

## Entrepreneurial Immigrants: The Cost of Failure

P. Cruickshank

Swinburne AGSE, SMIE, Unitec New Zealand, Private Bag 92025, 1025 Auckland, New Zealand  
pcruickshank@unitec.ac.nz

### Principal Topic

Business immigration policies are predicated on the basis that entrepreneurial immigrants bring value to their new country's economy (BERL & NZIS, 1999; Nana, Sanderson, Goodchild, & BERL, 2003; NZIS, 1997). The barriers faced by business immigrants, especially those who speak English as a second language, are well documented (Fletcher, 1999; Ho, Cheung, Bedford, & Leung, 2000). In large cities these barriers have traditionally been overcome by such immigrants utilizing the ethnic social capital available within their communities (Portes & Sensenbrenner, 1993). However, studies of immigrant entrepreneurs have occurred in large cities such as Toronto, Miami, and New York. What happens when immigrants enter a smaller population in Auckland, New Zealand, where small, ethnic immigrant populations are less able to sustain new immigrant businesses?

### Methodology/Key Propositions

This paper outlines what little is known about the effectiveness of Entrepreneurial subcategory in New Zealand's Business Immigration Policy initially enacted in 1987 and since modified.. While government reports identify key barriers affecting all business immigrants, few studies have identified the effects these barriers have on immigrants admitted under the Entrepreneur category in particular. What effect does unsuccessful entrepreneurs' tales of disillusionment disseminated through transnational networks have on potential applicants? This dimension is seldom reflected in government reports on immigration, but is found in research based on interviews with such entrepreneurs (Bedford, 2004; Ho, 2002; Ip, 2001; Pio, 2005). This paper is based on evaluative studies and reports since 1987.

**Results and Implications** It considers to what extent studies undertaken in larger metropolitan areas with large ethnic communities, are applicable to smaller cities such as Auckland. It describes how immigrant Entrepreneurs in Auckland react to the barriers they encounter and the impact of unsuccessful Entrepreneurs on potential immigrants. If research undertaken in larger cities is not applicable, it may cause a rethinking of the requirements for the Entrepreneur category which is currently under review by the New Zealand government.

### Contact

Prue Cruickshank. Swinburne AGSE, SMIE, Unitec New Zealand, Private Bag 92025, 1025 Auckland, New Zealand.

(T) 64 9 8154321 x 8821, (F) , Email: pcruickshank@unitec.ac.nz