

Appendix 11. Australia's Diaspora Advantage: Realising the Potential for Building Transnational Business Networks with Asia

Introduction

Australia's business and economics links with Asian countries have expanded rapidly in recent years. This has been strengthened by communities of people of Asian origin living in Australia, who use cultural, linguistic and other skills to build people-to-people links across diverse areas including science, culture, business and trade. However, many of the potential benefits of these connections are underused, underdeveloped or unknown.

Focusing on the Chinese and Indian business communities in Australia, the report by the Australian Council of Learned Academies (ACOLA), SAF11 *Australia's Diaspora Advantage: Realising the Potential for Building Transnational Business Networks with Asia* (<http://acola.org.au/wp/saf11/>) explored the extent, diversity and nature of Australia's Asian business diasporas. It builds on the report summarised in Appendix 3 of this book, and draws on an interdisciplinary expert working group and the authors' expertise in philosophy, educational strategy, public policy, global studies, and Chinese language, literature and history.

As a dynamic economy in a rapidly developing region, Australia cannot overlook the importance of transnational business networks or the knowledge and skills held by Asian communities in Australia. In fact, Australia could lead the world in developing policies and programs that encourage more effective engagement of Asian business diasporas.

Diasporas in Australia

Diversity Council Australia estimates that 17 per cent (4 million) of people living and working in Australia identify as being of Asian origin. Australia's two largest Asian populations are the Chinese and Indian communities, estimated in 2016 to number at least 1.7 million people, of whom some 850 000 were born in China and India. By 2031, the number of people of Chinese and Indian descent living and working in Australia is expected to rise to 2.7 million.

The report adopts the concept of diasporas – populations that are dispersed yet remain connected to transnational networks. Asian diasporas include new migrants, their Australian-born descendants, people of mixed parentage, and temporary residents here for work or study.

The Chinese and Indian diasporas in Australia comprise a large proportion of educated, highly skilled and globally networked individuals. They are generally better educated than the rest of the Australian population: India-born Australians are almost three times as likely as other Australians to have a Bachelor degree or above, while those born in China are almost twice as likely.

Their enthusiasm, entrepreneurial energy and preparedness to take risks is shown to form the drivers of their success. Their transnational networks are a major source of business opportunities, innovation and entrepreneurialism.

Business diasporas

Business diasporas are those within the diaspora communities who are engaged in activities that involve trade, investment and commercial collaborations. Between 2006 and 2011, businesses owned by Australia's China-born population rose 40 per cent, and for those born in India by 72 per cent, to a combined total of 45 500 businesses. Chinese and Indian business diasporas are mostly active in professional, scientific and technical, health, education, and information and communication technologies (ICT) fields. Business activities are bolstered by connections, high mobility and skill in circulating ideas and resources around the world.

The idea of 'diaspora advantage' suggests how the linguistic skills, cultural knowledge and global networks constitute an advantage that benefits the members of the Asian diasporas personally and helps Australia extend its economic links with Asia, and promote a culture of innovation. Rather than a brain drain from the country of origin and brain gain for the country of residency, diasporas promote brain circulation as well as the circulation of people, and cultural and financial capital.

However, much of the available data on business in Australia is based on migration and ethnicity, which does not fully take into account diasporas. Hence new ways of mapping the number and contribution of business diasporas who circulate between countries are needed to deepen our understanding of business diasporas.

Challenges

In the past 15 years there have been positive shifts in public perceptions of Asia and Asians in Australia; this has contributed to a supportive climate for Asian business diasporas. Governments, business associations and industries appear committed to expanding economic links with Asia. However, opinions are mixed, and barriers still exist – including bureaucratic impediments, and the uncertainty in both Australia and Asia about the rules of business activities across borders.

Of key concern is the under-representation of Australia's Chinese and Indian business diasporas across government and in public office, on industry councils and business associations, in educational leadership, within peak bodies that promote Australia–Asia diplomacy, and in trade discussions and delegations. Diversity Council Australia identified only around 4 per cent of Australia's top 200 publicly listed companies' board directors are of Asian descent. This under-representation of Australia's Asian diasporas occurs in an era that demands cultural understanding as well as technical knowledge and research.

Recognising the complex differences and historical sensitivities of how knowledge is created and information shared in China and India is essential to better business, policy processes and decision making. Australia's Asian business diasporas have a role in brokering this understanding, as well as helping Australian enterprises advance their Asia capability.

The Chinese and Indian governments are deeply conscious of their global diasporas – they plan to increase the benefits they already gain from the knowledge and skills of the estimated 40 million overseas Chinese and 25 million overseas Indians. They are active in

developing policies that aim to increase trade, investment and research collaboration. In contrast, the policies of advanced economies, such as United States, Canada, Germany, Ireland and Singapore, are mostly designed to attract skilled migrants and investors who have business networks in Asia for improved economic productivity.

These nations' policies do not adequately address the dynamic circulation, connectivity and valued flexible forms of belonging to business diasporas. Australia has the potential to lead the world in developing policies and programs that encourage more effective engagement of the Asian business diasporas in building transnational networks for trade, investment and innovation.

Conclusion

Multiculturalism and diversity have provided Australia with a strong foundation that may now benefit from a new approach – a diaspora approach – to developing policies and programs. Underlining this is a long-term vision for Australia in Asia, and vice versa.

This opportunity comes at an important time for Australia. China will soon pass the United States as the world's largest economy; India is the world's fastest growing economy and is likely to reach third-largest behind China and the United States by 2030. China has become Australia's number one trading partner. Just over half of Australia's two-way trade is conducted with countries of South, South-east and East Asia. Asian investment in Australia has also risen.

To benefit from its diaspora advantage, Australian governments, businesses and organisations need to:

- move from previous notions of migration and multiculturalism towards diaspora as a more apt concept with which to make sense of the ways in which people of Asian origins living and working in Australia can participate in the social, cultural and economic life of both Australia and their country of family origin;
- develop mutually beneficial ways of using diaspora resources for research, cultural and business collaborations;
- ensure a supportive culture and greater representation and participation of Asian diasporas in the development of policies and programs that strengthen Australia's economic, political and cultural relations with Asia;
- link diasporas to science, technology and research infrastructures, business communities and industry, and the cultural resources embedded within the broader Australian community; and
- consider Australia's other Asian diasporas, especially with the Association of South East Asian Nations (ASEAN) – notably Indonesia, Vietnam and the Philippines – touted as the next emerging Asian economic powers.



Year of arrival of those born in China and India to Australia from 1941 to 2011, compared with the major source countries of New Zealand and the United Kingdom. The number of permanent immigrants from China has doubled and from India tripled since 2001. (Source: Australian Bureau of Statistics (2013) *2011 QuickStats Country of Birth: China*. Australian Bureau of Statistics, Canberra; and Australian Bureau of Statistics (2013) *2011 QuickStats Country of Birth: India*. Australian Bureau of Statistics, Canberra)

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