

Entrepreneurship Development Amongst the Ethnic Community in Australia

Rakesh K. Agrawal

Department of Quantitative Methods/Business Operations

University of Western Sydney Nepean

Kingswood, NSW, Australis 2747

Phone: +61-2-678-5645 Fax: +61-2-678-5646

Meena Chavan

University of Western Sydney Nepean

Abstract

Entrepreneurship is the process that takes place in different environments and settings and causes changes in the economic system through innovations brought about by individuals who generate or respond to economic opportunities to create value for both the individuals and the society (Hills, 1994). Wherever immigrants have settled in advanced western societies, ethnic minority businesses have flourished- whether they be Turkish tailors in Amsterdam, Moroccan grocers in Paris or Chinese restaurants in Australia.(Waldinger, Eldrich, and Ward,1990).

In Australia, the growing participation of ethnic minorities in self-employment has been a conspicuous feature of the small business scene. Entrepreneurs from different cultures are flourishing. The emergence of ethnic small business is a part of a global process of change. This paper examines the phenomena of the ethnic business development in Australia and looks at the question as to why the ethnic groups in Australia are highly represented in the business activity. This paper also examines the theories of the development of ethnic small business and identifies their applicability and relevance to Australia. This paper presents its conclusions that the emergence of ethnic small business can be related to the relationship between the cultural and social characteristics of different groups together with the circumstances of their arrival and settlement.

Introduction

Australia has a large and more diverse immigrant population than most western societies. Since 1788 Australia has been a land of immigrants. Official policy prevented non-Europeans from immigrating between 1901 and 1966. The White Australia policy was finally abandoned in 1973. Australia's immigration history is linked to the story of family migrations. Australia sought immigrants for permanent settlement. Waves of non-British immigration to Australia began early in the nineteenth century and reached a peak during the gold rush era. Post-world war II immigration brought a flood of European immigrants, many of them non British. The immigrants have since made an enormous contribution to the country, enlivening its culture and broadening its vision.

Until WWII, Australians were predominantly of British and Irish descent, but that changed dramatically when large immigrations from Greece, Italy, Yugoslavia, Lebanon and Turkey followed the war and have been supplemented by more recent influx of immigrants from Asia. Amongst those who could not speak English found it impossible to secure work

other than unskilled work. Many eventually opened small business, where a high level of English was not required. Some even became rich.(Jupp, 1995.) This paper provides answers to many questions such as, (a) Which group of migrants go into small business?, (b) Why do they go into business?, (c) How important is the ethnic ties and community links to the ethnic small business?, (d) What are the problems faced by the ethnic small business in Australia?, and (e) Are the cultural, structural and situational theory as developed by Bonacich and Model (1980) relevant to the ethnic small business in Australia?. The paper concludes that as a result of the social and economic changes Australia has experienced, what we see today is a multicultural society with unique features.

Arrival of the Different Ethnic Groups

The First Wave -- Pre-World War II Period

The first distinctly different from non indigenous communities to arrive in the Australian colonies were Chinese, German and Jewish people, which has been described as the first wave of immigrants covering the period until the World War II period.

The Chinese in Australia: Of all the significant groups of non-European settlers in Australia, the Chinese have the longest history of contact. Political unrest and population pressures in China and the need for workers were the factors in the development of the coolie or indentured labourer system that even before the 1850's saw young Chinese men travelling abroad in the hope of bringing a fortune home, just as 'guest workers' do today. In Australia, the Chinese labourers worked largely as shepherds on the large landholdings of the time. In 1854, it was estimated that 2000 Chinese-born persons were living in Australia.

Germans in Australia: There have been two distinct waves of immigration from Germany to Australia. In fact, German people were among the first non-English speaking settlers. From the late 1830's German settlers began to arrive in South Australia, motivated to immigrate by rural poverty and religious oppression. Many more came in the 1880's. Large family groups formed agricultural villages, particularly in South Australia, in which German was the common language, and assisted new arrivals to settle. Between 1847 and 1851, 4000 German settlers arrived.

The Jewish People in Australia: People of the Jewish faith have been participants in Australian life since the arrival of the First Fleet. They comprised a small number of the convicts transported to Sydney Cove, and were among the first British arrivals at the original Port Phillip settlement in Victoria in 1803. Though British born, technically many of these people were of European origin and had anglicised their surnames.

The Second Wave- Post -World War II

The global effects of World War II influenced patterns of migration to Australia profoundly. The poverty and destruction that many Europeans faced at home created a willingness to consider migration. Australia's small population and primary and manufacturing industries created a demand for a larger pool of labour. Various schemes of assisted migration provided the solution to these complementary needs.

The Italians in Australia: Italians arrived in Australia in large groups especially in the late 1940's and early 1950's. Generalisations and assumptions about them were based on one primary difference, that of language. Historical records indicate that an Italian crew member was on board the Endeavour when Cook landed at Botany Bay in 1788, and it has been suggested that Italians were involved in even earlier exploratory visits to the mysterious southern continent. The first wave of Italian immigrants to Australia came from northern Italy from the time of the gold rushes until the end of nineteenth century. Later, numbers fell, and new migration was affected by quotas on non-British arrivals.

The Maltese In Australia: The state of Malta comprises of three islands in the western Mediterranean and has a population of about 330,000 people. The Maltese population of Australian migrants and direct descendants is now greater than the one at home. Influenced by invasions by Arabs from North Africa, Italians and Spaniards from Europe, and Ottoman Turks, Malta was later ruled by French troops becoming an intensely Catholic nation until conquered by Britain at about the same time as the European settlement of Australia began.

Greeks in Australia: Though several interesting historical footnotes refer to the participation of Greeks in early European cartography and explorations of what was at one time called New Holland and even during convict times, it was not until the gold rushes of the 1850's that people came to Australia from Greece in any numbers. Many Greeks did not themselves become miners but earned a good living by providing catering and stores to miners. At this time some of the men who came out inter married and anglicised their surnames, and so much of their history is lost. At the turn of the century it was estimated that there could be about 1000 Greek- born people living in Melbourne and Sydney.

People from the Former Yugoslav Republics in Australia: The former Yugoslav republics include Bosnia Herzegovina., Croatia and Slovenia, the Former Yugoslavia Republics of Macedonia, Serbian and Montenegro. Immigrants from the now separate countries that were once collectively known in Australia as Yugoslavia have, since their first arrivals in the nineteenth century, made tremendous contribution to Australia's national development. Historically there have been several waves of departure from the former Yugoslavia. As with so many other national groups, the arrival of small numbers in Australia began in the 1850's. Some were independent settlers, others were sailor's from the Adriatic coast who simply stayed on. Among them were people whose surnames became Italianised and who were gradually misidentified as being of different origins.

The Dutch in Australia :The history of Dutch contact with Australia dates back to explorer's visits to the northwest coast in the 1600's. when the mysterious southern continent was referred to as New Holland. In 1642 Abel Tasman sailed from Indonesia to Tasmania which he called Van Diemen's Land and later New Zealand. Having colonised parts of Southeast Asia, the Dutch were seeking trade opportunities. They failed to establish a trade connection. Subsequently they had only minimal contact with Australia until the mid-1950's.

Hungarians in Australia: The history of the Hungarian people encompassing the wars revolutions and changes in national and political boundaries, affecting their lives for over many generations is very different from that of the Australians. While there have been distinct waves of Hungarian arrivals in Australia since European settlement began they have come for a range of reasons and from a wide variety of backgrounds, historically, however, the first significant wave comprised adult males who were political refugees from the revolutionary period of 1848-49. The discovery of gold in the early 1850's encouraged others to follow.

The Poles in Australia: Like other middle European countries Poland has undergone through many occupations and changes in its national boundaries. As in Hungary, there was large scale immigration in the late nineteenth century. Many Poles settled in the eastern US. However a few chose to travel the much longer distance to Australia. During the gold rush period, many more people came, mostly adult men. As with other groups a minority of them settled as miners and married into the wider community and became fully assimilated.

The Third Wave- 1960s and later

Over the last 35 years, with the embrace of multiculturalism and increasing acceptance of Asian migrants, immigration to Australia has diversified even further. International events such as wars throughout Indochina and the Middle East, the disintegration of the Union of Soviet Socialist Republics (USSR) and the imminent return of Hong Kong to the People's Republic of China, all have influenced the patterns of settler arrivals. Family migration has also increased the numbers of ethnic groups already established in Australia.

Turkish People In Australia: The 1991 census reports that a total of 38,000 Turkish speaking people live in Australia is interesting, because when they first began arriving in 1968, they never intended to stay. Population growth, small-scale agricultural production and low incomes in Turkey in the early 1960's generated 'guest work' immigration to Germany, Austria, France and Sweden. Turks were the first non-Europeans who were offered participation in the so-called 'worker migration' scheme arranged between the two governments.

Indians in Australia.: People from India have a long tradition of seeking economic opportunity through immigration or guest worker tenure. Unlike other places including Fiji, Mauritius, the West Indies and some African states where the Indian migrants found employment and set up trading businesses, the White Australia policy prevented Indians from coming to Australia in large numbers until quite recently when at a political level India's equality of membership of the Commonwealth was recognised. Occasional exceptions did occur. For the most part these were relatively eminent persons who secured particular professional appointments where local expertise in Australia was considered insufficient. A number of highly qualified individuals were given entry on a special case basis. Tertiary students also came, and some of these stayed on. After 1966 free immigration began and numbers grew, since the professional skills they brought were in demand at a time of full employment in Australia.

Sri Lankans In Australia: Formerly known as Ceylon, Sri Lanka (like India) was colonised by the British, and in earlier times, by the Dutch and Portuguese. Many of its former systems of government were of the imposed bureaucratic type familiar in Australia. Now it is a nation with largely an agrarian and small- business economy. The Sri Lankans comprise of several people, the dominant Sinhalese, the Tamils, Muslims and a large mixed-race group known as the Burghers who favoured English language usage and Christianity. It was these people who began to immigrate following Independence in 1948, and again in the 1960's when Sinhalese and Tamil groups became dominant. (Shaw,1990)

Analysis of the Australian Immigration

Over the last 30 years, with the embrace of multiculturalism and increasing acceptance of Asian migrants, immigration to Australia has diversified even further. International events, such

as wars throughout Indochina and the Middle East, the disintegration of the Union of Soviet Socialist Republics (USSR) and the imminent return of Hong Kong to the People's Republic of China, have all influenced the pattern of settler arrivals. Family migration has increased the numbers of ethnic groups already established in Australia. Immigrants have come to Australia to make new homes and establish themselves as an integral part of the community and the economy. They have made significant contribution in the past and are making today to the growth of Australia through their involvement in small business enterprises. (Strahan & Williams, 1988) Yet not much research has been done in this country, until the last couple of years, on immigrant entrepreneurs, their motivation, their strengths, resources, characteristics and skills, leading to the apparent success of their business and the contribution they are making to the economy. (Strahan & Williams, 1988) There has been substantial research in the last decade in Europe, Britain and America, seeking to explain why some immigrants or minority groups such as Indians and Pakistanis in some parts of Britain, or Chinese, Koreans, Jews or Cuban's in the United States, have had high rates of business involvement and success while others such as West Indies in Britain or native Blacks or Irish have had much lower rates. A considerable debate has raged, with one view stressing that the main focus should be on the opportunity structure of the economy and also on the blocked access to desirable alternatives resulting from discrimination. An alternative view has emphasised the culture and motivation of the entrepreneurs themselves. (Lever & Tracy, 1990) Ethnic migrants in Australia are choosing Entrepreneurship more often than ever before. Three significant factors affect the creation and the survival of ethnic owned businesses: educational level, relevant business experience and training, and access to adequate capital and credit. The issues related to the growing development of Entrepreneurship amongst the ethnic community in Australia have been discussed later in the paper.

Culture and Entrepreneur

“A self-made culture entrepreneur is one who acquires all his skills experience and capital after immigrating, from scratch and invests them in any enterprise. (Ward & Jenkins, 1984). Palmer (1984) coined the term ‘culture entrepreneur’ to describe the way Italianness was developed by migrants in Britain as a marketing strategy over several centuries. The belief was effectively fostered that Italians had an innate and inimitable quality which qualified them as superior waiters. Chinese chefs in Australia have been successful Culture entrepreneurs in this mould. (Lever & Tracy, 1990)

Culture here refers to the individual and collective attributes of the ethnic entrepreneur including social customs and traditional values. Culture is believed to involve elements such as hard work and individual achievement that can open the door to a modern capitalist spirit. Ethnic cultural background includes many cultural characteristics such as group socio-cultural factors like innovation, reliance, independent attitude towards work and ambition, which predispose the immigrants to self employment in small business. It is important to note that these ethnic cultural values of a migrant are difficult or virtually impossible to change. (Multiculturalism, Good for Business, 1990)

Entrepreneurship from different cultures is flourishing in Australia. Many factors are responsible for the same such as opportunity structure of the economy, blocked access to desirable alternatives resulting from discrimination, contribution to business made by continuing links with the countries of origin of those ethnic cultures in terms of privileged access to new skills being developed there and to knowledge and contacts useful for trade, and the culture and motivation of the entrepreneurs themselves. (Lever & Tracy 1990). The

multicultural composition (and major difference amongst them) of Australia mask the generalisations that can be made from studies alone on entrepreneurs belonging to different cultures. Cultural factors at times can vitiate the linkages between entrepreneurial characteristics and their manifestations. It will be fruitful to explore the specific factors and common factors that are present among entrepreneurs belonging to different cultures since they will provide understanding of the qualities of human beings in different settings.

Small Business Development in Australia

As of 1996, small business dominates the Australian business scene with 97% of total Australian Businesses being small. In fact small business keeps 2.7 million Australians working. Since 1983-84 small business has grown by 43% and employment by small business has also grown by 32%. About 65% of the small business operators were aged between 30-50 years, and 34% of operators were female. More than 20% of the small business operators considered their business to be highly successful; and over 75% of the operators consulted some form of external advisory service. (Australian Bureau of Statistics, 1996).

Australia in the 1970's saw a surge in interest in small business by Governments, educational institutions and the community. This stemmed largely from a Federal Government initiative in June 1968 to establish an Advisory committee to assist the Department of Trade and Industry in its task of exploring ways of providing guidance to small business management. Special attention was to be given by the committee to small manufacturing businesses. The Wiltshire Committee Report. (Wiltshire, 1971) recommendations made in 1971 have had a marked influence on events in Australia. During the late 1960's and early 1970's a number of Australian academics had also become involved in research on small business issues (Brodrigg 1967, Farghe, 1971, Bailey 1974, Meredith 1975, Williams 1975, Johns et al 1978). Their work has also impacted greatly on the directions that Australian small business has taken in the recent years. During the 1970's, largely as a result of the Wiltshire Report, the Federal and State Governments, trade and industry associations, service clubs, educational bodies and large businesses have taken steps to improve the situation for small business in Australia due to the perception that the small businesses make significant contribution to national productivity, employment and community at large. This is not to suggest that in the decades prior to 1970, small business was less important. However, in that era greater attention was paid to the development of the larger organisation and small business was perceived to be a necessary, though relatively unimportant, component of the economy. (English, 1995)

Ethnic Small Business Sector In Australia.

The Wiltshire Committee Report. (Wiltshire, 1971) used the Ethnic small business term to describe all small businesses which are independently owned and controlled by owner managers whose ethnic and cultural origins are different from the host country. Ethnicity can be established from the owner managers' country of birth. Small business here is defined as one which employed up to 50 persons including the owner/ managers. In addition, the enterprise is assessed as owner managed, independent of external managerial and/ financial control, and has a relatively small share of the market in which it was engaged. However, most migrant businesses, like most Australian businesses, are small. According to the definition of the Australian Bureau of Statistics, small businesses are those enterprises which employ less than 20 employees. Ninety percent of all small business employ fewer than ten people. Considering all enterprises, very small enterprises (less than 10 people) constitute more than 80% of all enterprises, with the exception being the manufacturing industry, where only 74% of all

enterprises employ less than 10 people. In the private sector, non agricultural enterprises on an average employed less than 4 persons.

The rise of Entrepreneurship amongst different ethnic cultures in Australia is mainly due to the post war intake of immigrants, nearly half of whom are from non English speaking backgrounds (Theophanous, 1987). The ethnic small business sector is a crucial yet relatively unexplored dimension of the Australian economy. This perhaps explains why the migrant contribution to the small business sector has been generally overlooked in the debate about the economic impact of Australian immigration (Douglas, 1982 & Baker & Miller, 1989). Most studies focus on the role of migrants as workers rather than as self employed or employers. However, the census data attests to the disproportionately high profile of many birthplace groups among employers and self-employed in Australia. Besides, the phenomenon of ethnic small business cannot be adequately captured within the restricted framework of a single discipline. The liberal economist would examine it in terms of Entrepreneurship and competitiveness; the political economist as a case study of predatory and parasitic relations between the petit-bourgeoisie and monopoly capital; the social geographer would point to its role in renewal of inner city areas desolated by shifts in industrial and residential setting, the sociologist would emphasise the interlinked dimensions of class, culture and gender, while the political scientist would look to the emergence of ethnic elite's and their role in city politics.(Collins, 1990) The emergence of ethnic small business in Australia is a part of a global process of change which can only be grouped through a concept of the totality of the world market and its local effects. The Greek Milkbar, the Italian Fruiterer, the German Baker are a part of the postwar urban culture in Australia. Today the fish and chips is more likely to be served up by the Lebanese, while the baker has been replaced by the Vietnamese hot bread shop. (Collins, 1990)

Theories of Ethnic Small Business and Their Relevance to Australia

Cultural Theory

Cultural explanations emphasise the cultural resources or predispositions which may lead to business success. The cultural theory is useful for the importance it attributes to “cultural” characteristics which may predispose an immigrant group to success in small business. The cultural theory stresses on the individual traits and behaviour patterns brought from their homeland. However cultural theories do not consider the economic environment in which the immigrant business operates. Group solidarity or a willingness to take risks may be considered necessary conditions for business success. However, neither is sufficient.

For immigrant success in business there needs to be :

1. An area in which the firm can operate viably.
2. The possibility of gaining access to ownership opportunities.
3. Resources to exploit these opportunities.

Development of a particular ethnic minority business is always the product of unique historical circumstances. These include opportunities for newcomers, ethnic group characteristics, and strategies used to exploit entrepreneurial options. (Waldinger, 1996). Further confounding the applicability of this theory in Australia, is the finding that Italian business owners, often described as possessing cultural values appropriate to business

ownership, who were surveyed in South Australia did not rank family factors as the main reason for going into business, despite a very large number of them coming from a family tradition of business ownership or self-employment. (Lampugnani & Holton, 1989)

Despite its limitations as a complete explanatory theory, the relevance of cultural values and institutions cannot be entirely dismissed. All ethnic businesses in Australia and its operations are distinctly marked by ethnic cultural norms, values, beliefs and customs. The ethnic cultural ties and community contacts are important for the majority of the businesses here to run successfully. Majority of their customers are from their own cultural background. As such they cannot forget their cultural upbringing and beliefs. Thus culture does play a significant role in the success of their business. Alternatively, immigrant groups were able to collectively organise the resources needed to establish small business due to the solidarity arising from kinship and ethnic community ties. (Light, 1980) Immigrant minorities also bring from their home land individual traits and behaviour patterns which aid them in moving from low paid jobs to small business positions.

Ethnic Enclave Theory

Martin & Portes (1980) have argued that where an ethnic area can be developed into a more complex enclave, with its own interlinked manufacturing, wholesaling, retailing and business service networks, small firms within it can control competition, gaining some of the advantages of primary sector firms while retaining secondary sector flexibility. They have demonstrated the successful development of such an integrated enclave amongst Cubans in Miami. (Wilson Portes, 1980; Wilson Martin, 1982). The existence of immigrant enclaves requires the presence of immigrants with sufficient capital and initial entrepreneurial skills as well as a regular supply of enclave labor through sustained migration. The inferences drawn from the study include low wage labor of immigrant workers which permit the survival and expansion of enclave enterprises and creates new opportunities for economic advancement. Ethnic small business cannot possibly survive and be successful in an ethnic enclave economy. Another reason why enclave economy does not relate to Australian ethnic small business is the low number of immigrants of any one cultural group. A study by Castles (1989) of ethnic small businesses in Sydney found that ethnic small business catered for the population as a whole and had business links with non-ethnic firms. Ethnic enclave is not the cause, but rather the result of immigrant business growth (Waldinger, 1986).

Interactive Theories

The Interactive Theory approach suggests that ethnic business proliferate in industries where there is a congruence between the demands of the economic environment and the informal resources of the ethnic population. (Waldinger, 1986) Discrimination has left members of immigrant groups with only very restricted channels of escape from menial or working class jobs or from unemployment into a narrow ethnic business area. The most obvious area of this kind involves the provision of goods and services to members of their own group, who themselves are employed in undesirable jobs abandoned by native workers in the mainstream economy. Another kind involves the filling of a particular mainstream need which is unattractive to native business or for some other reason can be better provided by a minority group.

A clear example is the pizzerias in Australia which Lovell-Troy (1980) describes as constituting, over decades, a majority of Greek businesses, providing employment for a large

part of the community and with negligible participation by any other group (Cummings, 1975). This area involved a very restricted product, sold to mainstream customers.

This theory is quite relevant to Australia, as it does link the economic opportunity to the economic and cultural resources of an ethnic group. There is a demand for ethnic small business and the supply of this ethnic small business is influenced by the informal resources of the ethnic population like family and community ties ensuring labor supply, and a common understanding of behaviour and expectations in the work place. Thus the interactive theory which is more like an organising framework, appear to be the most appropriate theory for explaining Ethnic small business in Australia (Lampugnani & Holton, 1989).

Middle Man Minority Theory

The middleman minority concept deals with a particular cultural group occupying an intermediate position due to some competitive advantage on a high adaptive capacity. The Chinese in South East Asia, the Jews in Europe, Armenians in Turkey, and the Asians in East Africa (Bonacich, 1973) extend the application of the middleman minority theory. Two conditions cited as necessary are that of sojourning temporary settlement with the intention to return to their place of origin and the culture of origin. The sojourners exhibit solidarity by forming their own communities, usually marry within their own group, segregate themselves residentially, establish language and cultural schools for their children and cling to their cultural and religious traits.

Ethnic small business is just not found amongst intermediate areas, but all over the Australian economy. So the middleman minority theory cannot be applicable to Australia. More over, we do not see many people sojourning to their mother country and if they do, they replace themselves by their young sons to carry on their business before they do so. Australians generally exhibit relatively less class distinction and social segmentation, so the middleman minority theory seems generally inapplicable in the Australian context.

Opportunity Structure/ Ecological Succession

Some cultural groups have had high rates of business involvement and success while others have had much lower rates. Opportunities for minority enterprise establishments are influenced by a number of market factors to which both (Aldrich, 1989) and (Waldinger, 1980) have referred. Ethnic consumer products provide the initial market which can extend to the entire ethnic community. Immigrants often have special need and preferences which cannot be filled by native owned businesses. This gives rise to protected markets (Light, 1980). Immigrant business may find an area in the general market in satisfying the demand for exotic goods. Immigrants may be the only business people capable of supplying exotic goods or they may be able to supply them in seemingly authentic condition and at relatively low prices.

Ecological succession is another way in which business vacancies may arise for immigrant entrepreneurs. As the concentration of an ethnic group in a residential area builds up, vacancies arising due to the naturally high failure rate of small business are more likely to be filled by the ethnic group rather than the native group who are diminishing in numbers or members of the emerging ethnic group pursue these openings due to a lack of alternative opportunities for social mobility and employment (Aldrich & Reiss, 1989).

Opportunities are not the same for all cultural groups. For example, in the US the Hispanics have a relatively large population size and more opportunities, which is not available to Koreans as they are too few in number and residentially dispersed. Although the Koreans differ markedly from both whites and Hispanics in term of background characteristics, access to informal social resources and work ethic, they appear to be the most successful small business owners. Although the opportunity structure and ecological succession theory have limitations, factors of the opportunity structure like protected ethnic markets and non-ethnic markets have been observed to be a relevant consideration in Australian Ethnic Small Business.

Moreover, the Ecological theory also attempts to explain ethnic small business concentration in terms of population concentration without real reference to ethnic group characteristics. But the pattern of immigration and settlement in Australia has not resulted in permanent ghettos. The Ethnic population is more dispersed. This tends to be unsupportive of the ecological succession theory.

Findings of A Pilot Survey

A full scale study on the Entrepreneurship Development amongst the Ethnic Community in Australia has been launched in Sydney, Australia. An initial analysis has been carried out on 105 questionnaires received so far. The survey questionnaire received so far relate to ethnic communities from Spanish, Polish, Lebanese, Philippines, Chinese, Mauritius, Cambodian, Turkish, Greek, Korean, Indian, and Iraqi backgrounds and the types of businesses surveyed were builders, tiling, decorating, laundry, fruit shop, mixed business, motor mechanic, coffee lounge, take-away, flower shop, pharmacy, etc. Some of the findings are as follows:

(a) **The ethnic communities had varied reasons for undertaking business as their career.**

The Interactive Theory is relevant to Australia to some extent. However, it cannot be generalised and applied to all ethnic migrants and to all categories of ethnic small business because numerous reasons as to why different ethnic migrants go into business have emerged as a result of the survey so far. The main reasons are their arrival circumstances, settlement, education, financial status, family background, job market, knowledge of English, past experience, no job satisfaction, retrenchment, independence, bad job conditions, discrimination, better opportunities, and opportunities for better financial benefits, and to some extent personal characteristics. Most of the **Lebanese** said they were into business because they had their uncles, fathers or brothers into business who helped them (**A case of family background**). The **Spanish and the Polish** said that they had tried hard getting jobs but because of the lack of knowledge of English and the non recognition of their qualifications they had to go into business to survive (**A case of language problem**). An **Iraqi** mechanical engineer said that there were not enough jobs for professional mechanical engineers. So he decided to go into business (**A case of lack of job opportunities**). The **Korean and the Chinese** had a more positive attitude and indicated that they migrated to Australia to start their business owing to there being better opportunities for business in Australia (**A case of opportunity structure**). **Many Philippines** said, "It was very hard working owing to worst job conditions for Asians. So they went into their own business" (**A case of discrimination**). The **Indians** thought that it was unjustifiable that their qualifications were not recognised in Australia and many highly qualified doctors, engineers, computer professionals, teachers were forced to work in lower positions and different areas. So many of them preferred to be self employed rather than working in subordinate positions (**A case of non recognition of qualifications**). The **Turks**

and the Greeks said they went into business largely due to strong support from many businessmen from their own ethnic background. Their previous business experience also helped (**A case of past experience**). The **Mauritius** businessmen said they were into business as they did not have job satisfaction and were not given promotions when they deserved it. (**A case of no job satisfaction**) . The **Cambodian** businessmen went into business to earn more money so that they could give their children a better education. (**A case of monetary factor**).

(b) More than 50% of their customers are from their own ethnic background.

Many respondents revealed that more than 50% of their customers were from their own ethnic background. But ethnic dependency for customers was relevant to only some kinds of businesses and to some ethnic groups. Businesses like grocers, restaurants, catering were dependent on the ethnic customers.

But interestingly businesses like pharmacy, laundry, coffee lounge, food suppliers and other necessities did not depend on the customer from their ethnic background.

(c) Owning small business means hard work and slog.

Although many of the businesses were making profits and some were doing very well, the majority of them did not want their children to go into business as they said that business was too demanding. There was lot of hard work, long hours, and no great money. But they wanted them to be professionals like doctors and engineers.

(d) Ties with their ethnic communities is not important.

This survey highlights the lack of homogeneity among the ethnic groups particularly in respect of their relationship between business people and the ethnic community organisations.

Recommendations

Although no generalisations can be made yet without detailed analysis of larger sample, there are some issues which are likely to surface strongly that will provide support for the development of ethnic small business. One of them being the need to train the different ethnic groups in specialised training programs prepared for them taking into consideration their ethnic background and the problems faced by them. For example the Chinese small business operators should have a Chinese mentor and a special training program for Chinese small business. The Greeks should have a mentor from their own ethnic background and so on. More over trainers and training institutes should also take into consideration the nature and the type of business before providing training. Policy makers devising programs for migrants in business should be reminded that what is applicable to a Turkish cafe proprietor may be totally irrelevant to a Turkish solicitor. In short there should be an appreciation of inter- and intra-group differences as well as similarities. Business policies designed to assist migrants in small business are most likely to succeed if they are complemented by policies that encourage and strengthen ethnic community organisations. The business and ethnic community relationship should be developed and exploited as a two way transmission belt, because ultimately the conventional wisdom which claims that immigrants do well in business because their culture makes them entrepreneurial could stand true for some ethnic groups and can be challenged for others by showing how the development of a particular ethnic minority businesses is always the product of unique historical circumstances such as opportunities for newcomers, ethnic group

characteristics, and strategies used to exploit the entrepreneurial options. They also show that not all groups are equally interested in the business ownership option for advancement or equally successful at it.

Conclusions

To sum up, it may be said that generality of any of the **problems** besetting small business people, for example the need to meet rents, property taxes, taxes interest rates on loans, power charges etc. is common to all. Such operating costs are universal and not dependent upon ethnicity. It is recommended that reduction or rebate in rents and taxes, easing of loans access and terms, tax incentives etc. would seem to be the most positive expression of government assistance to ethnic business people. The economic and financial constraints affecting small business should be taken into account. It is clear that a majority of the migrants in Australia **rely on other migrants** for the bulk of their business. Hence, it may be proved that the government policies designed to assist migrants in small business are most likely to succeed if they are complemented by policies that encourage and strengthen ethnic community organisations. In conclusion, it may be said that the emergence of ethnic small business in Australia cannot be related to a particular theory but to the relationship between the social and cultural characteristics of that ethnic group together with the circumstances of their arrival and settlement.

References

- Aldrich, H. and Reiss, A. (1989). Continuities in the study of Ecological Succession: Changes in the Race composition of neighbourhoods and their business, American Journal of Sociology, Vol. 18, no-4, January, pp 846-866.
- Australian Bureau of Statistics. (1996). Census on Small Business In Australia. Canberra. Australian Government Publishing Service. 1987). Understanding Immigration OMA Publication, Canberra.
- Bonacich, E. and Bodell, J. (1980). The Economic Basis Of Ethnic Solidarity: Small Business in the Japanese American Community, University Of California Press, Berkeley.
- Bonacich, E., Light, I. and Wong, C. (1973), Koreans in Small Business, Society, Vol.14, Oct. pp.54-59.
- Bureau of Immigration Research. (1990) Immigration Update, AGPS, Canberra, March 1990.
- Castles, S., Collins, J., Gibson, K., Tait, D. & Alcorso, C. (1989), The global Milkbar and the Local Sweat Shop: Ethnic Small Business and the Economic Restructuring of Sydney, Report to the office of multicultural affairs, Department of Prime Minister and Cabinet AGPS Canberra April.
- Collins, J. (1989) The Migrant Small Business Sector in Australia, Kuring-gai College of Advanced Education, Center for Labor studies Working Paper Series No 2. August.
- Constance L, David I, Jim K., Iren P. & Tracy, N. (1991) Asian Entrepreneurs in Australia Report to the Office of Multicultural Affairs Department of Prime-Minister and Cabinet, Australian Government Publishing Service Canberra.
- Cummings, S. (ed). (1973). Self Help In Urban America. Patterns of Minority Business Enterprise, Kennikat Press, New York.
- Daniel, K. & Kumar, S. (1992). A Study of the Attitudinal Characteristics of Male and Female Entrepreneurs in USA and India. Brigham University USA.
- English, J.W. (1995). How to Organize and Operate a Small Business in Australia. Allenn & Unwin. Australia.

- Hills, G. (1990) Profile ,Characteristics, Success Factors and Marketing in Highly Successful Firms, Frontiers in Entrepreneurship Research Wellesley, Mass: Babson College.
- Holton, R.J. (1988). Small Business Policy for a Multicultural Australia. Centre for Multicultural Studies, Flinders University of South Australia.
- Johns, B.L., Dunlop, W.C. & Sheehan, W.J.(1983) Small Business in Australia: Problems and Prospects, Allen&Unwin, Sydney.
- Jupp, J.(1989). Agenda for a Multicultural Australia., Challenge of Diversity Policy Options for a Multicultural Australia. Office of Multicultural Affairs, AGPS Canberra.
- Lampugnani, R. and Holton R. (1989).Ethnic Business in South Australia Sociological Profile of the Italian Business Community, Centre of Multicultural Studies, Flinders University of South Australia.
- Light, I.H. (1980).Ethnic Enterprises in America,University of California Press Berkeley.
- Lovell, A.L.T.(1980).Clan Structure and Economic Activity. The Case of the Greeks in Small Business Enterprise, in Cummings(ed).
- Marceau, J.(1989). Small Manufacturing Enterprises in Australia, Ministry of Employment and Training.
- Palmer, R. (1984).The Rise of the Italian Culture Entrepreneur. Ward and Jenkins(Eds)
- Shaw, J. Dr. (1990).Understanding Cultural diversity.
- Strahan, K.W.& Williams, A.J. (1988). Immigrant Entrepreneurs in Australia, Report to the Office of Multicultural Affairs.
- Stanger, A.M. (1993). Ethnic Small Business in Australia:.Policy, Review and Research. Agenda.
- Theophanous, C.A. (1996) Understanding Multiculturalism and Australian Identity, Elikia Books Publication.
- Waldinger, R., Aldrich, H., and Ward, R. (1990). Ethnicity and Entrepreneurship, Research Paper, Department of Sociology, University of North Carolina. Sage publications.
- Waldinger, R. (1986). Immigrant Enterprise Critique and Reformulation. Theory and Society,15.
- Ward, R and Jenkins, R.(1983). Ethnic Communities in Business: Strategies for Economic Survival, Cambridge University Press London.
- Williams, A.J. (1987).The Characteristics and Performance of Small Business in Australia, 1973-1985, University of Newcastle, Newcastle.
- Waldinger, R. (1986). Through the Eye of the Needle: Immigrants and Enterprise in NewYork's Garment Trade. New York University Press, Newark London.
- Wilson K.L. & Martin W. A. (1982). Ethnic Enclaves Comparison of the Cuban and Black Economies in Miami, American Journal of Sociology, Vol 88 No-1, pp.135-160.
- Wilson, K. L. & Portes, A. (1980). Immigrant Enclaves: An Analysis of the Labor Market Experiences of Cubans in Miami, American Journal of Sociology, Vol.86, No.2, pp.295-319.
- Wiltshire F.W. (1971). Report of the Committee on Small Business, AGPS Canberra.