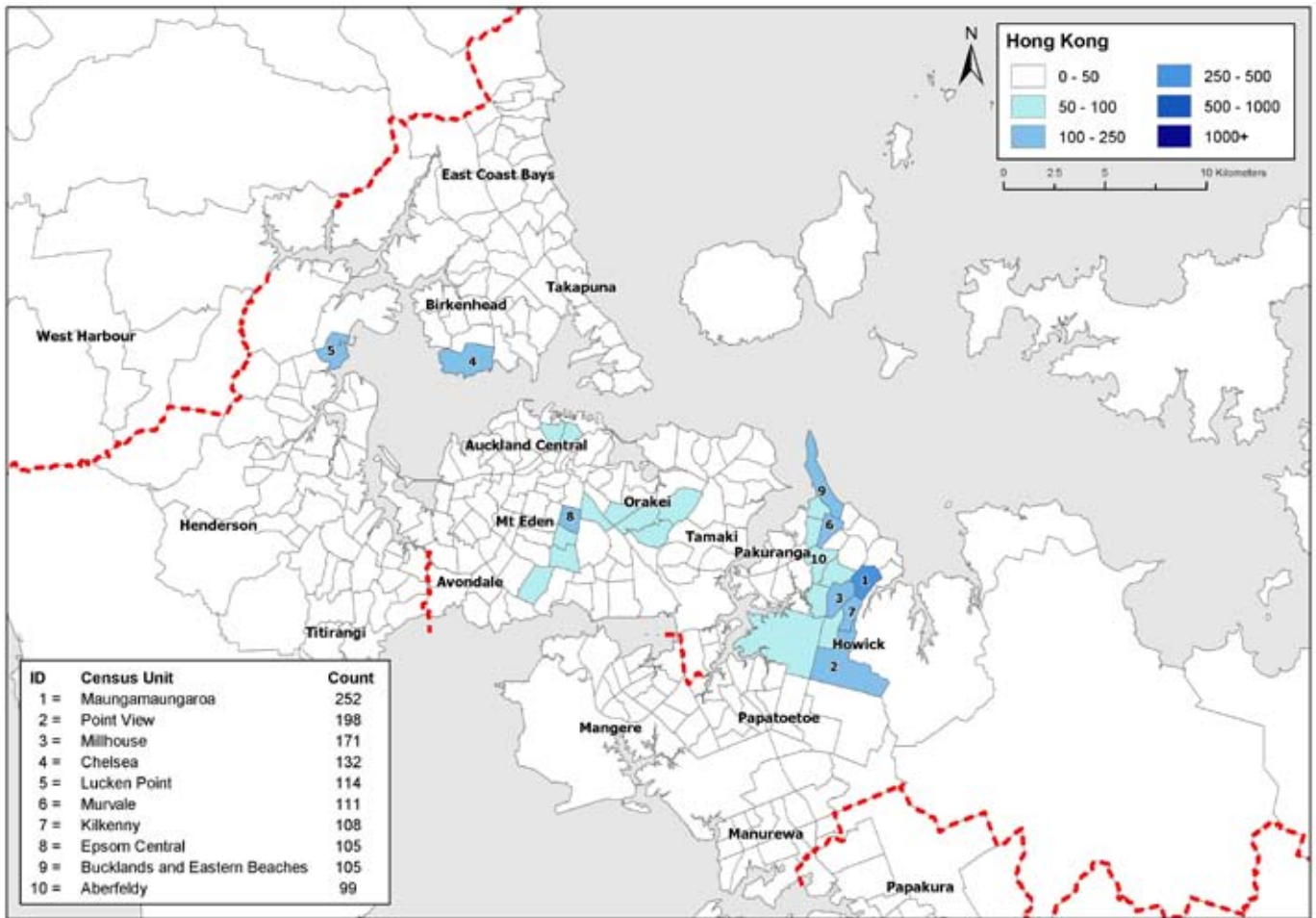


Figure 9: Distribution of Hong Kong-born in Auckland by number (2006 Census)

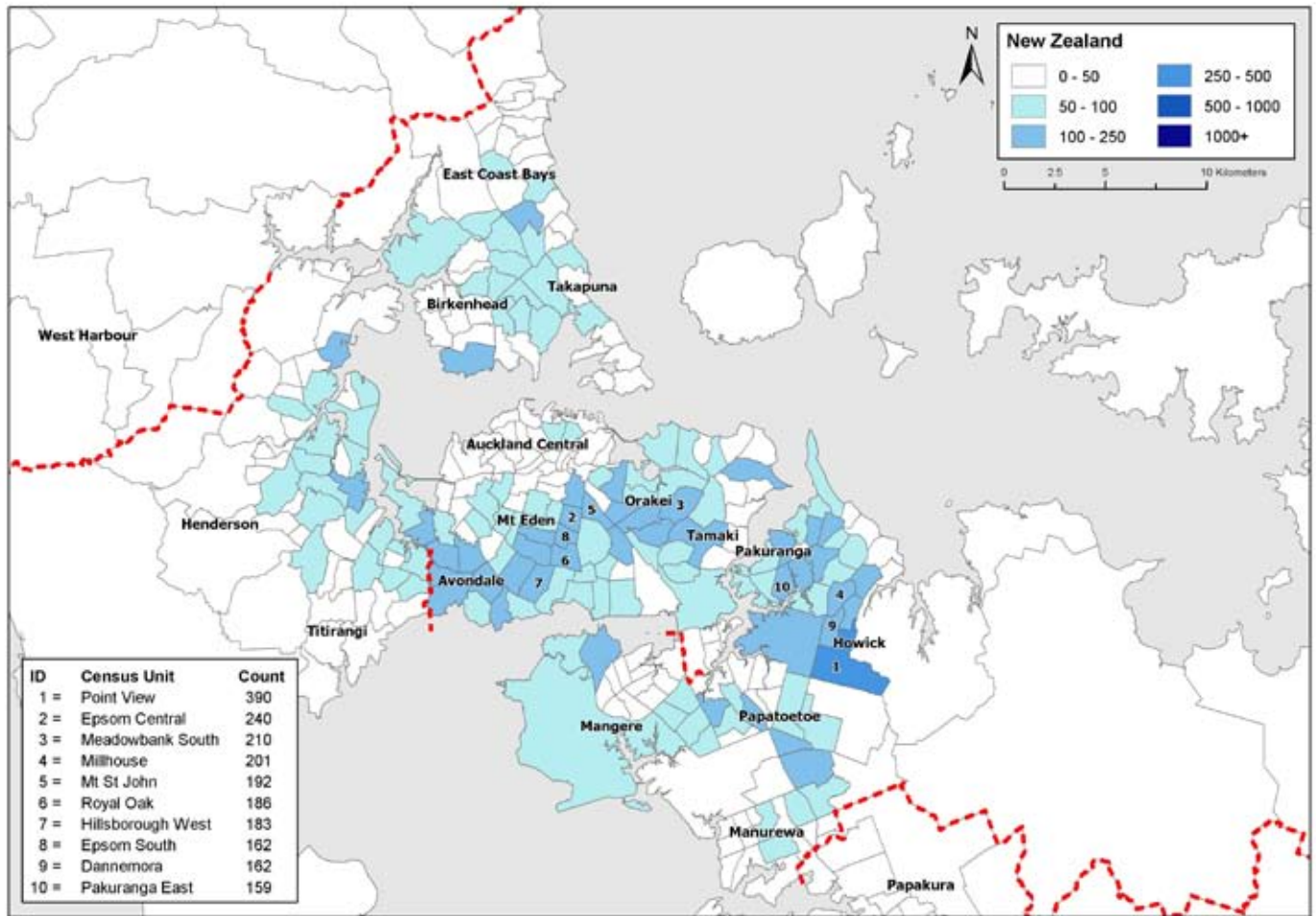


Figure 10: Distribution of New Zealand-born Chinese in Auckland by number (2006 Census)

Figure 10, which provides details of the New Zealand-born Chinese, represents two quite distinct Chinese communities: those who arrived early, including the descendants of 19th and early 20th century settlers; and those born in New Zealand to immigrants who arrived after the 1987 changes to immigration policy. The latter settled in the Howick/Pakuranga area as well as Epsom, Meadowbank and Mt St John. In the decade from 1987, many of these immigrants came from Hong Kong and Taiwan, and the maps provided for these groups (Figures 9 (page 25) and 6 (page 22) respectively) confirm the Howick/Pakuranga settlement, along with Epsom. Both Taiwanese and Hong Kong Chinese are to be found in Maungamaungaroa as

well as areas such as Bucklands Beach and in the central corridor south of the downtown area. The Hong Kong Chinese are also to be found on the North Shore (Chelsea) and in Waitakere (Lucken Point) along with smaller numbers of Taiwanese. These communities have seen children born to immigrant parents and now to the 1.5 generation<sup>32</sup> as they exit education and establish their own families in Auckland. (The latter, if they arrived in their teens, were in their late 20s or 30s by 2006.) If a CAU such as Point View (2,064) is considered, 855 (41.4 percent) of the residents are from China, 354 (17.1 percent) are from Hong Kong and Taiwan while 390 (18.9 percent) are New Zealand-born.

32 Those who arrived in New Zealand as children, before or during their early teenage years.

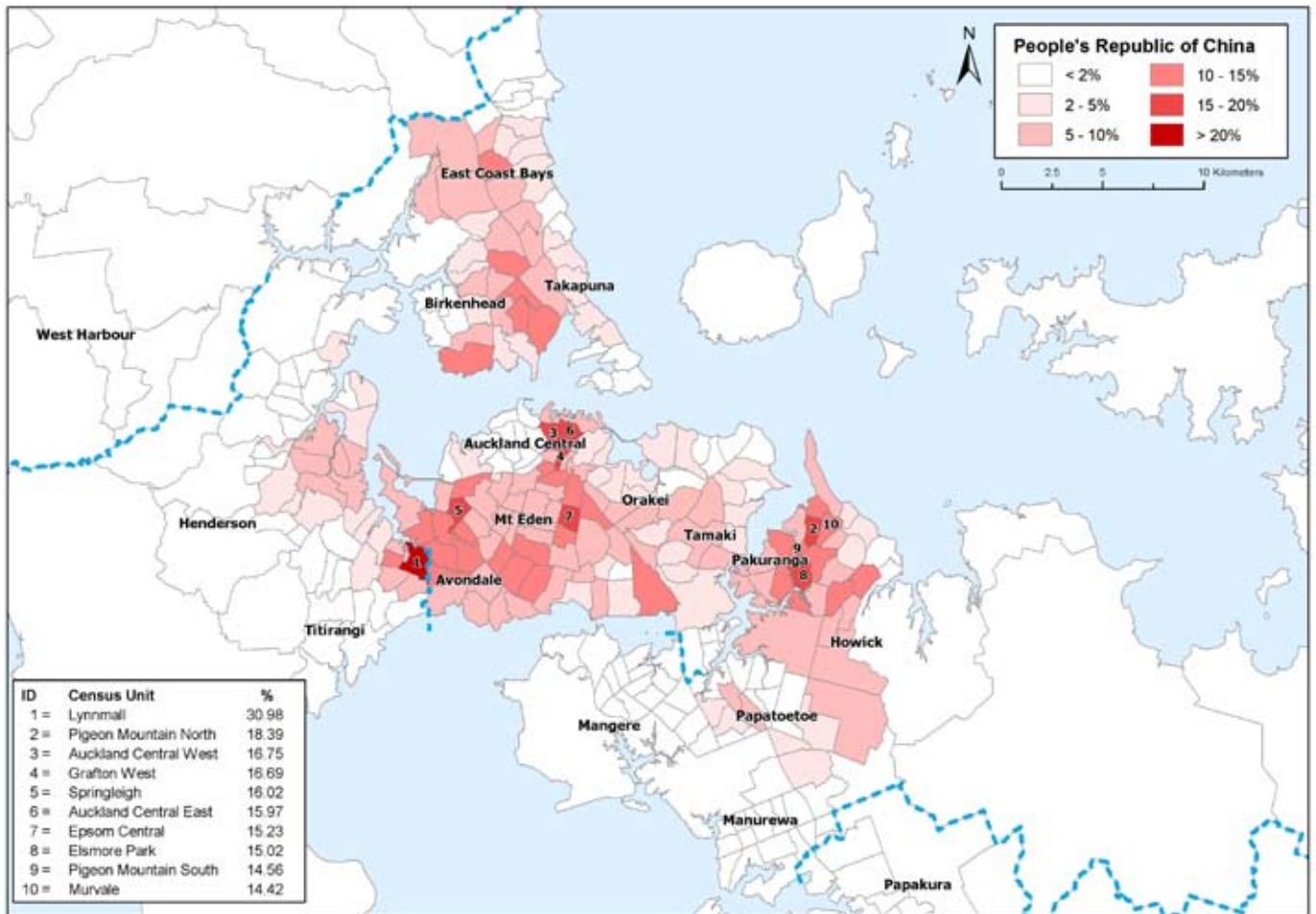


Figure 11: Distribution of PRC-born Chinese in Auckland as A percentage of the total population (2006 Census)

Since 2000, Chinese immigration to New Zealand has been dominated by those from China. The numbers of Hong Kong, Taiwanese, New Zealand-born and Chinese from other areas are significantly outnumbered by those from the PRC. These flows encompass temporary residents (those on student visas) through to permanent residents, from those who seek lower-cost accommodation in the central city or in suburbs such as Northcote, through to those seeking higher-cost housing in established suburbs (Epsom) and new housing developments in Albany or

Howick. The student component can be seen in the significant numbers in the Auckland central (2,454 PRC Chinese) area, although not all are students. There has also been investment in the central city property market.<sup>33</sup> The next-largest group can be found in a band that goes from Three Kings through Hillsborough and Avondale and ends with Lynnmail, a total of 4,368 in a total of six CAUs, and excluding those who live in adjacent CAUs.

33 Friesen (2008:7).

The housing through this area is a mix of state houses, bungalows built in the early part of the 20th century and units of various descriptions interspersed with newer inbuilt housing that is often more expensive. This concentration of Chinese is most obvious at the weekly Avondale market, especially in relation to the fruit and vegetable stalls, the sellers, the customers and what is for sale.<sup>34</sup> PRC Chinese are also to be found in Howick and Pakuranga; they constitute the largest Chinese group living in Point View but they are also to be found in the belt that extends from Point View through to Bucklands Beach. Here, their presence can be seen in ethnic precincts such as Meadowbank and in the other large weekly market in Auckland, the Otara market.

On the North Shore, they can be found around the Northcote shopping centre and in Forrest Hill. While they dominate many of the areas of Chinese concentration, PRC Chinese are more likely to purchase housing in less affluent areas, and sometimes in the working-class communities of Auckland, providing a direct contrast to the earlier Taiwanese and Hong Kong Chinese migrants who were more likely to buy in new, relatively expensive housing developments.

The previous information provides an indication of where various Chinese communities are located in Auckland. The point of the exercise is to map the concentrations of Chinese residential location because they, in turn, provide an indication of the catchment for business activity, with respect to both labour market supply and customers.

In terms of much of the earlier interview material, the locations of these communities influence where business activity takes place as well as the nature of that activity. Ethnoburbs provide a base for ethnic precincts as well as more spatially distributed Chinese businesses.

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<sup>34</sup> McAllister, J. (2008). *To Market, To Market, in Metro*, March 2008 pp. 74-82.

## CONCLUSIONS

The impact of Chinese immigration on Auckland is obvious in the clustering of Chinese in terms of residential location, but also in the nature and location of Chinese businesses. These businesses have not been the subject of much attention. It is surprising how little the local authorities have invested in understanding or responding to the Chinese businesses that are in their communities. It is disappointing that the current debates about the governance of Auckland, and improving its economic competitiveness, do not give this now significant dimension of the Auckland economy more attention.

The demographic and residential data provided in this report emphasises the nature but also the dominance (in some areas) of Chinese communities in contemporary Auckland. The growth in migrants from China between 2001 and 2006 was especially important in providing yet another dimension to the Auckland Chinese community. The nature of this settlement expands the base for the development of those businesses that draw upon other Chinese for supplies or workers, and that seek to attract Chinese customers.

The development of ethnic precincts underscores the importance of these connections. Chinese entrepreneurs have established new businesses that primarily aim to serve the local Chinese community, while others are more engaged with non-Chinese businesses, both locally and internationally.

The report provides details of the way in which different Chinese communities have responded to the opportunities – and challenges – of setting up businesses in Auckland. What is significant is the degree to which they rely on other Chinese (including family) to staff their businesses, as sources of their supplies, as determining factors in the nature of their businesses and as customers. This is not surprising. International literature shows that Chinese, along with many other ethnic groups, engage with the familiar because the language or culture is known and provides a ready set of connections. But there is also recognition by those interviewed that there is a need to engage with non-Chinese communities and markets.

The question that is left unanswered here is the extent to which those non-Chinese communities and their organisations have been welcoming to Chinese businesses. What is in no doubt are the size and importance of Chinese businesses to the Auckland economy.

There is growing international recognition that Chinese ethnic businesses and precincts are an important dimension of city economies, especially in gateway cities.<sup>35</sup> This increasing significance reflects the size of local Chinese communities combined with much more extensive Chinese business activities, the nature of contemporary migration and globalisation.

Chinese businesses are neither a minor nor an exotic feature of urban economies. They characterise or dominate specific locations and sometimes particular industries. They are an important source of innovation and contribute to cultural and economic diversity. And they are important contributors to international trade.

This report has indicated why Chinese businesses deserve more attention in the Auckland city economy. Some key developments and organisations, however, have yet to recognise this. The Royal Commission's report on the governance of Auckland and the government's response both acknowledge the cultural diversity of the city but do not explore what this means for either the Chinese business community in particular or the contribution of such businesses to Auckland's productivity, innovation or future growth in general.

We hope that this report contributes to a greater understanding and appreciation of the importance of Chinese businesses to the Auckland economy in the 21st century.

<sup>35</sup> See Fong, E. & Luk, C. (2007). *Chinese Ethnic Business: Global and Local Perspectives*, London: Routledge.

## PROFILES

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