

# **Laissez-Faire Multiculturalism and Relational Embeddedness: Ethnic Precincts in Auckland**

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## **Abstract**

The rapid diversification of immigration to New Zealand post-1987 has made Auckland, as the nation's key gateway city, both culturally and demographically superdiverse, and the location of considerable immigrant business development. We focus here on the development of ethnic precincts as the manifestation of this transformation of the cityscape. 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 developments. As a consequence of this laissez-faire attitude, immigrants' relational embeddedness tends to be privileged and ethnic-specific networks dictate the nature and location of ethnic precincts within a policy environment that stresses the importance of market processes and encourages small business development.

## **Introduction**

New Zealand, Australia and Canada share a nation-building project founded on immigration. Unlike Canada and Australia's more ethnically diverse immigration flows, however, almost all the immigrants who arrived in New Zealand until the 1950s came from Britain and Ireland. That changed with the arrival of immigrants from the Pacific from the late 1950s and the changes to immigration policy in 1987. From the 1990s, the cultural mix of immigrants arriving in all three countries has been broadly similar, with a comparable proportion, around 60 percent, of economic migrants. New Zealand, however, continues to be different in two particular regards. Firstly, biculturalism, the official recognition of Maori, New Zealand's indigenous people, and Pakeha New Zealanders of European descent,<sup>1</sup> is privileged in policy debates and resourcing and there is no equivalent to the multiculturalism of Australia or Canada. Secondly, the predominance of neo-liberalism in central and local government policy making in recent decades has meant that the approach to immigration, especially settlement policies and economic development, takes a particular form (Spoonley 2003; see also Lewis 2009; Skilling 2010). The state's investment is in recruiting human capital

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<sup>1</sup> The Maori word Pakeha, according to Fleras and Spoonley (1999, p.83), refers to New Zealanders of European background.

globally; the settlement of immigrants is left to their own agency and the opportunities – and barriers – of the marketplace, notably in relation to the labour market or small business sectors. Many immigrants, unable to enter New Zealand’s labour market at levels commensurate with their qualifications and skills, open small or medium sized businesses, often serving the needs of their own and/or other new immigrant communities which, by 2010, were significant in size. The ethnic and immigrant character of the rapidly growing co-location of business clusters, resulting in the concentration of economic activities involving one immigrant group or another (ethnic precincts), has been largely ignored. In this paper, we explore what this means for the gateway city of Auckland by examining the formation of two ethnic precincts: Northcote and Somerville-Meadowlands.

### **New Zealand Immigration: A Brief History**

The colonial project of settling New Zealand and establishing it as a nation-state assumed a particular character after the signing of the Treaty of Waitangi in 1840.<sup>2</sup> For most of the next 120 years, more than 95 percent of the immigrants who arrived in the country came from Britain and Ireland. The largest non-European group were the Chinese who numbered 5000 in 1881 (all but 9 were men), but most were sojourners and did not stay. This was reinforced by legislation that sought to prevent Chinese migrants from coming into the country or from staying when they got here. Chinese residents were not granted the same rights as other New Zealanders. Although an explicit White New Zealand policy was never adopted (Ongley & Pearson 1995), between 1881 and 1920 some 35 acts were passed to ensure that non-Europeans were excluded from New Zealand.

This situation changed in the post-World War II decades when labour was required for the expansion of the manufacturing sector in New Zealand’s cities. Maori were encouraged to migrate from their rural and provincial locations but additional labour was subsequently sought from the Pacific, notably from Samoa, Tonga, the Cook Islands, Niue and Tokelau. This diversification of immigration produced a moral panic in the early 1970s when the newly arrived Pacific communities were racialised as a threat in various ways. A reforming Labour Government in 1984 combined a significant neo-liberal agenda (to reduce the role of the state, decrease welfare provisions and deregulate the labour market) with some distinctly non-neo-liberal elements. These included: the recognition of the rights of Maori as tangata

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<sup>2</sup>This agreement was between the British Government and the chiefs of many Maori iwi or tribes.

whenua (indigenous people); the expansion of the rights of women and those of homosexuals; and a more independent foreign policy stance. The government also moved to finally abandon the last vestiges of a discriminatory immigration policy and to adopt a globalised skill recruitment policy, in line with its neo-liberal inclinations. The Immigration Act 1987 was designed to attract individuals from a range of countries who had the proven ability and finance to establish themselves successfully in New Zealand. A points system was introduced, similar to those already operating in Canada and Australia, and so began the rapid diversification of immigrant arrivals.

During the 1990s, the traditional source countries of Britain and Ireland were replaced by countries in Asia, Africa and the Middle East. By 2000, migrants from three countries dominated arrivals: those from the United Kingdom, China and India. We focus here on immigration from Asia, specifically Chinese immigration, and its impact on Auckland. By 2010, arrivals from China dominated many visa categories and Auckland's China-born population had risen from 26,547 in 2001 to 53,694 in 2006. The total<sup>3</sup> Chinese population, which includes those from China, Hong Kong, Taiwan and other countries as well as New Zealand-born, grew from 68,130 in 2001 to 97,425 in 2006, approximately 8 percent of Auckland's population. The total Asian population was larger still and by 2008, outnumbered Auckland's Maori population or the combined Pacific population. Mid-level population projections anticipate that by 2016, a quarter of Auckland's population will be Asian while another quarter will be either Maori or Pasifika<sup>4</sup>. In 2006, 37 percent of the city's residents were immigrants and if this overseas born-population was combined with their New Zealand-born children, this figure rose to 57 percent of the city's total population.

We are interested in what this new-found cosmopolitanism means for policy debates and the ways in which it impacts on the cityscapes of Auckland. In essence, our argument is that the continued predominance of neo-liberalism in local and central government policy-making means that immigrant agency is privileged and that the relational embeddedness of immigrant networks has consequences that are evident in Auckland's cityscape and economy. One

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<sup>3</sup> These statistics derive from the New Zealand census and therefore reflect responses of individuals when they are asked to self-select an ethnic identity (or identities).

<sup>4</sup> As with the Chinese population, this reflects a self-identification question in the census and includes those who identify with various Pacific-origin ethnicities.

manifestation is the concentration of economic activities, typically retail businesses, involving members of particular ethnic groups. These ethnic precincts, involving somewhere between 40 and 100 businesses, are owned or run by (in this case) ethnic Chinese, mostly immigrants. Some ethnic precincts have been purpose-built while others are conversions ie Chinese businesses have taken over a pre-existing precinct. Many are concentrated in a contained area, either a suburban shopping centre or specific locales in the CBD, while some are spread along arterial routes such as Dominion Road. There is little recognition at either central or local government level of the ethnic and immigrant nature of these ethnic precincts, particularly compared to the recognition found in other cities that have similarly sized immigrant communities and ethnic business concentrations (see J. Collins & Jordan 2009). Moreover, the biculturalism that recognises the rights of Maori and which has allocated significant resources for their economic development (Fleras & Spoonley 1999) provides an obvious counterpoint to the policy silences concerning immigrant-related cultural diversity, hence the laissez-faire multiculturalism of our title. Immigration, and its outcomes, is as subject to ‘market disciplines and practices of the new public management... of neo-liberalism’ (Lewis, Lewis and Underhill-Sem 2009, p.166) as other aspects of New Zealand. Next, we explore these issues in relation to the presence of Chinese ethnic precincts in Auckland.



Photo A: Meadowlands ethnic precinct, south-east Auckland.

## Ethnic Precincts

Areas of immigrant business concentration are an important focus and manifestation of immigrant communities, especially in key destination cities such as Auckland. The interest in such concentrations has a long and influential history in academic research on the ecology of cities, dating from the Chicago School of urban sociology when the focus was on spatial segregation and the non-assimilation of ethnic communities (see Fong, Chen, & Luk 2007). This interest was re-ignited in the late 1980s and 1990s when ethnic and immigrant business precincts (sometimes referred to as enclaves) in cities in North America, Australia and Europe raised questions about whether such concentrations were the outcome of immigrant choices or were the product of discriminatory processes, as well as whether or not such co-location was a barrier to subsequent economic success, social/cultural integration and social cohesion.

Waldinger, Aldrich and Ward (1990) suggested that two key factors need to be considered in order to understand ethnic business co-location: ethnic and socio-cultural explanatory factors, essentially the decisions made by immigrants and their communities, as well as external political and economic factors (Pang & Rath 2007, p.202-203). But as Pang and Rath (2007, p.203) go on to point out, this approach, while valuable, tends to omit or underplay other factors, such as the role of gender or the way in which immigrants are racialised (and which, in turn, then precludes them from certain activities or opportunities). Moreover, this approach also makes the assumption that immigrant entrepreneurs are somehow different from other entrepreneurs.

Kloosterman and Rath (2003) provide a more nuanced theorisation which focuses on the mixed embeddedness of immigrants. This approach takes into account both immigrants' embeddedness in ethnic social networks and the impact of the social structures within which immigrants and their social networks operate. The social embeddedness (or relational embeddedness as Portes refers to it; see Vertovec 2009, p.37) of immigrants in their own ethnic networks affords them a number of advantages: it enables them 'to reduce transaction costs by eliminating formal contracts [and] gain[s them] privileged access to vital economic resources' (Pang & Rath 2007, p.204). But this focus on social networks needs to be balanced by a consideration of the regulatory and opportunity structures within which immigrants and their networks are located; in other words, their structural embeddedness. This approach accounts for the influence of the varied vertical and horizontal linkages between immigrants and the wider communities within which they live (Vertovec 2009: 37). As Pang and Rath

(2007, p.205) explain, '[d]ifferent markets obviously offer different opportunities and obstacles, demand different skills, and lead to different outcomes in terms of business success or – at higher levels of agglomeration – a different ethnic division of labor'.

Kloosterman and Rath's (2001, 2003) approach emphasises the interaction between the interests/networks and decisions of the immigrant (agency) and the opportunities and limitations imposed by the circumstances in which they are located (structure). They are embedded in different cultural and institutional settings, hence the reference to the mixed embeddedness of immigrant settlement and business development. Sometimes, these ethnic business concentrations are in specific occupational niches (the concentration of Fijian Indians amongst Auckland's taxi drivers, for example) but elsewhere, these ethnic businesses are co-located in geographical concentrations, hence ethnic precincts (Jordan 2010, p.62).

Ethnic precincts perform a variety of functions. They are, above all else, a 'first access point and a source of support' (Sales, et al. 2008, p.6), but also, as Sales et al. (2008) go on to note, 'serve both newly arrived people and older people'. These groups face isolation and exclusion because they have moved from familiar places where they can access established networks and have a knowledge of how things work, to a new city where they often lack skills (such as a local language) and local networks of friends/acquaintances. Co-location also allows those involved in setting up and running businesses to interact easily with co-ethnics, to access ethnic networks in various ways (for capital, for supplies and information, and for labour) and to establish and develop trust within these networks (see Fong, et al. 2007, p.122). Immigrants can find work more easily in areas where co-ethnics have established businesses, especially when the immigrant job-seekers lack skills or qualifications that are recognised by other (ethnic) employers or when they lack local labour market experience. (The possibility of exploitation is also present, especially given the vulnerability of immigrant workers). Ethnic precincts also serve as a focal point for members of that community, as a place for 'meeting, shopping and eating' as Sales et al. (2008, p.6) note. In reality, it is often the activity of eating which brings members of the particular community together (see J. Collins & Jordan 2009), but ethnic precincts also provide an opportunity to talk in a first language, to buy specialist ethnic food products and to access services – medical, financial, travel and real estate.

Historically, there have been no Asian ethnic precincts in Auckland, although there were limited concentrations of Chinese businesses around some parts of the inner city in the first half of the twentieth century (Ip, 2003). However, these were modest and did not involve more than a few businesses. This changed dramatically with the arrival of Asian immigrants after 1987. The first wave arrived in the early and mid-1990s and comprised immigrants from Hong Kong, Taiwan and Korea. There was a lull during the Asian economic crisis of the late 1990s but this was followed, post-2000, by much larger arrival flows from China and India. Table 1 shows the numbers of ethnic Chinese resident in the Auckland area at the last five censuses, according to their place of birth. The most common birthplace at the 2006 census was the People’s Republic of China (53,694), a figure which has more than doubled since the previous census in 2001.

*Table 1 Auckland’s resident ethnic Chinese population by birthplace 1986-2006*

Year	Birthplace						Total
	China	Hong Kong	Taiwan	Malaysia	NZ	Others*	
<b>1986</b>	1,668	561	39	597	5,250	2,433	10,548
<b>1991</b>	4,110	2,850	2,838	3,681	6,306	3,891	23,676
<b>1996</b>	12,054	8,868	7,965	4,596	10,293	5,928	49,704
<b>2001</b>	26,547	8,406	8,562	4,953	13,203	6,459	68,130
<b>2006</b>	53,694	5,280	7,323	6,003	17,682	7,443	97,425

In sum, by the time of the census in 2006, Auckland had a variety of Asian communities of significant size which included residents of Auckland as well as tourists, students (up to 70,000 per year nationally) and increasing numbers of migrants on temporary work or business visas. These recent and now quite substantial communities provided a demographic base for the development of distinct residential concentrations<sup>5</sup> and the co-location of ethnic businesses. They first emerged during the late 1990s and by 2010, there were a number of different types of Asian ethnic precinct in Auckland. We will focus here on those that involve Chinese-owned and operated businesses. These precincts fall into two distinct types: those that resulted from the conversion of existing shopping centres, where Chinese owners and operators replaced those from other ethnic groups; and those that were purpose built from scratch to service the needs of a growing Chinese community. Of the two case studies that

<sup>5</sup> Or, as Li (2009) calls them, ‘ethnoburbs’.

follow, Northcote is an example of the former while Meadowlands and Somerville (adjacent precincts) are examples of the latter.



Photo B: Northcote ethnic precinct on Auckland's North Shore.

### **Northcote, North Shore: A Conversion**

The Northcote shopping centre is located in the midst of a lower socio-economic area on Auckland's relatively affluent North Shore. Immediately adjacent to the long-established shopping centre<sup>6</sup> is a significant area of state housing<sup>7</sup> (317 state houses in total), one of only a few such areas on the North Shore. The local schools rank in the lowest decile,<sup>8</sup> in sharp contrast to most schools on the North Shore,<sup>9</sup> and there are also a significant number of Maori and Pacific peoples living in the suburb (Parliamentary Library 2009). During the late 1980s and early 1990s, an area referred to in the media as 'Northcote central' developed a reputation for poor housing and anti-social behaviour, including gang activity. During this

<sup>6</sup> Officially opened in 1959, the shopping centre was one of the earliest pedestrian malls in New Zealand.

<sup>7</sup> Housing owned by the state which is rented out to tenants on low incomes.

<sup>8</sup> A school's decile ranking indicates the extent to which it draws its students from lower socio-economic communities. Decile One schools are the 10 percent of schools with the highest proportion of students from low socio-economic communities. Decile 10 schools are the 10 percent of schools with the lowest proportion of these students.

<sup>9</sup> Eighty-five percent of the schools on Auckland's North Shore have a decile rating of 9 or 10, the highest proportion of high-decile schools in New Zealand (Enterprise North Shore, 2010).



time, about half of the children attending the nearby Onepoto Primary School were from sole-parent households and most of the parents with children at the school were unemployed (S. Collins 2008). The shopping centre was also in decline during the mid-1990s, with around 15 percent of the shops empty and rents modest or low for the North Shore. These circumstances were to provide an opportunity for new Asian business owners.

Through the 1990s, the number of Asian-owned shops began to increase and this total was boosted significantly after 2000 with the arrival of more China-born immigrants on the North Shore. The low rents provided a modest investment threshold for those wanting to establish a business. Inevitably, food was an important part of these new Asian-owned businesses, and over the first decade of the twenty-first century, several Asian supermarkets were established along with restaurants, meat, fish and vegetable shops. The local real estate agents began to employ Mandarin-speakers; there were Asian-focussed travel shops, Chinese dentists and doctors (or other Asian health professionals), shops selling Chinese health products, video suppliers and hairdressers. These were supplemented by English language schools with a target audience of Asian students.

An initial survey in 2007 showed that three-quarters of the businesses in the centre were Asian-owned; most shop keepers were China-born but some were Korean. Depending on the day of the week, half or more of the customers in these shops were Asian, predominantly from China, and many of the signs on shop fronts and in stores were in Chinese. In less than a decade from the mid-1990s, Northcote was transformed into an ethnic (Chinese) precinct. A follow-up survey undertaken in 2010 revealed that the proportion of Asian-owned businesses had increased to 89 percent.<sup>10</sup> But while the North Shore City Council<sup>11</sup> was prepared to celebrate aspects of the ‘Chineseness’ of Northcote (such as festivals), acknowledging the particular character of the centre was still something it appeared unwilling to do. In 2006, the town centre’s strategy and investment plan was silent on the ethnic nature of this precinct (and that of other shopping centres; see North Shore City Council 2006). The work plan identified \$2 million as the projected expenditure to improve the shopping centres’ environment but the discussion was about the ‘attractiveness’ and ‘functionality’ of these centres; nothing was said about the presence or impact of the ethnic (or Chinese) nature of

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<sup>10</sup> Fifty-three percent were Chinese, 17 percent Korean, 12 percent Pakeha and 3 percent Indian while the remaining 15 percent were other Asian.

<sup>11</sup> Which was amalgamated into a single city-wide council in October 2010.

Northcote or elsewhere, although there were generalised statements about the value of 'cultural diversity'.

To ensure our city benefits in the long term, we must be willing to acknowledge and then continually invest in the tangible and intangible benefits to the city that this knowledge and celebration of cultural diversity brings, now and into the future (North Shore City Council 2006, p.16).

The area has benefitted in various ways from the revival of the shopping centre, including a shift away from the earlier negative media image of Northcote as an area with multiple social problems. Part of this change has been demographic. Between 2001 and 2006, the proportion of Pakeha in the area dropped from 61 to 33 percent, Maori from 22 to 11 percent, while the proportion of Pacific peoples grew (33%) as did the proportion of Asians (28%; S. Collins 2008). Local groups began to improve the area, founding a graffiti removal service; a partnership between community organisations, the police and the Housing Corporation was formed to reduce the levels of violence and drug dealing and to improve the housing stock; and other schemes to help the unemployed were established. The shopping centre itself began to gain a reputation for providing cheap and interesting products as well as offering a taste of Asia. It became the location for various Asian events, such as the celebration of Chinese New Year and the Moon Festival, occasions which are regularly attended by local dignitaries. The conversion from a run-down suburban shopping centre to one that offers Asian products, services and events is now complete. Elderly Chinese can be seen playing Chinese checkers at the purpose-built tables under the elm tree in Pearn Place or doing Tai Chi in Norman King Square. People mingle and chat, while the shops and the eating hall are always busy with the majority of customers being Asian, mostly Chinese.

### **Somerville and Meadowlands, Manukau: Purpose-Built Precincts<sup>12</sup>**

Unlike Northcote, the Somerville and Meadowlands precincts were developed by Hong Kong migrant Kit Wong with the specific purpose of serving the rapidly growing Chinese community in East Auckland. He chose to locate these ethnic precincts in the affluent post-war suburbs of south-east Auckland. This part of the city contains an interesting juxtaposition of affluence and poverty. The first major post-war development was the state housing area of Otara, now the largest concentration of Pasifika and Maori in the Auckland region, and with relatively high levels of socio-economic disadvantage. Nearby, are the affluent suburbs of

<sup>12</sup> See <http://www.auckland.gen.nz/sommerville/> and <http://www.meadowlands.co.nz/>

Howick, Bucklands Beach and Pakuranga that have provided a home for significant numbers of Chinese immigrants over the last two decades. The major suburban retail centres in these suburbs have been built since 1990, and it was here that Kit Wong purpose-built the Chinese ethnic precincts of Somerville and Meadowlands.



Photo C: Meadowlands ethnic precinct in south-east Auckland.

Somerville and Meadowlands were green-field developments. The land had not been previously built on. Wong developed a shopping precinct that was specifically designed to meet the needs of the newly arrived Chinese migrants (see section on institutional actors below). It is largely comprised of single story buildings that are built in strips at right angles to the access road, so that shops in one strip face those in the next. There is nothing Chinese in the building design but the ‘Chineseness’ of the precinct is immediately obvious in the

signage of the shops, and then in the products, owners and customers. Like Northcote, the majority of shop owners and customers are Chinese. The shops are dominated by those that retail food, either as restaurants or those that sell raw (meat, fish, vegetables) and prepared products. Interspersed amongst the food retailers are hairdressers, travel operators and video shops. There is little difference in the mix between Northcote as a converted precinct and these purpose-built precincts. But in the latter, the design focuses on security, ease of access and delivering specific social benefits (see 'Institutional Actors'). In addition, the buildings are new and they were deliberately marketed to arriving Chinese immigrants wanting to establish a business in Auckland. There is a deliberateness that is missing from the more organic development of the ethnic precinct at Northcote.

The centre was officially opened in 1997 by then Prime Minister Jim Bolger and then Mayor of Manukau City, Sir Barry Curtis. Kit Wong managed the project for ten years, moving on to other ventures during the first few years of the new century. Meadowlands and Somerville have gone on to become an important part of the lives of Chinese and other migrant communities living in this increasingly diverse part of Auckland. Data from the 2006 census show that the largest settlements of ethnic Chinese<sup>13</sup> in Auckland are to be found in this part of the city in the suburbs of Buckland's Beach, Pakuranga and Howick. If we look at the percentages of ethnic Chinese in Census Area Units in Auckland, seven out of the top ten are found in south-east Auckland, with percentages ranging from 24.8 percent in Aberfeldy to 31.2 percent in Pigeon Mountain North. Of the 76 premises operating in Meadowlands and Somerville in May 2010, 71 percent were owned by Chinese migrants, 18 percent by Koreans and eight percent by others, including New Zealand-born Asians.

These two case studies provide an indication of the shape of the Chinese ethnic precincts to be found in contemporary Auckland. In most respects, they differ little from ethnic precincts elsewhere, in Australia or Canada. But there are some interesting issues in terms of the embeddedness of these communities. Since 1987, and the diversification of immigration flows, the New Zealand government, in both conservative and liberal/left manifestations, has offered little in terms of post-arrival support for immigrants. In the case of Chinese immigrants, they have been forced to rely almost completely on co-ethnic networks, both within the extended family but also more generally. The relational embeddedness of these

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<sup>13</sup> Those who identify as being of Chinese ethnicity.

immigrants has a particular significance and influence on post-arrival patterns of economic activity (quite apart from housing/location choices). This can be seen in the very high levels of co-ethnic employment, supply relationships/connections and the mix of consumers (see Meares, et al 2010), although those behaviours are not confined to particular ethnicities or should not be characterised as ethnic in a specific sense (see Everts 2010). Decisions about the nature of business establishment and obtaining advice, capital and labour all rely extensively (often wholly) on Chinese co-ethnics (Meares et al. 2010). As we have argued, ethnic precincts in Auckland reflect the relational embeddedness of Chinese immigrants in a context which privileges neo-liberal economic activity – entrepreneurial engagement in a free market consisting largely of small and medium retail businesses – and neo-liberal politics, especially the rejection of the notion that ethnicity is relevant to economic activity (see below). A coalition partner in conservative governments, ACT, is particularly assertive in articulating such views but other conservative parties – and the conservative wing of the Labour Party – are sympathetic to the ‘market reigns, ethnicity is irrelevant’ approach.<sup>14</sup> Identity, including ethnic identity and its various manifestations, is subservient to a neo-liberal agenda that stresses entrepreneurialism in a free-market (see Skilling 2010). We now turn our attention to these issues and also to the vital role played by institutional actors in ethnic precincts.

### *The Neo-Liberal Approach to Immigrant Settlement*

As we have noted above, the new immigration policy framework was established during a major period of economic and welfare reform that reflected the neo-liberalism of a Labour Government (1984-1989). The emphasis, as with Canada and Australia, was on recruiting skilled labour that would fill gaps in the labour market and compensate for demographic ageing. In this regard, there have been few differences in approach between the three countries. But in New Zealand’s case, the assumptions of a local neo-liberalism are most apparent in what happens post-arrival. It is assumed that migrants have been selected for their education, skills and experience and therefore, the state in whatever manifestation (local or national) is not required to play any major role in settlement. Immigrants are ‘competitive responsibilised and entrepreneurial selves’ (Lewis, et al 2009: 167) who are able to ‘exploit’ the free market that neo-liberalism offers. In reality, this approach in its early and most

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<sup>14</sup> The paradox is that these latter factions of conservatism are prepared to entertain the recognition of Maori rights. ACT are not.

minimalist form was unsustainable, and the government has moved to resource settlement in various ways, especially since 2000. But the level of support for immigrants is significantly less than the support provided in Australia or Canada. For example, there is no equivalent to the \$Can3000 per immigrant provided to aid settlement in Canada, nor are there programmes on language acquisition, understanding the local cultural or business environment or how to access key services offered in New Zealand, except on a fee-basis or as an ad hoc local initiative, often offered by NGOs or some business associations. The prevailing ethos is that immigrants should either fund special requirements themselves (English language acquisition, for example) or that they are perfectly capable of establishing themselves in New Zealand. This is underpinned by another neo-liberal premise.

Unlike Canada or Australia, New Zealand has never established a multicultural policy platform. From the 1970s, the investment has been in biculturalism: facilitating the maintenance of Maori culture and language; establishing the rights of Maori in a modern, liberal democracy; investigating and compensating for the abuse of Maori through a period of colonisation; requiring government departments to treat Maori as a specific client group with particular rights and needs; and including Maori language and culture in public and national activities. Very little that might parallel these developments occurs with regard to other ethnicities, and there has been a noticeable reluctance to develop anything which might equate to (but not compete with) biculturalism. Neo-liberalism has lost this battle in relation to Maori (especially with the coalition between the centre-right National Party and the Maori Party after 2008, although the third coalition partner is the very staunchly neo-liberal ACT Party which is determinedly opposed to any form of ethnic recognition, including that of Maori). In reality, indigeneity has provided an important basis for contesting neo-liberalism and market sovereignty (Lewis 2009). But for the purposes of the current paper and the structural embeddedness of ethnic precincts, official policy is silent on the ethnic nature of such developments. Neo-liberalism has impacted on ethnic precincts, but largely in relation to a policy and regulatory environment which stresses individual entrepreneurialism and small business development. In many respects, Chinese immigrant entrepreneurialism provides an exemplar of neo-liberal business activity.

The relational embeddedness of migrants always plays an important role in settlement, as existing familial and community networks, underpinned by cultural values, a shared language and various forms of solidarity in a situation that is unfamiliar, provide support and guidance

for newly arrived migrants. But the neo-liberal regulatory and policy environment tends (unwittingly) to privilege this relational embeddedness. This environment is not unimportant: it encourages the agency of the individual as an expression of a market in action; business establishment and entrepreneurial activity to meet market demand is given prominence as evidence of the ‘obvious’ benefits of a market economy; and the virtues of self-reliance and independence are venerated while dependence on state provision (except in the most dire cases) is deplored. The social and cultural networks of immigrant communities, combined with an interest in small business establishment, make the relational embeddedness of Chinese immigrants a significant factor in decisions about what sort of business to establish and where to locate that business. In the decades since the introduction of a neo-liberal approach to economic management, immigrant business establishment has reflected internal, ethnic dynamics combined with the external emphasis on market (agency) driven decision-making. In Auckland, the relational embeddedness of the Chinese immigrant community has played a particularly important role. This is exemplified in the influence of institutional actors from the communities themselves; one example is provided in the next section.<sup>15</sup>

### *Institutional Actors*

Ethnic precincts develop as a result of a number of factors. Relatively little attention has been paid to the role of what Fong et al. (2007) refer to as ‘institutional actors’, notably developers. Ethnic precincts are a product of decisions about investment and development and a number of Auckland’s ethnic precincts are the result of developer activity. For example, as outlined in the case study of Meadowlands and Somerville in Manukau City, Hong Kong immigrant Kit Wong built these specifically to cater for the new migrant Chinese communities in East Auckland.

Kit arrived in New Zealand in 1987, at the beginning of a significant wave of Asian migration that occurred after the immigration policy changes of the same year. He had worked in property development in Hong Kong, and although he recognised the many differences that existed between his adopted city and his birthplace, he also saw some similarities to a younger Hong Kong and this gave him a number of ideas for future developments in Auckland. Key to his decision to build was his parents’ choice to return to

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<sup>15</sup> There is no equivalent to Wong (as an influential institutional actor) in establishing an ethnic precinct in Northcote. The limited evidence is that information networks and chain migration were important.

Hong Kong after a brief holiday rather than stay in New Zealand as Kit had hoped. Despite their desire to spend time with their son, and to recreate the extended family living environment that had worked so well for them in Hong Kong, they were lonely and isolated during their time in Auckland. They spoke no English, could not drive and had little contact with the world outside Kit's home because at that time, there was no radio, television or newspaper service in Cantonese. The development at Somerville and Meadowlands was designed to remedy these deficits, and others, for the families of the new Chinese community.

Beginning in 1991, Kit bought several large lots in East Auckland. He marketed the businesses as a concept and sold off the plans, targeting people who wished to start their own businesses or wanted to buy them as investments. He developed the lots together, building them so that each proprietor could keep an eye on her or his neighbour, as he was keenly aware of the vulnerability of the new Chinese migrant community. There were 15 shops of different sizes in the first lot, built flexibly so that the partitions between premises could be removed if necessary in order to create larger spaces. Because of the experience with his parents, Kit placed a lot of emphasis on the social benefits of his development. For example, one of the positive attributes of the site was that it was a short, level walk from neighbouring streets for elderly people who could not drive themselves. The mixture of shops meant that people could do their shopping as well as have somewhere to sit and meet others for something to eat or a chat; and do all of this in their own language. This would, he thought, help them adjust to their new home and alleviate their feelings of homesickness. However, he also felt strongly that the shopping centre should be as diverse as possible and also encouraged larger 'mainstream' businesses to set up there. This was partly a pragmatic decision, as many Chinese shop owners travel back to China, Hong Kong and Taiwan during Chinese New Year, and the mainstream businesses decreased the risk of the precinct being deserted at this time. He also encouraged shop owners to serve locals, to take photos of meals and to use signs in English as well as Chinese.

The role Kit Wong has played in the development of Somerville and Meadowlands serves to highlight the influence of immigrant agency. He had to meet a number of building code and design requirements but there was nothing that addressed the specific ethnic nature of the precinct he designed. Moreover, these ethnic precincts do not appear as retail destinations with a particular character in the marketing of the city; they do not attract any specific resourcing in city economic development; and they are often invisible as an area of interest to



many Aucklanders. Indeed, outside the Chinese community, few non-Chinese know of their existence. Wong, as an institutional actor, has designed a precinct that specifically meets the social, economic and cultural requirements of a particular community. While he has responded to these requirements, the broader commodification of these and other ethnic precincts has not occurred as it has, for example, in Sydney (see J. Collins & Jordan 2009).

### *Commodification of Ethnic Spaces*

New Zealand cities, Auckland in particular, have yet to explore the possibility that areas of immigrant business concentration might provide the opportunity for new forms of consumption and economic activity. There is a considerable literature on the ways in which cities such as Sydney (J. Collins & Jordan 2009), Vancouver, San Francisco, London (Sales, et al. 2008) and Washington (Pang & Rath 2007) have moved to recognise immigrant business concentrations as a site of importance for the city economy and increasingly as a destination for tourists and local consumers. In the case of London, Sales et al. (2008) discuss how the institutionalisation of Chinatown occurred initially as a result of community associations making claims on the local authority. Yeoh (2008, p.10) discusses how Singapore has begun to explore the possibility of heritage landscapes as a way of providing a 'sense of historical continuity' and an affirmation of the city's cosmopolitan nature by recognising Chinatown, Little India and Kampong Glam (a Malay precinct). After a period of urban renewal in which many aspects of these ethnic precincts were destroyed, there was something of a reversal and a recognition and preservation of what remained of Chinatown in Singapore (see Yeoh 2008).

By comparison, there are no places in Auckland that have been branded as ethnic precincts, certainly not by the key governance or management agencies. In planning, community and economic development documents, there is nothing to suggest an area might have an identity which is associated with the co-location of immigrant businesses or which might have some economic benefit to the city economy more broadly. In considering centre or main street development for Northcote, for example, there was no reference until quite recently to the fact that a majority of the businesses are Asian in ownership or activity, that it is the location of immigrant/ethnic festivals or that the client or pedestrian mix is particular to that shopping centre (see Northcote Central Development Trust 2005). The centre's Asian visibility could hardly be contested and yet this character was largely (and often completely) invisible in

economic and social development commentaries from the local authority; there was silence on the nature and possibilities of immigrant business co-location. This silence is a product of two rather different dynamics. One is the lack of expertise and understanding of immigrant-related economic development; in our experience, a discussion with officials typically prompts the question of ‘where are these precincts’? But the second factor is the reluctance of key managers and political leaders to characterise developments as ‘ethnic’, as the next section makes clear.

### *Political and Policy Responses*

In terms of routine planning and economic development processes in Auckland, little attention has been paid to the role and contribution of immigrant places and identities. The exception has tended to be Manukau City Council which adopted a logo and a branding message which did acknowledge cultural diversity, although this tended to focus on Pacific peoples. Elsewhere, however, the acknowledgement that post-1987 migrants required policy recognition and support was left to particular agencies: the Auckland Regional Settlement Strategy and those responsible for its implementation; the Auckland Chamber of Commerce; and Omega.<sup>16</sup> But even though Auckland’s immigrant population was nearing 40 percent of its resident population by 2010, the city and its key institutions were either cautious about doing too much to acknowledge ethnic diversity or they declined to consider it at all.

The Royal Commission on the governance of Auckland and the National-led government’s subsequent response to this document in 2010 highlight this reluctance.<sup>17</sup> Diversity was seen as a positive on many levels by both the Royal Commission and the government as a new ‘super-city’ was forged from seven city governments in 2009-2011. But immigrant-related diversity was given almost no attention in a three volume report that focussed on governance and economic development. Immigrants were not mentioned in terms of the key economic priorities nor as agents in economic development. They appeared in an expert report on demographic changes but were, almost without exception, invisible in any of the extensive discussions on the economic development of Auckland, current or in the future.

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<sup>16</sup> Omega matches skilled immigrants with mentors across a range of industries, see <http://www.omega.org.nz/>

<sup>17</sup> The Royal Commission was charged with beginning the transition of Auckland’s four major city councils (North Shore, Waitakere, Auckland and Manukau), plus those on the urban fringe, into one single local authority. The government’s response indicated what they saw as acceptable in the recommendations and added some new elements.

On governance itself, the main concession to diversity from the Royal Commission was the recommendation that three Maori seats be established on the new super-city council. Pacific peoples and other ethnic or immigrant communities were recognised by proposed advisory boards. The possibility of specific Maori representation was a step too far for the National-led government, however, and its key partner, ACT, in terms of Auckland local government reform. The recommendation was over-turned, much to the dismay of the other partner in government, the Maori Party. Interestingly, statutory Maori representation on city council committees has subsequently provided Maori with key decision-making votes. The participation of other minority ethnic groups remains confined to advisory boards and roles.

The possibility of branding areas as Chinatowns has been raised but then just as quickly dismissed. One of us (Paul Spoonley) noted in a radio interview that Auckland, despite the size of its Chinese population and the fact that a number of areas in the city had significant densities of Chinese businesses, still lacked an official Chinatown. A blog entitled 'A Chinatown state of mind' (Mok 2005) was published in response to the comments, and this was followed by a public campaign (largely online plus some columns in the local print media) against the establishment of a Chinatown. Supporters of the 'no Chinatown' campaign, most of whom were younger members of the Chinese community, felt that it usurped the Chinese community's prerogative to claim its own space and future and that local government involvement in the project would simply confirm their minority status and 'difference'. In 2008, the mayor of Waitakere, Bob Harvey, argued that New Lynn ought to become a Chinatown. The area had the highest percentage of Chinese residents in Auckland (over 30% in 2006) as well as a cluster of Chinese businesses. The mayor suggested that the town centre might be enhanced by explicitly identifying it as a Chinatown with symbols such as traditional Chinese gates. On this occasion too, the mayor was defeated by the opposition of some Chinese members of the community, but also by concerns raised by local non-Chinese business owners and residents who did not welcome the idea that their centre might become even more Chinese than it already was (see Thompson 2008). Both these responses were localised and while they gained some media publicity, their influence on the broader politics of Auckland is limited. Very few decision-makers or local government officials would be aware of either incident.

The previous Auckland City Council did take part in the inter-cultural cities initiative that involved a number of cities around the world including Oslo in Norway and Bristol in the

United Kingdom. This initiative had, as one of its major local outcomes, a survey carried out by an Australian consultancy. The report (Brecknock Consulting P/L 2006) suggested a number of concepts to describe what an 'inter-cultural' city might look like, but these tended to rely on policy orientations and concepts that had been developed elsewhere. There was inadequate acknowledgement of the impact of biculturalism on the concept of the inter-cultural city in a New Zealand context and no discussion about what a more substantive multiculturalism would mean for Maori as tangata whenua. The report has not framed or contributed to subsequent policy or political debate in any meaningful way.

Three factors are influential in the invisibility of immigrant business development, especially manifestations such as ethnic precincts, in Auckland in the last decade. The first is the approach of politicians and senior city officials which is to decline to name particular developments as 'ethnic' or 'immigrant', largely because of an ongoing acceptance of the neo-liberal assumptions that underpin immigration policy. Skilled immigrants do not require market intervention; they are characterised as already skilled, naturally competitive entrepreneurial subjects who are quite capable of exercising choice (cf Lewis 2009). Underpinning this is the reluctance of both 'soft' and 'hard' neo-liberals to accept that ethnicity should be seen as relevant to the free-market. Secondly, in relation to governance and management of the city economy, there is little expertise in terms of ethnic/immigrant community economic development and what local government might do. Finally, when there have been tentative moves to begin a discussion about recognition, some sections of the community involved, in this case Chinese, have rejected the possibility of being 'managed' in any way.

The reluctance to recognise immigrant business activity and the presence of diversity more generally as an asset in Auckland make it substantially different from other immigrant destination cities. Vancouver made a decision in 1989 to consider cultural diversity a core requirement in governance and economic development. As elsewhere, ethnic precincts (for example) were seen as an important brand difference in the city, as consumer and tourist destinations, and as an important contribution to economic development. As Pang and Rath (2007, p.207) comment:

Urban cultural diversity is then a vital resource for the prosperity of cities and a potential catalyst for socio-economic development, particularly since business investors consider this diversity as one of the factors determining the location of businesses.

This recognition has led to the ‘ethnic theming’ of some areas and significant support for ethnic and immigrant business development. Cities often compete in terms of the ethnic and immigrant-related experiences they can offer and ethnic diversity has itself become a commodity and a point of brand difference (Jordan 2010, p.65). Collins (in Jordan 2010, p.67) notes that ‘ethnic cultural tourism’ involves tourist visits to ethnic precincts and there is some evidence in Auckland that Chinese tour groups are channelled towards Chinese ethnic precincts, often to their dismay (Tan 2008). Ethnic precincts have significant potential as part of a city’s branding and tourism (see Collins & Jordan 2009). There are also examples where the planning and economic development processes are structured to specifically recognise and include immigrant communities, for example:

...the public policy framework of city planning, regeneration, place-marketing and other functions may constrain, enable or encourage expressions of ethnic difference in the built environment (Shaw, Bagwell, & Karmowska 2004, p.1985).

Shaw et al. (2004, p.1986) go on to note that more enlightened city governments shifted from a ‘crude civic boosterism’ in the 1990s to ‘strategic niche management and competitive niche thinking’, one key element of which was the spaces and activities that reflected one ethnic or immigrant community or another. This has not happened in Auckland where there remains a reluctance to see ethnic precincts (amongst other ethnic/immigrant business activities) as a civic asset.

## **Conclusion**

The relational embeddedness of Chinese immigrants, combined with the regulatory and policy environment of Auckland, has contributed to the rapid and relatively recent development of ethnic precincts. They can take several forms but we have focused here on those that are purpose-built or conversions. The neo-liberalism of city governance has meant that not only has their development been devoid of any sort of government (national, but particularly local) recognition or support, but that having been established now for the past decade, there remains a reluctance to brand these precincts as an important aspect of the city economy or to commodify them as part of niche management and tourist development. This is endorsed by a lack of expertise, understanding or interest by city authority employees and resistance by some in the communities (Chinese) concerned. The regulatory and policy environment is important. In Auckland’s case, neo-liberal governance privileges market

forces; encourages business development, especially small and medium businesses that dominate a service economy; and gives prominence to entrepreneurial activity. Chinese immigrant participation in such businesses and their demonstration of an appropriate entrepreneurialism appears to fit with this emphasis on free-market economic development. Local neo-liberal politicians and business organisations have gained ideal recruits to a city economy and they remain reluctant to recognise the specific ethnic nature of their activities. Given the presence and significance of ethnic precincts in Auckland's cityscape and economy, it remains to be seen whether and when there will be recognition of the distinctive nature of these ethnic precincts and the contribution they make to economic growth and development.

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