An empirical study of Indian entrepreneurs in Christchurch, New Zealand

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Abstract: This qualitative exploratory study seeks to present a deeper understanding of entrepreneurs of Indian ethnicity operating firms in the formal sector in Christchurch, New Zealand. Our over-arching guiding question was: Why do first generation ethnic minority immigrants become entrepreneurs? Sub questions included the exploration of the why and what of entrepreneurship for these first generation immigrants, in particular why these immigrants choose to be exporters. In-depth interviews were conducted with a dataset of 58 entrepreneurs of Indian origin of whom 11 were involved in exporting from New Zealand. With increasing geographical mobility of the Asian population, our study contributes to the growing need for host societies to comprehend in a more sophisticated manner the reasons for entrepreneurship by immigrants, and the importance of putting in place appropriate policies and learning programmes to reap the benefits of immigrant entrepreneurship in a globalised world.

Keywords: Asian business; immigrants; ethnic entrepreneurs; exporters; Indian; New Zealand.

Biographical notes: Edwina Pio is a Professor at the Business and Law School of AUT University New Zealand, Visiting Professor at Boston College, USA, and Visiting Professor at Cambridge University UK, with research interests and publications at the intersection of management (employment/entrepreneurship), migration, diversity and spirituality. She is on the board of the Australia New Zealand Academy of Management. Her published work includes books, book chapters and articles in top tiered journals such as Journal of Business Ethics, Gender Work & Organisation, Asia Pacific Journal of Management and Journal of Management Inquiry.
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1 Introduction

The issue of immigration policy is a recurring one in national debates around the world, with government policies needing to recognise that culture is not neutral and economic benefits of diversity may vary in time and region (Clydesdale, 2011). Therefore, an understanding of diversity, including the diversity of immigrant communities – and enterprises therein – has important implications for policy makers, educators and the community in general, including the immigrants themselves (Rath, 2010). Furthermore with the importance of global mobility and the BRICS countries, many Western nations are keen to understand the processes of internationalisation (Crick and Dana, 2004), including exports (Portes and Yiu, 2013), along with a deeper understanding of cultures, as for example Indians in New Zealand. Given that entrepreneurship is beneficial to a country (Portes and Yiu, 2013), some governments have been eager to attract immigrant entrepreneurs (Rath, 2010). A problem arises, however, as immigrant groups are seldom understood, and their culture, values, motivations, aspirations, business and ethnic networks are often difficult to comprehend (Poros, 2001; Ekwulugo, 2006; Light and Dana, 2013), by the host society and policy makers. Morrison (2006) wrote about the need to understand how entrepreneurs navigate the social and business systems of a country and how entrepreneurs in small businesses have the potential to contribute not only to the economic outcomes, but also to the social outcomes of the communities in which they are located, thus adding value to the community as a whole.

Taking this aspect of community, Masurel et al. (2002) view the modern city as a melting pot of business life where ethnic groups are not ‘problematic’, but rather they contribute to the cosmopolitan flavour of the city as well as being a source of potential business opportunities. Thus, self-reliant strategies, language programmes and skills training programmes are seen as beneficial initiatives by countries interested in tapping into ethnic entrepreneurship. These authors define the concept of ethnic entrepreneurship as: “mainly SME business activities undertaken by entrepreneurs with a specific socio-cultural or ethnic background. Initially, their business activities aim to serve predominantly the needs of the socio-cultural or ethnic class they belong to, but gradually we see an expansion of their market area towards a much broader coverage of the urban demand” [Masurel et al., (2002), p.240].

In recent times, urban economic life is increasingly multi-cultural with an increase in ethnic entrepreneurship (Blackburn and Ram, 2006; Ekwulugo, 2006; Levent et al., 2003; Poros, 2001). In fact many authors (Atkinson and Davoudi, 2000; Werbner, 2001) note that ethnic entrepreneurship is “an important self-organising principle through which ethnic minorities are able to improve their weak socio-economic position” [Levent et al.,
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(2003), p.1133]. Yet it is important to note that the research of Saxenian (1999) in Silicon Valley is a far cry from ethnic minority entrepreneurs who are in a weak socio-economic position, as many of the innovative and wealthy entrepreneurs in Silicon Valley are Indians. Hence, cultural and structural factors are crucial in serving as advantages/disadvantages in unpacking why migrant individuals become entrepreneurs (Light and Bhachu, 1993).

Through this paper, we offer an understanding of ethnic entrepreneurship as a strategy to avoid unemployment and underemployment for Indian migrants in New Zealand, through drawing on data from Indian immigrant entrepreneurs in a southern city of New Zealand, namely Christchurch. This City of Christchurch, formerly a predominantly English city, is now home to several visible minorities, including almost 3,500 Indians of diverse backgrounds, hailing not only from India but also those of Indian origin from for example Fiji, Kenya and Uganda (Statistics New Zealand, 2006). Our over-arching guiding question was: Why do ethnic minority immigrants become entrepreneurs? Sub questions included the exploration of the why and what of entrepreneurship for first generation immigrants, in particular why these immigrants choose to become exporters. By first generation immigrant we mean immigrants who are born in one country (source/home/sending country) and have relocated to another (host/receiving country) country with the intention of living there permanently.

Entrepreneurs of Indian origin are very evident in the retail sector in Christchurch – some from India and others who were born in a country other than India. Among these are Indo-Fijians, mostly descendants of indentured labourers taken to Fiji from India by the British, during the 1800s (Pio, 2008). With political changes in Fiji, causing discrimination against Indians in Fiji, a number of Fijians have resettled in Christchurch. Recent years have also witnessed arrivals from India, some with considerable capital to invest. A number of these Indians from India come from business classes and have significant entrepreneurial skills built up through many generations (Pio, 2010). In fact, entrepreneurial skills seem to be strongly evident among Indians both in India and the Indian diaspora (Saxenian, 1999, 2006). For a nation which broke free of the shackles of colonial rule in 1947, barely 65 years ago, the new India that is rising on the global horizon is a tribute to the entrepreneurial qualities and internationalisation of Indians, whether resident in India or overseas (Prashantham, 2009). Four Indians are amongst the top ten listed global billionaires, with business groups in India such as that of the Birlas, Mittals and Tatas, on a global asset buying spree investing billions of dollars outside India, in a variety of sectors ranging from steel, aluminium and automobile engineering, to real estate including prestigious hotels.

Yet it is possible that there are diverse experiences for ethnic minority immigrants based on the host country where they reside (Inal et al., 2012; Koning and Verver, 2013; Ma et al., 2012). Therefore, this paper aims to contribute to ethnic entrepreneurship research through: firstly showing how ethnicity plays an important role in a specific migrant community and how entrepreneurship becomes a vehicle to counteract unemployment and/or underemployment; secondly, through presenting an Asian perspective, we show how a historic-social contextualisation enables the positioning of a deeper understanding of how why ethnic minority immigrants become entrepreneurs, in particular exporters, thus illuminating a perspective that enhances the dominant Western oriented approach to ethnic entrepreneurship.
2 Ethnic entrepreneurship in the literature

Over the last few decades, there has been an expanding literature on ethnic entrepreneurship. Light (1972, 1984) pioneered research about immigrant enterprises in North America. In the UK, the work of Ward and Jenkins (1984) was the first volume to present a broad view of ethnic minority entrepreneurs in Britain. Among the many definitions of ethnic group that are prevalent, Morris (1968, p.167) wrote that: “An ethnic group is a distinct category of the population in a larger society whose culture is usually different from its own. The members of such a group are, or feel themselves, or are thought to be, bound together by common ties of race or nationality or culture”. However, we acknowledge that ethnicity is not necessarily fixed and can be negotiated and mediated by societal interactions and state discourse (Koning and Verver, 2013), despite the fact that in some countries this may take more than one generation (Pio, 2008). Eriksen (2002) discussed how ethnicity is not an immutable property of particular groups, but is both dynamic and shifting based on social relationships as well as aspects of class, racism, globalisation and multiculturalism, and thus can be consciously constructed. Whilst there are varying views on why people choose to be entrepreneurs, evidence reveals that some cultures value entrepreneurial behaviour more than do other cultures (Dana, 1995). Thus for example, Becker (1956) noted that some societies consider business an unholy occupation and Dana (1997) observed that the word trader in Java is synonymous with foreigner, tramp, or wanderer. In Indian society socially desirable occupations were based on the four castes, with entrepreneurs belonging to the third caste or that of the Vaishyas (Pio, 2010).

Therefore, historical contextualisation is important (Peters, 2002), as ethnic minorities are often subject to various forms of inclusion and exclusion based on immigration policies of their host countries. It is in this context that Kloosterman’s (2010) mixed embeddedness approach assumes importance. He discusses three levels for entrepreneurs, the micro-level of the entrepreneurs, the local opportunity structures or the meso level and finally, the institutional context or the macro-level. We concur with Koning and Verver (2013, p.3) on the importance of incorporating historical dimensions to “permeate all three levels of the mixed embeddedness approach”.

Such permeation of historical dimensions is crucial, as human capital in home countries may lose its significance in the host country, leading to ethnic entrepreneurship (Inal et al., 2012; Light and Dana, 2013). Zhou (2004) stresses how immigrants use entrepreneurship to circumvent labour market barriers and to move up the socio-economic ladder. Yet it is also important to stress the non-economic effects of ethnic entrepreneurship such as community and network building that can cut across class and spatial boundaries and prevent or reduce social isolation (Masurel et al., 2002; Zhou, 2004).

With reference to the literature on ethnic entrepreneurship, early work on Indian immigrant entrepreneurs was initiated by Ward (1987) who reported that the proportion of South Asians in business in Britain was higher than that of white people, and more than double that of people of Caribbean origin. Self-employment may be seen to be preferable to unemployment and evidence indicates that many Asian business owners are “stuck in highly competitive and precarious market niches (notably, lower-order retailing); are undercapitalized; work long hours, intensively utilize familial and co-ethnic labour; and are struggling to survive in hostile inner-city environments” [Blackburn and Ram, (2006), p.83]. In a study of Indian and Haitian immigrants in
Montreal, Dana (1993) found that the sample from India saw entrepreneurship as something positive and desirable, while the Haitian respondents tended to view entrepreneurship as an occupation of low esteem. In fact for Haitians, self-employment was often an occupation of last resort, limited to those who failed in their previous goal. Indeed, the identification of opportunities of entrepreneurship is culturally tinted (Dana, 1995).

Werbner (2007) revisited Indian entrepreneurship in the UK while Chaudhry and Crick (2010) have examined successful Indian entrepreneurship in the UK. In South Africa, van Scheers (2010) has focused on Asian, Indian and African communities as highly visible shop owners in the retail and service sectors. Studies on Indian entrepreneurs in the USA present a picture of success and seem to reinforce the concept of the Asian model minority (Zhang, 2010). Saxenian (1999, 2007) studied highly-educated Indian immigrants who started new technology businesses in Silicon Valley, and more recently Chand and Ghorbani (2011) have compared Indian and Chinese immigrants in the USA in explaining the formation and management of entrepreneurial ventures and their management in immigrant communities.

Maritz (2004), Pio (2007a, 2007b) and de Vries (2012) have focused on Indian entrepreneurs in New Zealand. Maritz (2004) writes of the necessity entrepreneurs who is someone who never considered starting or owning a business until there was no option and this has been associated with unemployment, therefore making it preferable to have some source of income even if that means being a necessity entrepreneur. Pio (2007a, 2007b) notes that both unemployment and underemployment tend to be the driving forces towards entrepreneurship. She also discusses how various exclusionary immigration policies over the last century sought to keep Indians out of New Zealand as there was a keen desire to keep New Zealand ‘white’ (Pio, 2008). These studies seem to point to the fact that in some countries, it seems more likely that the ethnic minority immigrants tend to be necessity entrepreneurs and that historical contextualised factors play an important role in the progression of such entrepreneurs towards social mobility and moving out of ethnic niches.

There have also been comparative studies of Indian entrepreneurs in unlike host environments. Hamilton et al. (2008) compared ethnic Indian entrepreneurs in Manchester with counterparts in Singapore. Fairlie et al. (2010) compared Indian and other businesses in the USA, Canada and the UK and write that these immigrants have higher education levels than the national average and also that higher education was found to be a positive although not strong determinant of business ownership in the USA and Canada but not in the UK. There were also differences in the patterns of immigrants businesses with 42% of Indian-owned businesses located in wholesale and retail in the UK, whereas 27% of Indian firms are located in this industry in the USA and only 13% in Canada (Fairlie et al., 2010). Here again we note the contextualisation of host countries which seem to play a crucial role in the nature of ethnic entrepreneurship.

With changing global business priorities and the importance of countries such as India and China as well as the Asia-Pacific rim, it is important to consider if ethnic minority immigrants, such as for example Indians in New Zealand, are able to move beyond being necessity entrepreneurs and cash in on the changing global scenario. In fact, Portes and Yiu (2013) debate the economic and social consequences of immigrant entrepreneurship and strongly suggest that there are positive effects in annual incomes as well as hourly earnings for ethnic minority entrepreneurs. These authors do not see ethnic entrepreneurship as a mobility trap, but rather indicate that there are consistently higher
earnings for the self-employed based on data from diverse ethnic minorities in the USA. Furthermore these authors argue that extra work hours are a consequence of self-employment and that “rational economic actors would not work more hours if they were not profitable…the important outcome is total earnings that determine their ultimate economic status” [Portes and Yiu, (2013), p.2]. And Ma et al., (2012) noted that in a more globalised world such as the 21st century, ethnic entrepreneurs can serve as change agents for transnational networks of commerce. Therefore, in our article, we seek to explore why the ethnic minority entrepreneurs in our dataset become entrepreneurs and if they are able to function as exporters for transnational commerce.

3 Context of the study: Christchurch in New Zealand

Christchurch is New Zealand’s second largest city and has been considered the gateway to the South Island of New Zealand (Christchurch City Council, 2012). The oral history based on the indigenous people the Maori indicates that people first inhabited Christchurch about a thousand years ago, and the first Europeans landed in Canterbury, the general location where Christchurch is situated in 1815. Canterbury, while initially having an economy which concentrated on ‘living off the sheep’s back’ today has a diversified regional economy with growth across a range of ‘new economy’ sectors (Christchurch City Council, 2012).

Ethnicity data based on the New Zealand census and Statistics New Zealand has three different levels of classification or three levels of detail; level 1 is the highest level of the classification and has the least amount of detail (for example Asian) while level 3 and level 5 have more detail and more specific ethnic groups. Not further defined is a residual category created by Statistics New Zealand for responses that cannot be coded to the most detailed level of classification, but can be coded to a higher level of the classification (Statistics New Zealand, 2012).

A migrant report for 2007 was brought out by the Christchurch City Council, from which much of the information about the Indian ethnic group in Christchurch is drawn (Thorpe et al., 2007). The total number of Asians in Christchurch based on the 2006 census was 26,631 individuals. The six largest ethnic groups in Christchurch at level 3 of the classification are the Chinese with 12,480 people, the Koreans with 4,566 people and the Indians with 3,057. Among the Indians, there are 2,817 Indians on level 5; with 162 Fijian Indians, 12 Indian Tamils, nine Punjabis and 27 Anglo Indians. Between 2001 census and the most recent 2006 census, the Indian ethnic group increased by 60.8%. The main concentration of Indians is in the Upper Riccarton, Avon Loop and Linwood areas.

The Indian ethnic group in Christchurch has 6.4% more men than women and their age composition has changed significantly between 2001 and 2006 – in 2001 there were similar numbers of people in all age groups between 0 and 44 years with a tapering off in numbers from 45 years onwards, but in 2006 there has been an increase in the number of people aged 15–49 years and this represents an increase of 822 people or 73.5%. 46.5% of Indians in Christchurch have lived in New Zealand for more than five years and 20% have lived in New Zealand for 20 years or more.
Among the Indian ethnic group, 32% had a bachelor or higher degree. Professional and managers account for 32% of occupations by the Indian ethnic group, followed by 13.8% as sales workers, but the data needs to be interpreted with caution as 7.9% of those above 15 years, did not respond to this question. The total working age population of Indians is 2,178 and the unemployment rate of the Indians is 6.5%, with the Chinese ethnic group having the highest unemployment rate at 11.7% for Christchurch. The median annual total personal income for Christchurch in 2006 was NZD $23,400, however for Indians it was $20,500. However, with the 2011 February Christchurch earthquake, the demography of the city has changed as more than 200 people died and many have left Christchurch to live in other parts of New Zealand or have left New Zealand.

4 Methodology

This study set out to explore why Indian immigrants residing in Christchurch choose to become entrepreneurs. Using snowball methodology (Goodman, 1961), 58 entrepreneurs of Indian origin were interviewed. All the participants lived in Christchurch and were first generation migrants. Of the 58 participants who were part of our dataset, 38 were immigrants who had come directly from India. The remaining 20 had come to New Zealand from Fiji, Kenya, Uganda and other lands of the British Commonwealth. Of the 38 who came from India, 11 were involved in exporting from New Zealand. Each of the entrepreneurs who were interviewed owned their firms or at least 50% of the business and all actively managed their business.

Out of the 38 respondents who came directly from India, 11 of them were engaged in some form of export business, mostly as merchant exporters, including software development, while 27 of them were engaged in local enterprises such as running restaurants, dairies, ethnic food groceries, video and electronic goods retail, distribution agencies for Auckland-based importers, auto repairs and sale, real estate brokerage and investment. Most of these businesses were small family run enterprises and usually employed their own family members. Some of them employed additional part-time help comprising largely of Indian students studying in educational institutions in Christchurch or Indian employees recruited from India by Indian restaurant owners. All the entrepreneurs interviewed belonged to castes and families that were/are engaged in businesses back in India and hailed from various parts of India. Twenty-nine respondents came from Gujarat in Western India and Punjab in northern India and had been in business or worked in their family/extended family owned businesses back in India prior to arriving in New Zealand.

The data collection process involved a face-to-face meeting to build up an initial rapport with the entrepreneur, followed by requesting the respondent entrepreneur to complete a structured questionnaire which was in the form of a simple five point Likert scale. The questionnaire included items which sought to understand why the individual had decided to become an entrepreneur, as for example items pertaining to personal income and financial security, greater flexibility in personal/family life, development of an idea/product and innovation. As there were 11 exporters in this group of Indian participants, we also sought to understand the response for exporting and therefore included questions dealing with unique products, tax benefits, government inducements and saturated domestic markets. Please see Appendix for more details on the questions.
The information from the 58 questionnaires was collated in order to seek patterns in the data. We decided to utilise descriptive statistics to present our findings, in order to understand why ethnic minority immigrants become entrepreneurs. These findings will be discussed as two broad themes, firstly with reference to the reasons the Indian migrants chose to become entrepreneurs, and secondly a deeper exploration of the 11 Indian exporters.

5 Findings

In keeping with the aim of our study, we asked all 58 participants why they became entrepreneurs. Since our field notes and interview transcripts were lost in the 2011 Christchurch earthquake, we provide frequencies of data for the issues under investigation.

Table 1 Reasons for becoming an entrepreneur

<table>
<thead>
<tr>
<th>Reason</th>
<th>Not at all important</th>
<th>Somewhat important</th>
<th>Moderately important</th>
<th>Very important</th>
<th>Extremely important</th>
<th>Mean</th>
<th>Std dev</th>
</tr>
</thead>
<tbody>
<tr>
<td>Give myself, spouse and children financial security</td>
<td>2</td>
<td>1</td>
<td>4</td>
<td>12</td>
<td>39</td>
<td>4.46</td>
<td>.95</td>
</tr>
<tr>
<td>To challenge myself</td>
<td>1</td>
<td>0</td>
<td>8</td>
<td>13</td>
<td>35</td>
<td>4.42</td>
<td>.86</td>
</tr>
<tr>
<td>Have considerable freedom to adapt my approach to work</td>
<td>0</td>
<td>1</td>
<td>6</td>
<td>24</td>
<td>27</td>
<td>4.32</td>
<td>.73</td>
</tr>
<tr>
<td>Continue to grow and learn as a person</td>
<td>0</td>
<td>3</td>
<td>8</td>
<td>19</td>
<td>28</td>
<td>4.24</td>
<td>.88</td>
</tr>
<tr>
<td>Earn a larger personal income</td>
<td>0</td>
<td>1</td>
<td>9</td>
<td>26</td>
<td>22</td>
<td>4.18</td>
<td>.75</td>
</tr>
<tr>
<td>Be respected by my friends</td>
<td>3</td>
<td>1</td>
<td>7</td>
<td>21</td>
<td>26</td>
<td>4.14</td>
<td>1.05</td>
</tr>
<tr>
<td>Greater flexibility for personal and family life</td>
<td>0</td>
<td>2</td>
<td>10</td>
<td>24</td>
<td>22</td>
<td>4.13</td>
<td>.82</td>
</tr>
<tr>
<td>Achieve something and get recognition for it</td>
<td>2</td>
<td>2</td>
<td>11</td>
<td>18</td>
<td>25</td>
<td>4.06</td>
<td>1.04</td>
</tr>
<tr>
<td>Fulfil a personal vision</td>
<td>2</td>
<td>2</td>
<td>11</td>
<td>19</td>
<td>23</td>
<td>4.03</td>
<td>1.03</td>
</tr>
<tr>
<td>Achieve higher position in society</td>
<td>3</td>
<td>3</td>
<td>14</td>
<td>17</td>
<td>21</td>
<td>3.86</td>
<td>1.13</td>
</tr>
</tbody>
</table>

Notes: Respondents consisted of all 58 participants

NB: Not all frequencies add to 58 due to responses for respective questions.
Table 1  Reasons for becoming an entrepreneur (continued)

<table>
<thead>
<tr>
<th>Reason</th>
<th>Not at all important</th>
<th>Somewhat important</th>
<th>Moderately important</th>
<th>Very important</th>
<th>Extremely important</th>
<th>Mean</th>
<th>Std dev</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chance to build great wealth or a very high income</td>
<td>2</td>
<td>4</td>
<td>17</td>
<td>14</td>
<td>18</td>
<td>3.76</td>
<td>1.10</td>
</tr>
<tr>
<td>Lead and motivate others</td>
<td>5</td>
<td>3</td>
<td>14</td>
<td>12</td>
<td>21</td>
<td>3.74</td>
<td>1.27</td>
</tr>
<tr>
<td>Be innovative and at forefront of new technology</td>
<td>7</td>
<td>8</td>
<td>10</td>
<td>15</td>
<td>15</td>
<td>3.41</td>
<td>1.37</td>
</tr>
<tr>
<td>Build a business my children can inherit</td>
<td>7</td>
<td>7</td>
<td>12</td>
<td>18</td>
<td>13</td>
<td>3.40</td>
<td>1.30</td>
</tr>
<tr>
<td>Follow the example of a person I admire</td>
<td>8</td>
<td>10</td>
<td>9</td>
<td>12</td>
<td>18</td>
<td>3.38</td>
<td>1.44</td>
</tr>
<tr>
<td>Continue the family tradition</td>
<td>11</td>
<td>5</td>
<td>13</td>
<td>9</td>
<td>19</td>
<td>3.35</td>
<td>1.50</td>
</tr>
<tr>
<td>Develop an idea for a product</td>
<td>6</td>
<td>10</td>
<td>13</td>
<td>13</td>
<td>13</td>
<td>3.30</td>
<td>1.31</td>
</tr>
<tr>
<td>Have the power to greatly influence an organisation</td>
<td>7</td>
<td>10</td>
<td>16</td>
<td>10</td>
<td>15</td>
<td>3.27</td>
<td>1.34</td>
</tr>
</tbody>
</table>

Notes: Respondents consisted of all 58 participants  
NB: Not all frequencies add to 58 due to responses for respective questions.

Out of the 38 entrepreneurs who came from India, 11 were engaged in export businesses, exporting from New Zealand mainly back to India their home country while four of them were also importers into New Zealand, importing goods from India. Amongst the 11 exporters, nine had family business connections back in India which they had utilised in starting their export businesses in New Zealand, while two of them cited lack of employment opportunities in New Zealand as a motivation to get into export business. All of them cited personal contacts (family, friends, business associates, etc.) as very important to being an exporter but they also felt that their hard work had enabled them to successfully export. Governmental inducements, certain tax benefits (existence of tax benefits – at home or abroad – that encourage export activities) and the higher profit margins (perception of international sales as a potential source of higher profit margins than domestic sales) associated with exports drew them to exports.

We also asked the 38 Indian-born entrepreneurs about their feelings toward exporting and found that all of them believed that their past experiences have been or could be very valuable in export of products and services between New Zealand and India and 37 out of 38 felt that they had the confidence to put in the effort needed to export. Yet there seems to be hesitancy in their belief that exporting would benefit them, as for example, 26 out of 38 disagreed that exporting their company’s products/services helped or could help them export their company’s products.
Table 2  
Feelings toward exporting

<table>
<thead>
<tr>
<th>Statement</th>
<th>Disagree</th>
<th>Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>My own hard work has enabled (could enable) my company to successfully export its products or services</td>
<td>Nil</td>
<td>11</td>
</tr>
<tr>
<td>Exporting my company’s products or services is (could be) much more desirable than other business other opportunities</td>
<td>22</td>
<td>16</td>
</tr>
<tr>
<td>Exporting my company’s products and services helps (could help) me export my company’s products</td>
<td>26</td>
<td>11</td>
</tr>
<tr>
<td>Overall, my skills and abilities have helped (could help) me export my company products and services</td>
<td>04</td>
<td>11</td>
</tr>
<tr>
<td>My past experience has been (could be) very valuable in exporting my company’s products and services</td>
<td>Nil</td>
<td>38</td>
</tr>
<tr>
<td>I am confident I have (could) put in the effort needed to export my company’s products and services</td>
<td>Nil</td>
<td>37</td>
</tr>
</tbody>
</table>

Note: Respondents consisted of 38 participants who had come directly from India, from the total sample of 58 participants.

We explored other factors that might have played a role in motivating our set of 11 exporter respondents to choose export business.

Out of the 11 exporters, eight were motivated to become exporters due a technological advantage which they felt they had because they could access such products in New Zealand and sell it in India. Additionally ten out of 11 exporters felt that their desire to gain international business experience (i.e., learning) was a motivator while all 11 respondents felt a managerial urge (a general desire, drive, enthusiasm of management towards international activities) to choose export business.

Table 3  
Reasons for exporting

<table>
<thead>
<tr>
<th>Reason</th>
<th>Not at all important</th>
<th>Somewhat important</th>
<th>Moderately important</th>
<th>Very important</th>
<th>Extremely important</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unique products: the firm produces goods or services that are not widely available from international competitors</td>
<td>Nil</td>
<td>Nil</td>
<td>04</td>
<td>07</td>
<td>Nil</td>
</tr>
<tr>
<td>Tax benefit: existence of tax benefits (at home or abroad) that encourage export activities</td>
<td>Nil</td>
<td>Nil</td>
<td>05</td>
<td>06</td>
<td>Nil</td>
</tr>
<tr>
<td>Other governmental inducements: introductions, guarantees, or other assistance</td>
<td>Nil</td>
<td>Nil</td>
<td>Nil</td>
<td>11</td>
<td>Nil</td>
</tr>
<tr>
<td>Exclusive information: knowledge about foreign customers, market places or market situations that is not widely shared by other firms</td>
<td>Nil</td>
<td>Nil</td>
<td>Nil</td>
<td>08</td>
<td>03</td>
</tr>
<tr>
<td>Managerial urge: a general desire, drive and enthusiasm of management toward international marketing activities</td>
<td>Nil</td>
<td>Nil</td>
<td>09</td>
<td>02</td>
<td>Nil</td>
</tr>
</tbody>
</table>

Note: Respondents consisted of 11 Indian Exporters, from the total sample of 58 participants.
Table 3  Reasons for exporting (continued)

<table>
<thead>
<tr>
<th>Reason for exporting</th>
<th>Not at all important</th>
<th>Somewhat important</th>
<th>Moderately important</th>
<th>Very important</th>
<th>Extremely important</th>
</tr>
</thead>
<tbody>
<tr>
<td>Higher profit margins: perception of international sales as a potential source of higher profit margins than domestic sales</td>
<td>Nil</td>
<td>Nil</td>
<td>Nil</td>
<td>04</td>
<td>07</td>
</tr>
<tr>
<td>Declining domestic sales: declining sales volume or market share</td>
<td>Nil</td>
<td>Nil</td>
<td>Nil</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>Economies of scale: ability to increase output and therefore reduce unit production costs</td>
<td>Nil</td>
<td>Nil</td>
<td>Nil</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>Technological advantage: the firm has made technological advances in a specialised field that are not widely available</td>
<td>Nil</td>
<td>Nil</td>
<td>Nil</td>
<td>08</td>
<td>Nil</td>
</tr>
<tr>
<td>Follow customers: need to continue servicing domestic customers who have expanded abroad</td>
<td>Nil</td>
<td>Nil</td>
<td>Nil</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>Excess capacity: production equipment underutilised</td>
<td>Nil</td>
<td>Nil</td>
<td>Nil</td>
<td>02</td>
<td>Nil</td>
</tr>
<tr>
<td>Risk diversification: spreading the company’s risk profile by diversifying markets</td>
<td>Nil</td>
<td>Nil</td>
<td>02</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>Competitive pressures: fear of losing domestic market share to competing firms that have benefitted by international activities</td>
<td>Nil</td>
<td>Nil</td>
<td>Nil</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>Personal contacts: family, friends, business associates…</td>
<td>Nil</td>
<td>Nil</td>
<td>Nil</td>
<td>09</td>
<td>02</td>
</tr>
<tr>
<td>Overproduction: outlet for inventories that were above desired levels</td>
<td>Nil</td>
<td>Nil</td>
<td>Nil</td>
<td>01</td>
<td>Nil</td>
</tr>
<tr>
<td>Saturated domestic markets: prolonging life cycle</td>
<td>Nil</td>
<td>Nil</td>
<td>Nil</td>
<td>01</td>
<td>Nil</td>
</tr>
<tr>
<td>Learning: desire to gain international experience</td>
<td>Nil</td>
<td>Nil</td>
<td>Nil</td>
<td>07</td>
<td>03</td>
</tr>
</tbody>
</table>

Note: Respondents consisted of 11 Indian exporters, from the total sample of 58 participants.

6 Discussions

Commencing with the entrepreneurs’ reasons influencing career choice the findings are detailed in Table 1. The first thing to note is that in aggregate terms all the reasons were rated above the mid-point on the scale, although Table 1 does provide the frequencies of
E. Pio and L-P. Dana

responses in respect of the rating scale employed and the standard deviation to
demonstrate the overall spread of answers received.

While items related to financial security for the entrepreneurs’ and their families
featured as the most important, so did issues associated with personal challenges and
growth together with esteem and recognition. Conversely, issues associated with
developing a product or technology, influencing an organisation and carrying on a
tradition featured as less important. Whereas Scase and Goffee (1987, p.1) stated that
entrepreneurs are “seen as risk-takers and innovators who reject the relative security of
employment in large organisations to create wealth and accumulate capital”, none of our
respondents indicated that they enjoyed risk, neither did they view entrepreneurship as a
chance to build great wealth or a very high income. Therefore, these immigrant Indian
entrepreneurs seem to be in a position of underemployment. This fits in with recent
results from Clydesdale’s (2011, p.104) analysis of immigration policies and economic
outcomes, where he notes that “the government apparatus responsible for filtering in
human capital appears to be failing”. He further writes that those with ethnic minority
backgrounds face significant problems in finding employment in New Zealand,
due to misinformation, misunderstanding, employer reluctance to legitimise overseas
qualifications and experience and an inability of immigrants to access appropriate
learning opportunities, and importantly “migrants to New Zealand selected for their
business attributes failed or under-performed due to lack of knowledge of their new

This is an interesting finding as the Indian entrepreneurs in Silicon Valley have
specifically sought to create wealth and to do this through high and continuous levels of
innovation (Saxenian, 1999, 2007). However, it is possible that the entrepreneurs
in Silicon Valley while being of Indian ethnicity have a very different educational
background and perhaps also socio-economic status as compared to the Indians in
Christchurch. It is possible that the Indians in Christchurch may have been unable to gain
employment, as evidenced in studies on Indians in New Zealand (Pio, 2010) and hence
out of necessity have been forced to enter entrepreneurship. This interpretation may
dovetail with the fact that the Indian entrepreneurs in our study did not feel that they have
the power to greatly influence an organisation, neither did they believe that they were
innovative or at the forefront of new technology. These participants did not want their
children to inherit their business as their aspirations for their children included
professional jobs in the corporate world. This may be an indication that the first
generation Indian immigrant was aspiring that their next generation would go a step
higher and avail of New Zealand’s subsidised education system that offered ample
opportunities to gain admissions and study in order to secure higher/professional
education. This may in turn open up options of highly remunerative careers and
professions (Pio, 2008). Within the socio-cultural discourse in India, particularly in urban
India, running small dairies or Indian restaurants would not be considered as socially
desirable vocations or fulfilment of long term aspirations as compared to being a doctor,
an engineer, an MBA or a chartered accountant. Moreover professionally well qualified
second generation immigrants may find it easier to assimilate as prominent persons
within mainstream New Zealand society.

All of the 11 exporters felt that dealing in unique goods was important to export
business with 64% of them saying that dealing in unique products (the firm produces
goods or services that are not widely available from international competitors) was a
‘very important’ factor. More importantly, all of them felt it was very or extremely
important to possess exclusive information (knowledge about foreign customers, market places or market situations that is not widely shared by other firms) for their choice of becoming an exporter.

Perhaps this hesitancy can be viewed as being a realistic assessment of their own capabilities and the yearning to be a professional with employment suitable to their skills and qualifications rather than an entrepreneur, as well as the possibility that the infrastructure and inducements for their products and services did not fit in with the future plans between India and New Zealand in the 21st century. Moreover, this could also point to the fact that these immigrants were necessity entrepreneurs or copy-cat entrepreneurs rather than those who were imbued with the spark of innovation for new products and services. This in fact may be an opportunity to create platforms and horizons for Indian migrants and to encourage and nurture budding entrepreneurs – who may currently be in the university system or are necessity entrepreneurs – to ensure that these individuals can truly be part of the New Zealand-India future and move out of being necessity entrepreneurs to those who are able to “have high levels of human capital which will then contribute to economic growth” [Clydesdale, (2011), p.112]. This would mean the recognition of how history can permeate the mindset of employers and policy makers and that such constraints or exclusionary practices of the past, based on ethnicity and associated culture, are reduced at the micro, meso and macro levels (Kloosterman, 2010).

In fact entrepreneurial socio-economic outcomes, can be discerned through careful contextualisation of entrepreneurship, can provide both economic and non-economic benefits to communities (Morrison, 2006). Such careful contextualisation with the rise of India’s influence internationally and that of Indians globally, can ensure that the typical conception of ethnic entrepreneurs as low-skilled, risk averse and geared to ethnic markets will change drastically, resulting in a more multi-dimensional picture of ethnic entrepreneurship (Levent et al., 2003), as the ethnic markets of this century will be in countries such as India, China and Brazil. Additionally, ethnic entrepreneurship is not the only way of combating social exclusion (Blackburn and Ram, 2006), rather if immigrants are able to move into occupations suitable to their skills and qualifications, many issues linked to marginalisation will be diffused.

Moreover entrepreneurial know-how which migrants bring with them in the form of human capital can constitute a source of significant entrepreneurial skills to the receiving country (Portes and Yiu, 2013). This seems to be a crucial factor in moving ahead economically, along with entrepreneurial know-how. Small firms can make a difference to the economy of the country, particularly in the case immigrant enclaves where family members may be employed thus creating the “self-sustaining capacity of an entrepreneurial community” [Portes and Yiu, (2013), p.17]. Additionally, the “socio-political context is decisive since it governs the structure of opportunities for migrants to put their talent and motivations to work for economic advancement abroad and for sustained development of the places they left behind.” [Portes and Yiu, (2013), p.18]. If New Zealand continues to operate from a mindset of colonialism based on ethnicity and associated culture (Pio, 2007a), immigration policies will be less effective in creating wealth and immigrant disadvantage will continue, resulting in over-education, unemployment and under-employment (Clydesdale, 2011).

Recent research on transnational entrepreneurship (Portes and Yiu, 2013) discusses the multiple relations such as social networks between the home and host countries which immigrants bring to entrepreneurship with the rising volume of remittances, and business development in exports which immigrants are involved in with their home countries, as
for example Indian immigrants in New Zealand with their home country India. It is in this context that India’s growing importance for New Zealand based on India’s expanding economy and mounting super-power status, needs to be recognised. The New Zealand Inc India strategy (MFAT, 2012; New Zealand Trade and Enterprise and MFAT, 2011) articulates a clear vision regarding India as a core trade, economic and political partner for New Zealand by 2015 and the strategy has six broad goals: Firstly to grow merchandise exports to at least NZ $2 billion per year by 2015; secondly to grow services trade with India by an average of 20% per year; thirdly to improve the bilateral investment framework and facilitate growth in the investment relationship; fourthly to attract and retain skilled migrants from India who are able to make an effective contribution to New Zealand’s economic base; fifthly to engage more deeply with India on regional and global issues that will impact on New Zealand’s future prosperity and security; and finally to raise the profile of New Zealand’s value proposition in India through a series of conscious steps, from enhanced cricket diplomacy to increased political contact with India. It is worth noting here that the Christchurch Indian sports club was set up in 1937 (Gould, 2008) and it is the wealth of experience of such associations, along with immigrant ethnic capital, that needs to be tapped into for successful strategies to actualise the New Zealand Inc India strategy. In order to facilitate and actualise the broad goals set out in the New Zealand Inc India strategy it is pertinent for the New Zealand Government to engage in a more sophisticated manner with Indian immigrants in New Zealand in order to create policies, training programmes and practices through which the benefits of their know-how and networks, both in India and with ethnic communities internationally, can be reaped.

7 Conclusions

This study has sought to present a deeper understanding of self-employed persons of Indian ethnicity operating firms in the formal sector in Christchurch, New Zealand. While our study clearly indicates that the Indians in our dataset gave great significance to financial security for themselves and their families, it is apparent that this group of entrepreneurs did not feel a burning desire to be innovative and at the forefront of new technology. There were mixed indications pertaining to the development of an idea for a product but overall there was limited evidence for their ability to influence and innovate in their role as entrepreneurs. This finding is significant as it could point to the fact that the host country must be able to reap the benefits of its immigrants’ skills, experience and/or innovation, but that if this does not happen immigrants may feel stuck in entrepreneurship which does not feed their creative juices, but rather loses out on time in waiting for the next generation, i.e., their children to fulfil the dreams of their parents.

With changes on the economic fronts in nations taking place at an ever increasing pace, it is all the more urgent to be able to intelligently and sensitively utilise the resources which migrants bring to the host country. Therefore in seeking to build on the current Indian immigrants as well as the NZ Inc India strategy, it is vital to carefully assess the current state of Indian immigrants in order that future pools of migrants might be able to build on the successes of the current migrants, but also avoid the traps and failures which migrants fall into. It is also incumbent on the migrants themselves to be proactive and seek out opportunities and strategies for success.
A limitation of our study is that we were unable to compare various Indian entrepreneurs across New Zealand, the heterogeneity of the Indian community, as well as gender comparisons and differences. As we used snowball sampling it may have resulted in including only specific kinds of Indian ethnic entrepreneurs, while leaving out others who may have different experiences and responses from the ones in our sample. Areas worth investigating in the future include the complexity of choices facing immigrant entrepreneurs and the importance of comparing different populations, both within a particular ethnic group, as for example variations among Indians, as well as variations among South Asians, in order to understand how entrepreneurial choices are shaped, and to move away from the generally accepted notion of Asians and Indians as a homogenous group.

Another fertile area for research is data on ethnic entrepreneurship within business school’s curriculum and longitudinal datasets on Indian entrepreneurs, including generational differences, particularly since Indians have been in New Zealand since 1810 and some families in New Zealand today are fifth generation immigrants. In fact a question that such research can focus on is who is an ethnic entrepreneur and is this decided by the host country despite residence in a country over generations? Does one always remain ethnic, an immigrant and therefore in many instances also an outsider? Perhaps the importance of ‘developing countries’ such as India and the success of Silicon’s Indian entrepreneurs will ensure that immigrant Indians can be more easily accepted within the folds of the host country, where policies are enacted for enhanced ethnic minority entrepreneurship, while at the same time encouraging and nudging migrants to act as agents of their own destinies.

References


An empirical study of Indian entrepreneurs in Christchurch, New Zealand


Appendix

Details on the interview questions and questionnaire

Open-ended questions included:

- What do you consider to be your ethnic origin?
- To what region of India can you trace your family?
- Please tell me about your caste.
- Were family members self-employed in India?
- Which is your country of birth?
- From which country did you come to New Zealand, and for what reasons?
- In what year did your family arrive in New Zealand?
- Please tell me about your jobs if you are employed.
- In what sectors do you conduct business?
- Please tell about your firm, including its activities.
- Do you wish for your children to eventually take over the enterprise?
- What percentage of your business do you own?
- Who manages this business?
- Please tell me about the people who work for you and their relationship to you.
- How do you feel about risk?
- How important is innovation?
- How do you feel about exporting?
- If you export, why do you do so?
- Are some markets saturated and if so, which?
• Please tell me about governmental inducements and tax benefits.
• To where do you export?
• Please tell me about your business connections in other countries.
• Please tell me about your exporting activities.
• Do you deal with unique goods?
• Do you possess exclusive information and is this important for export operations?

For those who came directly from India they were specifically asked about how they felt towards exporting, given the importance of India for New Zealand’s export opportunities. These were in the form of disagree and agree, as for example, my own hard work has enabled (could enable) my company to successfully export its products or service; my past experience, has been (could be) very valuable in exporting my company’s products and services.

Indicative interview questions were used for participant demography and the framing of the questions for the Likert scale.

Thus for example, the question pertaining to reasons that influenced an individual to become an entrepreneur involved 18 items such as:

To give myself spouse and children financial security; to challenge myself; to lead and motivate others, to continue the family tradition.

The Likert scale was also used to find out the reasons for exporting among the eleven Indian exporters to further understand unique products (the firm produces goods or services that are not widely available from international competitors); or tax benefit (existence of tax benefits – at home or abroad – that encourage export activities.