

# Engaging Diasporas: The case of Australia and other key countries

A Consultancy Report for Securing Australia's Future Project (SAF11) Australia's  
Diaspora Advantage; Realising the potential for building transnational business  
networks with Asia

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## Introduction

Diasporas, which refer to groups of people/persons who identify themselves as being from a purported homeland or source country, and who often share certain values and cultural linkages, have become more relevant in our ever increasingly globalised and connected world. In the past, technology and distance often played an inhibiting role in preventing Diasporas from connecting effectively with their 'homelands', and arguably facilitated more effective and thorough assimilation and integration of Diasporas into new host countries. More recently however, and particularly in the past two to three decades, the communications revolution and rapid transformation of transportation has made it much easier for people to migrate and explore international linkages and business opportunities. This has entailed members of Diasporas attempting to utilise their cross-cultural skills to their own benefit, often developing people-to-people links across diverse sectors including business, trade and science.

This Report stems from a growing, and very necessary, focus on the potential of leveraging Australia's resident Diaspora groups for developing enhanced business and cultural links in Asia. This focus is not surprising given Australia's vested interest, and role as a periphery power, in Asia and with the rapid economic growth and develop of key countries in the region, most notable China and India. Resident Diasporas have become a focus due to the rapid influx of migrants from both countries to Australia, as well as the perceived notion that skilled migrants from the region (and further abroad) could help mitigate skills shortages in key sectors (such as STEM) in the Australian economy.

This Report attempts to provide some grounding and background for Australia to develop an effective 'Diaspora engagement strategy'. Drawing from various academic and government sources, the Report explores the utility of leveraging Diasporas to further deepen Australia's engagement with, and connections to, Asia. There is a particular focus on the Chinese and Indian Diasporas given the large-scale nature of migration from both of these countries. Canada, the United States, Singapore and Germany are used as case studies to provide effective comparisons for a discussion on Australia's policies in this area.

For the purpose of this Report, we follow the definition provided by Agunias and Newland which defines Diasporas as "emigrants and their descendants who live outside the country of their birth and ancestry, either on a temporary or permanent basis, yet still maintain affective and material ties to their countries of origin... they identify with their country of origin or ancestry and are willing to maintain ties to it" (Agunias & Newland 2012). Therefore, Diaspora 'refers to a population scattered abroad but which claims affinity with a purported national homeland and community because of a common sense of ancestry, ethnicity or identification' (Ho et al. 2015). We therefore follow Priebe & Rudolf who define the Chinese diaspora as referring to the group of people that were born or claim ancestry to China but who live outside the PRC (Priebe & Rudolf 2015), and consider the Indian diaspora as the group of people that were born or claim ancestry to India but who live outside India.

The Report also adopts Hickey's definition of 'diaspora strategies' /Diaspora engagement strategies as "purposeful initiatives by migrant-sending states aimed at mobilising citizens abroad, and even former citizens, to contribute towards the national interest of the 'home' country" (Hickey et al. 2015), with the added and selected focus on initiatives by destination countries (Australia, Canada, Singapore, Germany and the United States) to engage with foreign diasporas within their borders as well as to attract skilled migrants from overseas. In this Report, the author investigates Canada more thoroughly than the other destination countries given Canada's similarity to Australia in terms of Diaspora make up and policy challenges.

It is worth adding a cautionary note here that the author is aware of the ongoing vibrant debate and criticism on and over the usefulness of the term 'Diaspora' and the labels 'Diaspora strategies', 'Diaspora engagement' and the like.<sup>1</sup> The term 'Diaspora' often has to be unpacked

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<sup>1</sup> For example, note Ien Ang's query "Whose interests are served by the persistent, even stubborn designation of 'the Chinese' as a distinct ethnic group [in Australia]?" See I. Ang, 2013, Beyond

critically as it determines who is included or excluded from initiatives to mobilise diaspora populations (Ho 2011). Nonetheless, the author will use the terms 'Diaspora' and 'Diaspora engagement strategies' given the lack of alternative commonly accepted terminology and the objective of this report.

In the Executive Summary and Key Findings section, the author highlights some of the key arguments in favour of engaging with Diasporas and 'bicultural' individuals, and some of the limitations of the current model of engagement. By comparing and contrasting how both certain 'sending' and 'receiving' countries have managed their relationships with Diasporas, it is clear that there is room to consider more innovative approaches toward 'Diaspora diplomacy' which take into account both the diversity within various Diasporas yet also the potential for synergies between what are often seen as disparate or separate Diaspora groupings. The author makes the case for making the move toward a new paradigm.

The various Appendixes serve to provide more information for the interested or avid reader. Appendix A provides more background on Diasporas in general and the case that has been made in the academic literature for Diaspora engagement and leveraging 'biculturals'. Appendix B reviews the policies of the Governments of China and India as 'sending' countries toward their respective outbound Diasporas, noting the large numbers of Chinese and Indian migrants who have migrated to 'developed' countries in recent years. Appendix C reviews the profile of the Chinese and Indian Diaspora communities in a number of select countries, most particular Canada, the United States, Singapore and Germany. Appendix D looks into the attempts by some of these select countries to engage with resident 'Diasporas', and how this engagement has been driven particularly by a development focus. Appendix E provides an overview of the skilled migration policies of these select countries, and how these policies have either succeeded or failed to attract the 'best and brightest' in the global fight for talent where such talent is often seen as part of these Diaspora networks. Appendix F reviews Australian skilled migration policy.

Jonathan Cheng  
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Chinese groupism: Chinese Australians between assimilation, multiculturalism and diaspora, *Ethnic and Racial Studies*, 37(7), pp.1184–1196 and S. Chan, 2015, The Case for Diaspora: A Temporal Approach to the Chinese Experience, *The Journal of Asian Studies*, 74(01), pp.107–128.

## Executive Summary and Key Findings

### 1 Argument for developing a Diaspora engagement strategy and leveraging 'biculturals'

#### 1.1 Diasporas play a key role in trade, investment, and skills and knowledge transfer –

Diaspora members create connections between producers and consumers in countries of origin (COO) and country of residence (COR), as well as introduce products from a country of origin to new markets. Diasporas invest directly in their CORs, and can also share valuable market information about their COO with entrepreneurs and firms in their COR. The 'immigrant effect' explains how firms founded by immigrants, or who have immigrants in key decision-making processes, are more likely to enter foreign markets. A study by Tung & Chung showed that Chinese diaspora members in Australia, in their capacities as either owners/founders of companies or as key decision makers, can enable an investor firm in China to resort to a higher resource commitment mode (wholly-owned subsidiaries and joint ventures) than they otherwise would (Tung & Chung 2010). Studies also show that Diasporas play a key role in skills and knowledge transfer, particularly in weaker institutional environments in a COO where expertise is lacking and where diaspora networks need to be engaged.

#### 1.2 The presence of a prominent Diaspora can arguably have a strong positive economic effect, irrespective of policy settings or frameworks –

Evidence is particularly strong in the case of the Chinese Diaspora, where a number of studies have shown that overseas Chinese co-ethnic networks can facilitate trade and foreign direct investment (FDI). For example, an empirical study showed that between 1970 and 2010 the Chinese Diaspora "exerted a statistically and economically significant effect on host countries' long-run economic growth" through increasing trade openness by 31%, enhancing investment by 18%, and increasing total factor productivity by 51% (Priebe & Rudolf 2015). In the United States, it seems that the mere presence of the Indian Diaspora has enhanced investment opportunities in India. Kapur argues that "companies like Yahoo, Hewlett Packard and General Electric have opened R&D centres in India largely because of the confidence engendered by the presence of many Indians working in their US operations" (Kapur 2010).

#### 1.3 Diasporas can be treated like institutions, in the sense that they are often themselves effective and useful networks –

For example, Kao labelled the Chinese diaspora a 'Chinese commonwealth, which represents access to local resources such as information, business and political networks, raw materials, low-cost labour and knowledge about business practices and markets in a variety of environments' (Kao 1993)

#### 1.4 However, some experts argue that it is still relatively hard to quantify the positive relationship between Diasporas and economic development –

There is still a lack of hard data and research in this area. It is difficult to ascertain where and when Diaspora businessmen are driving trade and business, and we have to be conscious that correlation does not equate to causation.<sup>2</sup>

#### 1.5 Diasporas are composed of individuals called 'biculturals' with different sets of identities and perceptions toward COOs and CORs, who often seem to have an ability to navigate adeptly between different cultural frameworks –

'Bicultural' managers are supposedly fluent in COO and COR norms, and hence require less cross-cultural training and are expected to be more sensitive to cultural cues. Certain studies have also shown that 'biculturals' who are considered to be 'cultural boundary spanners', basically individuals with a strong understanding of the differences between COO and COR norms and practices but also who do not feel necessarily conflicted between these different sets of norms and practices, are most likely to engage in cross-cultural economic engagement behaviour and to assist with facilitating trade and FDI between COOs and CORs. Engaging these 'cross

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<sup>2</sup> Unlike academia, where authorship and ownership are clearly marked, businesses operate in a less opaque manner and it often unclear when and how decisions are taken to invest and trade with other countries.

boundary spanners' should be the target of any effective Diaspora engagement strategy. The private sector is already very aware of the benefit of these 'biculturals'. According to some Chinese estimates, Chinese Americans account for around 65 per cent of representatives sent by large American companies to China (Kee 2014).

## **2 Profile of Chinese and Indian Diasporas abroad, specifically in Canada and the United States and to a lesser extent Germany and Singapore**

- 2.1 Both the Chinese and Indian Diasporas are considered to be very large in absolute numbers, although are relatively small in terms of proportion of the population in the COO** - Estimates suggest around 40 to 65 million overseas Chinese compared to 25 million overseas Indians. The Chinese Diaspora seems to be concentrated in Southeast Asia, with smaller numbers in North America, Europe and then Oceania, while the Indian Diaspora seems to be concentrated in the Gulf and North America, with much smaller numbers in Europe and Oceania. It is worth noting that estimates on Diaspora numbers vary widely, due to issues over data collection, most particularly on self-identification biases and classification structures.<sup>3</sup>
- 2.2 Members of the Chinese and Indian Diasporas are clustered around key urban centres and regions, with the Chinese being relatively more concentrated than the Indians** – In Canada, there are significant concentrations of both around Toronto and Vancouver. In the United States, there are large numbers of both in traditional gateway regions (California, New York etc). This also seems to be the case in Australia where we see large numbers in urban areas, such as Sydney and Melbourne. New migrants and immigrants naturally move to where there are already significant Diaspora populations.
- 2.3 Chinese and Indian Diaspora members are, on the whole, 'better off' as compared to other immigrant groups, their counterparts in the COO, and also the general population in a COR** – Data from Canada and the United States indicates that they are more highly educated and earn more than the general population at large. The numbers seem to be particularly strong for the Indian Diaspora, who earn much more than the average. For example, it was estimated in 2014 that Indian Americans in the United States had a median income of US\$88,538, as compared to US\$44,584 for non-Hispanic white households (Chand 2014).
- 2.4 On the whole, members of the Chinese and Indian Diasporas are more likely to work in highly skilled industries and professions, such as in the scientific and technical fields, than other immigrants and the population at large** – This is reflected in California's Silicon Valley, where Saxenian has noted that 53% of the science and engineering workforce is foreign born and Indian Americans own 15% of all start-ups. Overall, Chand estimates that 25% of immigrant founded engineering and scientific companies in the United States between 2005 and 2015 were founded by Indian Americans (Chand 2015). In Singapore, while traditionally most of the skilled professionals had come from the 'West', Japan and Korea, the Government in the 1990s began targeting professionals from non-traditional source countries. Today, the majority of skilled workers (aside from Malaysia) now come from China and India (Yeoh & Lin 2012). Singapore seems to be dependent on Indian workers for a number of critical sectors, including manufacturing and services, IT, banking and finance, healthcare and education (Chandra 2010). Germany is also very dependent on the Indian Diaspora for its IT expertise.

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<sup>3</sup> 'Diaspora numbers' are often drawn from survey and census data collected by national statistics agencies. Depending on the purpose of these surveys and censuses, they provide individuals and households the option of self-selecting from various racial or ethnic 'identities'. Some surveys also request individuals identify with a language rather than an ethnic identity. Depending on how experts read into these numbers, they might come up with entirely different 'Diaspora numbers'. For example, Chanoine et al. 2013 estimated that there were 443,690 and 466,940 members of the Indian and Chinese Diaspora respectively based on data from Statistics Canada. Utilising the same set of data, my estimates (and those of other authors) suggest much higher numbers.

**2.5 There are indications that there may be a large segmentation and division between ‘better off’ newer Chinese and Indian Diaspora members and ‘worse off’ more established Chinese and Indian Diaspora communities** – In the early 2000s, data had suggested that Chinese and Indian Canadians were worse off compared to the national average. This situation had ‘flipped’ a decade later, suggesting that recent migrants in both communities shifted the balance of this calculation significantly. In California, there seems to be a big divide between non-Hispanic Asians who are very well educated (Masters/Bachelors) and those who have not completed secondary education – this divide is much starker than in the population at large. While none of this is very conclusive, it does suggest that more research needs to be undertaken to understand potential segmentation within Diaspora communities and the rapid changes that have taken place within these communities over the past few decades. It does, however, also suggest that recent moves toward enhancing ‘skilled migration’ are certainly impacting on the make up of these Diaspora communities.

**2.6 On the whole, when comparing the Indian and Chinese Diasporas in identified key countries, members of the Indian Diaspora are on the whole ‘better off’ and seem to be more concentrated in more scientific and technical industries and fields** – This could well be explained by migration patterns and through Point 2.5 above. While there was extensive Chinese migration in the 1800s to Western countries under discussion (for example, 300,000 Chinese immigrants migrated to the United States as low skilled labourers), Indian migration is a more recent phenomenon to the United States, Canada and Germany. It would be interesting to explore the relative socioeconomic positions of the Chinese and Indian Diaspora in the United Kingdom, where Chinese, rather than Indian/South Asian, migration is instead a recent phenomenon.

### **3 General findings on Diaspora engagement strategies**

**3.1 Governments have primarily focused their attention on outbound rather than resident or inbound Diasporas** – Many countries have used innovative and cost-effective institutions and programs to try to support outbound Diaspora engagement. These include foundations, welfare funds, and Diaspora councils. Some countries use creative programs, such as matching funds, and ‘combining topics’. Nearly all countries aim to capitalise on existing government structures, such as consular networks, where consulates provide information on developments at home including on the business sphere and on economic development. Another way to leverage existing government structures includes adopting a decentralised approach (eg supporting Diaspora initiatives at a local level). Governments can also tap into the available pool of resources afforded by the private sector, civil society and the international community. This includes using private-public initiatives, government-government partnerships (the idea of ‘co-development’), partnerships with the international community (eg World Bank and IOM), and helping build the capacity of Diaspora groups. Specific Diaspora-focused government-led projects promise to deliver development opportunities through tourism, export of ‘nostalgia goods’, remittances, philanthropy, business networks (knowledge sharing, brokerage, mentoring, training), investment, patronage, advocacy, volunteerism, and circular and return migration (Ho & Boyle 2015). Specific tools and vehicles that Governments can use to attempt to mobilise Diasporas are shown in Box A.

## **Box A: Potential vehicles for governments to mobilise Diasporas**

### **A - Mobilising Diaspora Wealth via Capital Markets:**

1. Special deposit accounts denominated in local and foreign currencies
2. Transnational loans that allow diasporas to purchase real estate and housing in their countries of origin
3. Diaspora bonds allowing governments to borrow long-term funds from diasporas
4. Securitisation of future remittance flows

### **B - Facilitating Diaspora Investments:**

1. Provide access to information
  - a. Share information on how to invest or obtain business loans
  - b. Create a one-stop shop for investment information
2. Provide access to networks
  - a. Organise business events for diaspora members
  - b. Match local entrepreneurs, business owners, and government leaders with their diaspora counterparts
  - c. Create exclusive international networks of top business leaders
3. Provide access to business training programs
  - a. Supply training directly
  - b. Support training programs provided by the private sector and international organisations
4. Provide entrepreneurs access to funds
  - a. Set up matching funds
  - b. Provide loans
5. Channel private funds to finance private businesses or public infrastructure

### **C - Transferring Human Capital**

1. Engage diasporas as practitioners to fill resource and knowledge gaps
  - a. Ask diasporas to volunteer their time and expertise
  - b. Offer material and nonmaterial incentives in exchange for services
  - c. Administer “return” programs in partnership with private actors
2. Engage diasporas as partners
  - a. Support collaborative research between diasporas and local actors
  - b. Connect communities across national borders through twinning arrangements
3. Engage diasporas as members and leaders of scientific and technical networks

This is drawn from D R Agunias & K Newland, K, 2012, *Developing a Road Map for Engaging Diasporas in Development*, Geneva: International Organization for Migration; Migration Policy Institute.

**3.2 Many Governments have tried to proactively engage with their Diasporas** – There are a ‘dizzying array’ of national bodies established to address diaspora issues in both destination countries and countries of origin. A survey conducted of states participating in the Global Forum on Migration and Development found more than 400 institutions in 56 countries that were directly engaging Diasporas through various programs and policies (Agunias & Newland 2012).

**3.3 However, it is widely understood that relatively few Governments have been successful in engaging with their Diasporas to find areas of mutual interest for practical collaboration (Newland & Plaza 2013)** – Programs and initiatives focused on outbound Diasporas are often not funded very well, and given the prioritisation which needs to be given to citizens and residents within a particular country, are often subject to funding cuts and a lack of political will to see through projects. It is particularly difficult for developing country Governments to justify spending funds on their Diasporas when there are often much more pressing concerns within the country. In addition, the effectiveness of diaspora



knowledge networks as well as diaspora engagement have been questioned, including the nature of the networks and tangibility of their activities, sustainability of their membership base, and ability of conditions in the COO to complement the potential presented by the Diaspora (Ho & Boyle 2015).

**3.4 Policy intervention on Diaspora engagement is more likely to succeed if it focuses on removing obstacles and creating opportunities rather than trying to manage diaspora resources directly**, as it would then provide a useful framework for diasporas to engage in economically productive activities (Newland & Plaza 2013)

**3.5 It is still a lively debate whether Governments can cost-effectively leverage Diasporas and 'biculturals' to their advantage, and how Diaspora engagement policies and programs can be evaluated** – There has been a lack of ongoing monitoring and evaluation of Diaspora related programs and initiatives (Agunias & Newland 2012). As a result, it is difficult to measure the impact of Diaspora engagement policies and to evaluate which policies are the most useful.

## **4 China's and India's outbound Diaspora engagement strategies**

**4.1 The Chinese and Indian Governments have both been very active in engaging with their Diasporas abroad** – Compared with many other migrant-sending countries, both China and India have given priority to encouraging diaspora entrepreneurs and highly skilled professionals to develop activities in their COOs. This stands in contrast to some other governments, which are actively pursuing diaspora deployment overseas to reduce domestic unemployment and build up remittance income (eg Philippines) (Agunias & Newland 2012). For both China and India, priorities and capacities of their Diasporas do seem to coincide with national development plans – Both countries can focus on the economic and development imperative rather than on 'protection' services. However, both countries have been conscious with the way they engage with their outbound Diasporas given that engagement may be seen as political threatening to less-developed Asian and African countries with sizable Indian or Chinese Diasporas.

**4.2 There are some substantial differences in approach between the Diaspora engagement strategies of the two countries** – Their policy choices have reflected priorities, constraints and concerns of their own political elites and systems. As Lum describes it, "India has predominantly pursued a 'long-distance' diaspora policy centred on promoting greater ease of travel, whereas China has adopted a 'short-distance' diaspora policy focused on return and settlement" (Lum 2015)

- Delhi, through the Person of Indian Origin (POI) card and Overseas Citizenship of India (OIC) program initiatives, has in effect opened up India to the wider Diaspora. Beijing, on the other hand, has remained relatively restrictive on nationality and citizenship issues. Given Beijing's relatively closed political system (as compared to India's system of open democracy), its larger Diaspora (40 to 65 million overseas Chinese compared to 25 million overseas Indians), and small proportion of nationals/citizens in its Diaspora (around 13-21% compared to around 40% for India), it is altogether not surprising that Beijing has more concerns about opening up the COO to its Diaspora.
- Beijing, through its various talent recruitment schemes and quota systems, has recruited top-tier talent into China to support knowledge-transfer and to build up S&T capability. While India has begun to establish similar schemes, they do not compare favourably in scope or size to the Chinese schemes. It is unlikely that India will try and catch up to China in this space – Beijing can afford to invest substantial funding attracting top-tier talent as China is arguably at a further stage along the development spectrum. India also has to be more mindful of its domestic stakeholders (and voters!), who would openly question large and 'unfair' funding commitments to the Indian Diaspora, who are generally considered much better off than resident Indian nationals.

- Beijing has focused on attracting FDI into the country, while Delhi has been less willing to open its markets to external investors. From Delhi's perspective, it may not want to become too financially dependent on the Diaspora, and has clearly always been somewhat wary of foreign investment (Lum 2015). It is important to note that India is also a global success story when it comes to attracting remittances, and therefore securing and maintaining remittance flows (particularly from the Gulf) is a priority.<sup>4</sup> In 2013, the flow of remittances stood at US\$70 billion, or around 4% of the country's Gross Domestic Product (GDP) – higher than FDI by a wide margin (Kee 2014).

**4.3 Overall, it can be argued that both China and India have been relatively successful in their aims to engage with their Diasporas and to leverage off their Diaspora's skills, expertise, and financial wealth** – Between 1985 and 2000, *huaren* (foreign nationals of Chinese ethnicity) and *huaqiao* (Chinese nationals residing outside mainland China) arguably contributed 70% of China's FDI (Ho 2011).<sup>5</sup> In 2002, they accounted for about half of the US\$48 billion in FDI that flowed into China in 2002 (G Hugo 2003). Non-resident Indian deposit accounts brought into India over US\$40 billion by the end of 2008, amounting to between one-sixth and one-third of India's external debt at that time (Kapur 2010). There is ample recognition that India's diaspora has served its country well in skills and knowledge transfer, such as its role in developing the information technology sector through expertise provided by Indian engineers and entrepreneurs in the Silicon Valley (Saxenian 2007; Kapur 2010), as well as developing India's now world leading market share in the world diamond market, where it now has a 65% market share in terms of value, 85% share in terms of volume, and 92% share in terms of product (Newland & Plaza 2013). A 2007 survey of 208 software entrepreneurs in India indicated that 58% had lived outside India as non-resident Indians (NRIs) and 88% had used the Diaspora network to obtain contacts in the United States to help them secure contracts for their start-up firms (Khanna 2007).

**4.4 There are still many substantial challenges ahead for both China and India in their efforts to engage with their Diasporas** – For example, there are strong infrastructure and regulatory challenges, such as a bureaucratic, risk adverse and unregulated environment in both countries, and an effective lack of integration between R&D and commercialisation. As migration becomes more multidimensional, both countries may find it harder to retain talent within their borders.<sup>6</sup>

**4.5 Looking forward, the focus of China's and India's Diaspora engagement strategies are likely to shift and mirror those of more developed countries** – It is possible that both countries will, for example, and as described by Ho and Boyle regarding the Diaspora strategies of more economically advanced countries, "prioritise and focus on the role of diaspora knowledge networks (DKN) as a source of global competitive advantage and a mechanism for brokering integration into the global economy" (Ho & Boyle 2015). FDI is also becoming increasingly unimportant for Beijing, given China's impressive domestic growth and China's emergence as a source of FDI in its own right (the same can be said for India, but to a lesser extent). As both China and India 'catch up' to the developed countries, they may have less 'need' of their Diasporas. It's unclear what these developments would entail for the currently relatively privileged members of both Diasporas.

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<sup>4</sup> India is the top remittance receiving state in the world – some states, such as Kerala, have a very high remittance-to-GDP ratio. See K Lum, 2012, *India's Engagement with the Diaspora in Comparative Perspective with China*.

<sup>5</sup> Please note the caveat that much of this FDI may have been inflated due to 'round tripping' of funds through Hong Kong, Macau and Taiwan.

<sup>6</sup> For example, there is a growing focus on *haigui* (seagulls) in China. *Haigui* spend part of the year in China but part of the year elsewhere. *Haigui* may also leave China in future years, following a stint in China. See C Wang, S Wong & W Sun, 2006, *Haigui: A New Area in China's Policy toward the Chinese Diaspora?* *Journal of Chinese Overseas*, 2(2), pp. 294–309.

## 5 Key countries' inbound Diaspora engagement strategies

**5.1 Few, if any, countries seem to have specific strategies or policies for engaging with their inbound or 'resident' Diasporas** - From a policy perspective, 'Diasporas' are seen to be an outward phenomenon. 'Resident' Diasporas are more commonly considered as 'minorities'. Policies that are created to engage with these 'minorities' tend to focus on the political and cultural (eg multiculturalism vs assimilation).

**5.2 Where Governments do engage with 'resident' Diasporas, it is usually in the framework of 'Migration and Development' (MAD) which focuses on Diasporas from developing countries** - MAD initiatives tend to be developed and pushed by multilateral international development institutions and major donor countries, which view "transnational migrants as actual and potential agents of economic and social development in their home countries and communities" (Hickey et al. 2015). Some countries, in particular Germany and Canada, have implemented some innovative strategies within the MAD framework. The MAD framework allows Governments to justify funding 'inbound' Diaspora focused programs as the latter are often managed by the Governments' development agencies and form part of the 'foreign aid' and 'international development' package - In Germany, the vast bulk of these programs are managed by the *Deutsche Gesellschaft für Internationale Zusammenarbeit* (GIZ - The Germany Agency for Development), and in Canada, by the Canadian International Development Agency (CIDA) until its merger with the Canadian Department of Foreign Affairs. There is often a large MAD focus on remittances, as they are often the most tangible link between migration and development and with relation to Diasporas.

**5.3 There is unclear Departmental responsibility for the management of 'resident' Diasporas** - While development agencies are emerging as the key governments actors tasked with engaging Diasporas from developing countries under the MAD framework, many development experts are used to focusing abroad rather than at 'home', which many see as the mandate of other government actors. There are no government Departments focused on managing other resident 'Diasporas' (such as those from developed or semi-developed countries), except for where and when issues align with immigration matters.

**5.4 Few countries therefore effectively engage with their 'resident' Indian and Chinese Diasporas** - Indian and Chinese Diasporas in many developed countries form an 'upper echelon'. As per points 2.4 and 2.5 above, from a socio-economic angle they tend to be better educated; earn more, and work in more value-adding and higher skilled industries. Neither India nor China are remittance dependent (although India receives large remittances) and their Diasporas in Canada, Singapore, Germany and the United States are not remittance driven Diasporas. China and India are no longer aid-recipient countries, and as a result, most Governments would not be able to politically justify prioritising opportunities and concessions toward these two 'resident' Diasporas to the exclusion of other 'minorities'. As Newland and Plaza argue, "policies that privilege the diaspora in isolation from larger national purposes are likely to generate resentment from the non-diaspora citizenry" (Newland & Plaza 2013).

## 6 Skilled migrants and targeting talent

**6.1 Diaspora-receiving developed countries have developed an array of skilled migration pathways in order to attract skilled migrants and 'talent' from around the world**, with the Canadian and Australian immigration models being the most innovative and comparable of the countries researched for this Report.

**6.2 Overall, there has been general movement toward points-based systems and away from only accepting migrants working in particular sectors or who are sponsored by employers** - In Canada, for example, the introduction of IRPA in 2002 arguably improved the quality of immigrants that arrived in Canada. New immigrant arrivals from 2002-2006 were found to earn between 21% and 46% more than their counterparts who entered under the pre-IRPA selection system (but who nonetheless came in the same calendar year).

**6.3 The adoption of territory/state sponsored visas in Australia and Canada have proved useful in dispersing migrants across needed regions and to needed sectors.** The points-based system, such as Australia's Numerical Multifactor Assessment System (NUMAS), can also be effective in ascertaining where migrants would best offer value to the country. This said, certain case studies (such as of the Northern Territories) suggest that there is still an ongoing challenge to recruit highly-skilled individuals to underdeveloped rural and regional areas (Taylor et al. 2014).

**6.4 Improving transition pathways for students to work in their country of study has proved beneficial for countries** – Students are more likely to study in a host country with the understanding that there is a prospect of staying on beyond their study to find work, and studies show that students who have become acculturated to a host country's work culture and way of life seem to do better (at least in the short-term) than new worker arrivals. According to the National Science Foundation's Survey of Earned Doctorates, 84% of Indians who earned their doctorates in the United States elected to stay in the country rather than return to India (Zong & Batalova 2015).

**6.5 However, too many 'temporary workers' or new immigrants can create difficult policy decisions and dilemmas for countries seeking skilled workers.** In Singapore, there has been a backlash against both skilled and un-skilled migrants. In both Australia and Canada, there are continued concerns that overseas skilled migrants are 'taking the jobs of locals', and that there should be a (re) focus on training the current workforce rather than importing a foreign workforce.

**6.6 Policy has fallen behind the literature** - While the academic literature has shifted from focusing on 'brain drain' to 'brain circulation', policy has not. 'Brain circulation' entails "migration of the highly skilled not from periphery to core and vice versa, but is perceived as decentralised collaborative flows of dexterity, funds and know-how between economies with dissimilar areas of expertise" (Chaudhuri 2011; Saxenian 2007). However, policies enacted by migrant-receiving countries are still very much focused on 'attracting talent' rather than ensuring sufficient 'circulation of talent' between countries.

## 7 Other key pertinent findings on Diasporas

**7.1 There may be a divergence between the goals of assimilating and integrating new diasporas into a destination country and leveraging these diasporas for business and connections** – The broad policies toward immigrants may have a large effect on how they engage with their COOs and CORs. In Chand's 2014 study on the role of diaspora identity, acculturation policy, and FDI for the Indian Diaspora in Canada and the United States, he found (noting caveats) that (Chand 2014):

- the Indian diaspora in Canada was more likely to see Canada as 'home', compared with the Indian diaspora in the United States;
- that this was possibly linked to Canada's official policy of multiculturalism; but
- which meant that Indian-Americans were more likely to invest in India, as compared to Indo-Canadians

This relates back to Point 1.4 which suggests that 'cultural boundary spanners' are the most likely 'biculturals' to engage in cross-cultural economic engagement behaviour. Further research needs to be undertaken in this area.

**7.2 'Resident' Diaspora communities comprise many subgroups** – Different mechanisms and tactics will be required to engage with the different subgroups within a Diaspora, with particular caution required where these subgroups may have competing preferences. With reference to the Chinese Diaspora in particular, the various waves of emigration from China created different Diaspora subgroups abroad. In Canada, for example, there is a marked differentiation between the more established Cantonese-speaking Diaspora originating mostly from Hong Kong and Southeast Asia, and the newer Mandarin-speaking migrants immigrating from mainland China.

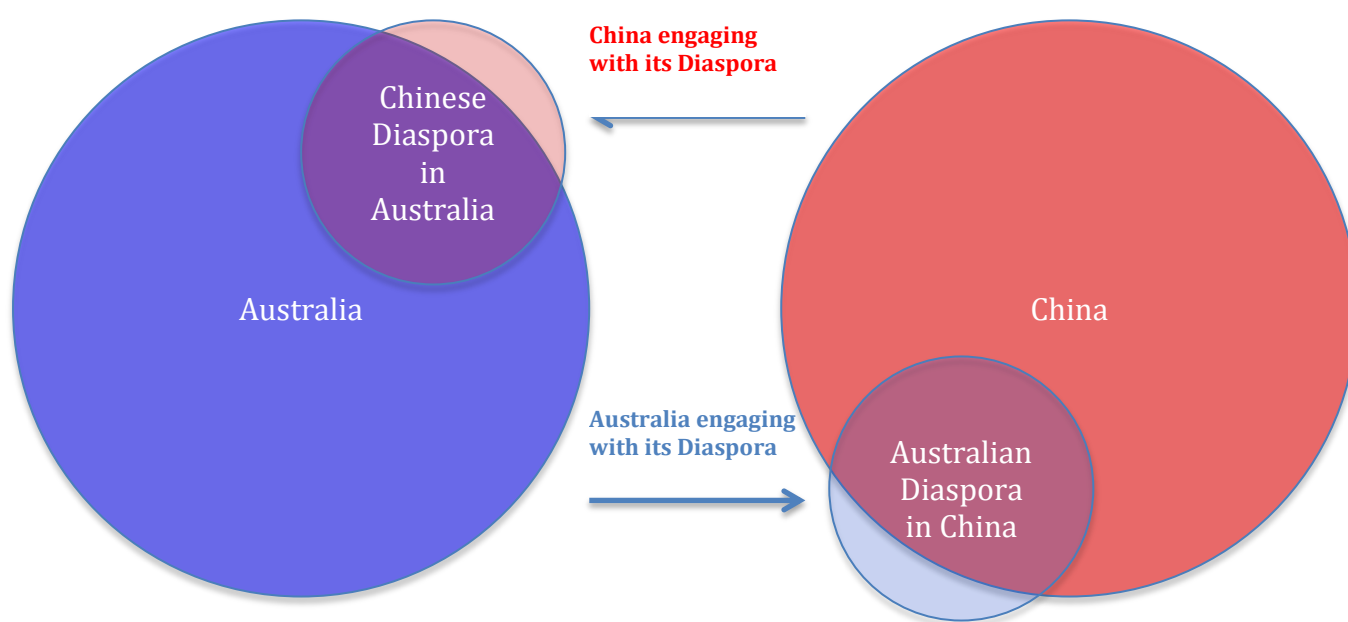
**7.3 There are lessons to be learnt from comparative examples, but skilled migrants and biculturals consider more than government policy when considering moving to a new COR – Australia should leverage its other geographic and lifestyle advantages.** For example, in a 2007 survey of recent migrants, around 33% said it was primarily Australia's better climate or lifestyle that led them to migrate to Australia.

## 8 Moving towards a new paradigm

Overall, the author would argue that the current focus on outbound Diasporas and inbound Diasporas is not very useful for the purpose of developing business diaspora linkages, given our increasingly connected and globalised world. In addition, given the growing mobility of skilled migrants, the continuous 'fight for talent' between developed countries (and emerging countries such as China) does not necessarily address the long-term skill shortages that many countries face.

Currently, countries focus (where they can) on their outbound Diasporas and ignore (to a large extent) the 'resident' Diasporas within their borders. Developed countries like Australia also engage with their outbound Diasporas. Australia, for example, has a non-profit global network of over 20,000 Australians called 'Advance'. The network recently hosted an Emerging Leaders Summit in Delhi that brought together network members and emerging leaders to strengthen relationships between Australia and India. See Image 1 for an example, showcasing Australia engaging with its Diaspora in China and China engaging with its Diaspora in Australia.

**Image 1: The current Diaspora engagement paradigm**



If we stick to the definition that Diaspora 'refers to a population scattered abroad but which claims affinity with a purported national homeland and community because of a common sense of ancestry, ethnicity or identification', then this engagement strategy is missing a number of key stakeholders. For Australia for example, this engagement paradigm does not cover:

- Australians who have affinity to China (worked/studied/travelled in China) but who have returned to Australia
- Chinese students who studied in Australia and returned to China (alumni)
- Chinese citizens who have affinity to Australia (worked/studied/travelled in Australia) but who have returned to China
- Other foreign nationals who have affinity to both Australia and China but are citizens of neither countries

However, this engagement paradigm does cover some stakeholders who have no interest in being involved in the Australia-China relationship, or which cannot be appropriately leveraged, such as Diaspora members which have been thoroughly integrated/assimilated into their COR and who cannot effectively act as ‘culture boundary spanners’.

**Image 2: Proposed ‘bicultural’ engagement paradigm**

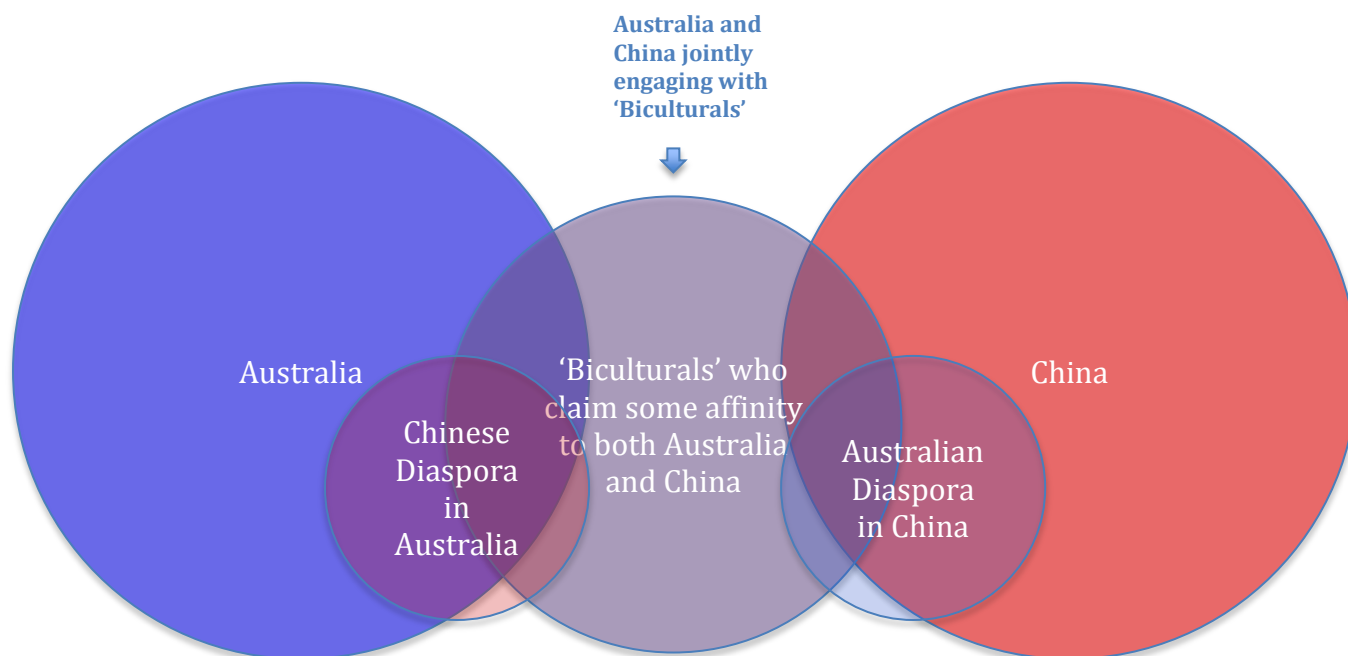


Image 2 illustrates a proposed ‘bicultural’ engagement paradigm. This paradigm focuses on leveraging ‘biculturals’, where we include all of those stakeholders missing in Image 1. The process of self-identifying as a ‘bicultural’ ensures that the individuals with the most to offer in terms of maximising people-to-people links and building effective business, trade and science relationships will be the ones taking advantage of any incentives offered by the Australian and Chinese governments. It also assumes that many long-term diaspora members may no longer feel connection to a COO, hence the rationale for part of both Diasporas being left out of the ‘Bicultural’ circle.

While not overtly stating so, it is clear that Governments already understand the importance of focusing on ‘biculturals’ rather than ‘Diasporas’. For example, Australia’s 2014-16 Public Diplomacy Strategy references both ‘diaspora communities in Australia’ and ‘Australian-diaspora networks’, as well as ‘alumni networks’ and ‘expatriate networks’.

This ‘bicultural’ engagement paradigm is also clearly aligned with expert recommendations on how governments can help achieve effective Diaspora engagement. For example, Newland & Plaza suggest (Newland & Plaza 2013):

1. Mapping diasporas and preparing “diaspora profiles”
2. Policies to facilitate diaspora involvement, such as: easier access to legal status in host countries; lower visa costs for family members; improved consular support and capability; reduced procedures and hurdles for cross-border transactions
3. Engaging with key stakeholders such as chambers of commerce, investment promotion agencies, trade associations, business councils, universities and private sector institutes and banks.

The ‘bicultural’ engagement paradigm merely takes these recommendations a step further by suggesting that key stakeholders mentioned in Point 3 should be empowered and supported to talk to their counterparts in the respective countries, and not just to the COO Government. In addition, this paradigm suggests an element of cost-sharing between Governments may be useful

in progressing some of these Diaspora engagement activities, such as the mapping of Diasporas. In Australia, the Australia-China Science and Research Fund (ACSRF) and Australia-India Strategic Research Fund are key examples of the potential of such collaborative programs. Other countries have also promoted similar programs. The Canadian Government, for example, has funded two programs designed in a similar fashion (Chanoine et al. 2013):

- Global Commerce Support Program, which has three different programs aiming to increase Canada's ability to compete in the global economy. The Going Global Innovation Program in particular assists and supports Canadian researchers to develop partnerships with key players in other nations to foster R&D collaboration
- International Science and Technology Partnerships Program supports bilateral projects with countries such as India, China and Brazil which "have the potential for commercialisation of research and development"

**Furthermore, this paradigm promotes the possibility of 'brain circulation' and 'circular migration' between the two countries of the most highly skilled biculturals, rather than the current paradigm of competing for talent.** On balance, existing research suggests that the effect of immigration on GDP per capita, wages of domestic workers, and a country's fiscal balance is small; either barely positive or negative, or zero. It may be that immigrants contribute significant to economic growth, but current research suggest that economic growth should not be a major consideration for immigration policy (Ferrer et al. 2014). Instead of promoting skilled migration as a good in itself, governments should look to leverage existing 'biculturals' for the purpose of developing 'win-win' scenarios for both COOs and CORs. Skilled migration tends to solely benefit the COR.

By avoiding a specific focus on 'Diasporas', governments will also avoid the problem raised in Point 5.4 where "policies that privilege the diaspora in isolation from larger national purposes are likely to generate resentment from the non-diaspora citizenry" (Newland & Plaza 2013).

Down the track, one might even suggest a focus on 'multiculturals' or those individuals who have affinity to multiple countries and who travel or do business frequently in many countries and regions. Substantially more research needs to be undertaken in this space, to facilitate a greater understanding of the potential benefits of such engagement.



## Appendix A: Background on Diasporas

Diasporas are composed of individuals with different sets of identities and perceptions, toward country of origins [COOs] and country of residences [CORs]. These individuals, sometimes referred to as ‘biculturals’ across the literature, often have to deal with multiple racial and ethnic stereotypes and pressures from different communities for loyalties and behaviours (LaFromboise 1993). At the same time, because they have multiple internalised cultures, they may also have greater influence and acceptance across multiple ethnic and national groups, allowing them to navigate more effectively across different cultural frameworks (Chand & Tung 2014).

Diaspora engagement strategies have aimed to leverage off the unique strengths and capabilities of these ‘biculturals’ and their seemingly adept ability to navigate between different cultural frameworks. Overall, countries have utilised two key diaspora strategies that increasingly overlap. The first strategy is ‘development for poverty reduction’, which aims to tap the financial resources of the diaspora to assist with develop needs in a country of origin (COO). Diasporas are a source of significant remittances - In 2010, diasporas sent more than US\$400 billion back to COOs, more than double the total official overseas development assistance provided by donor countries (World Bank 2011). The second is ‘advancing development in the knowledge-based economy’, which aims to capitalise on the knowledge and expertise of the diaspora (Ho et al. 2015). As a result, Newman and Plaza can accurately posit that diaspora engagement has been felt most strongly in the three following areas (Newland & Plaza 2013):

- 1) **Trade** – There are demonstrable links between presence of a diaspora and increased trade, as cross-border ethnic networks are often conduits of trade and investment between a COO and a COR. Diaspora members create connections between producers and consumers in countries of origin and destination, as well as buy products from the country of origin and introduce these products to new markets.<sup>7</sup>Evidence is particularly strong for the Chinese diaspora.
- 2) **Investment** – Diasporas invest directly in their countries of origin and persuade non-diaspora investors to do the same. Diaspora foreign direct investment (FDI) can improve perception of investment climate in a COR. Vice versa, diaspora members can also share valuable market information about their COR with entrepreneurs and firms in their COO.<sup>8</sup> There is also the concept of an ‘immigrant effect’, which can help explain how firms that were founded by immigrants or which have hired immigrants in key decision-making processes are more likely to enter foreign markets using FDI (Gillespie et al. 1999; Chand & Tung 2014; Chand 2015). Aside from FDI, diaspora members may also invest in shares, bonds or a deposit account in a COO. As David Leblang argues: “even after controlling for a multitude of factors, diaspora networks have both a substantively significant effect and a statistically significant effect on cross-border investment” (Leblang 2010).
- 3) **Skills and knowledge transfer** – Diasporas often gain valuable skills, experiences and contacts abroad that they can transfer back to their country of origin by seeding business and entrepreneurship, training and mentoring native workers, and boosting emerging industries. It is often argued that diaspora networks are particularly important

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<sup>7</sup> It is argued and shown that biculturals as consumers positively affect products from their COO through regular interactions with the COR community, and also increase demand for specific differentiated and unique products, showcasing their strength in connecting buyers in the COR and sellers in the COO. See M. Chand, 2015, *Diasporas as drivers of national competitiveness*, Elsevier; P.W.J Verlegh, 2007, Home Country Bias in Product Evaluation: The Complementary Roles of Economic and Socio-Psychological Motives, *Journal of International Business Studies*, 38(3), pp.361–373; and J.E. Rauch & V. Trindade, 2002, Ethnic Chinese Networks in International Trade, *Review of Economics and Statistics*, 84(1), pp. 116–130.

<sup>8</sup> Bicultural Diaspora may be more trusted when encouraging people from their COR to invest in the COO.



as intermediaries for entrepreneurs in weaker institutional environments, where expertise is lacking. In the case of India, Nanda and Khanna found that entrepreneurs in smaller rural cities were more prone to reach out to diaspora networks (such as the Indian diaspora in the United States) for help and assistance (Nanda & Khanna 2010).

Overall, it seems that biculturals are better placed to use their knowledge and networks to facilitate FDI, portfolio investment and trade, as they can tap into transnational networks to identify business leads, opportunities and financing in markets abroad (Leblang 2010; Nanda & Khanna 2010; Verlegh 2007). Evidence is particularly strong in the case of the Chinese diaspora, given that a number of studies have found that overseas Chinese co-ethnic networks can facilitate trade (Anderson & Wincoop 2004; Rauch & Trindade 2002; Rauch & E 2001); and foreign direct investment (Gao 2003; Tong 2005). While Rauch & Trindade argue that Chinese co-ethnicity can lower trade costs by overcoming information barriers and ensuring contract enforceability, other studies also point out that Chinese business networks often build on informal personal relations based on regional connections and kinship (Jomo & Folk 2003). An empirical examination of how the Chinese diaspora affected economic growth in their CORs over the period 1970-2010 found that the diaspora of overseas Chinese “exerted a statistically and economically significant effect on host countries’ long-run economic growth” through increasing trade openness (31%), enhancing investment (18%), and increasing total factor productivity (TFP) (51%) (Priebe & Rudolf 2015).

Bicultural managers are supposedly fluent in host and home country norms, and hence require less cross-cultural training and are expected to be more sensitive to cultural cues (Mok et al. 2010; Briley et al. 2005; Ross et al. 2002; Trafimow et al. 1997). The importance of this cultural competence can be clearly illustrated in the case of both China and India, where business managers may utilise more interpersonal strategies as compared to managers from Anglo-Saxon or Western countries. In China, *guanxi* can be regarded as a form of relationship exchange which reflects a system of reciprocity, trust and interdependencies that creates value through the effective use of social capital (Boisot & Child 1996). In India, *janpehchan*, which means ‘who you know’, is critical for initiating and maintain business relationships with interaction at a certain similar social status (Zhu et al. 2006).

Some further empirical studies on the mindset and outlook of ‘biculturals’ have identified particular traits that could lend to particular success in engaging in, and promoting, economic behaviour between COOs and CORs. Chand and Tung’s study of Indo-Canadians and Indo-Americans finds that ‘Cultural Boundary Spanners’ - those with high cultural difference (CD) and low cultural conflict (CC) - were most likely to engage in, and promote, economic engagement behaviour and to assist with facilitating trade and FDI between COOs and CORs (Chand & Tung 2014). In this case, CC refers to “the experience of feeling torn between two cultural orientations” while CD refers to the “perception of having non-overlapping, compartmentalised cultural identities” (Haritatos & Benet-Martínez 2002).<sup>9</sup> Those with low CD and low CC – ‘Cultural chameleons’ – tend to be very assimilated in their CORs and therefore do not facilitate well (Chand & Tung 2014). This raises some interesting considerations for diaspora strategies and appropriate targeting of groups, which is discussed in the Conclusion.

With regard to skills and knowledge transfer, and in the context of the global ‘fight’ for talent and skills, academic analysis and policy discussion has become more nuanced as attention shifts from brain drain and brain gain as a zero-sum game to possibilities offered by brain return and brain circulation (Lee 2010). In this discussion, the well-educated and highly skilled biculturals have been highly sought after, both by COOs and CORs.

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<sup>9</sup> If individuals had high Cultural Distance (CD), they were more likely to have non-overlapping social networks. Cultural Boundary Spanners (high CD and low CC) understand cultural differences and the need to approach COO and COR groups differently, but could also easily reconcile any cultural conflict in day-to-day life and work.

## Appendix B: China's and India's policies toward their Diasporas

### China

#### *The Chinese Diaspora*

The Chinese diaspora is spread widely across the globe, with significant concentrations in Southeast Asia as well as across many developed countries in the West. Starting in the 1950s, many ethnic Chinese started to migrate from Greater China and Southeast Asia, even if not from Communist China, toward North America, Europe, Latin America and Oceania in search of better economic opportunities (Ding 2015). From the 1970s and 1980s, there was a resumption of orderly emigration from China as well as a new flow of students and visiting scholars to other countries. China's massive economic growth in the 1990s and 2000s then changed and proliferated the nature of Chinese migration – As a result, Chinese migration has become highly diverse. Pieke and Speelman cover four main changes (Pieke & Speelman 2013):

- 1) **Commercialisation of emigration**, including support for illegal emigration but also commercial agencies connected to state-owned enterprises facilitating travel and emigration. Individuals often got involved in the illegal emigration business (from 1980s)<sup>10</sup> (Pieke & Speelman 2013; Pieke & Biao 2009)
- 2) **Active involvement of provincial and local Chinese Government**, often not condoned by policy or the central government.
- 3) **Globalisation of Chinese migration**, where individual Chinese migratory flows now cross into territories of other entrenched diaspora Chinese communities, often creating hostility and conflict
- 4) **Rise of educational and professional migration**, where professional migration is to a large extent a by-product of educational migration – graduates often seek employment in their country of study.<sup>11</sup>

While the numbers vary widely (and also depending on how one defines diaspora and 'overseas Chinese'), it is clear that there is a very large and active Chinese diaspora even if it is relatively small as compared to the population of the COO. According to the Global Commission on International Migration in 2005, the worldwide Chinese diaspora was estimated at between 30-40 million people (Lum 2012). According to the Overseas Community Affairs Council (OCAC) in 2013, about 65 million Chinese currently live outside the PRC. Another estimate suggests that there are more than 40 million overseas Chinese residing outside of the PRC and Taiwan in 2010, with 29.5 million in Asian countries, 7.5 million in the Americas, 2 million in Europe, 1 million in Oceania, and 0.25 million in Africa (Priebe & Rudolf 2015). Looking specifically at Chinese citizens abroad (rather than the entire diaspora), the World Bank estimated in 2010 that China had around 8.4 million emigrants abroad, which was around .60% of China's population (World Bank 2011).

#### *China's Diaspora Strategy - Decentralised Governance*

For various reasons, including the desire to reduce Communist China's tensions with several Southeast Asian countries with large minority Chinese populations as well as the denigration of

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<sup>10</sup> See also F Pieke & X Biao, 2009, Legality and Labour: Chinese Migration, Neoliberalism and the State in the UK and China, *Geopolitics, History, and International Relations*, 1(1), pp.11–45.

<sup>11</sup> Studying abroad is no longer the privilege of only China's most talented youth. By 2010, 93% of Chinese students studying abroad were self-financed. According to China's Ministry of Education, by the end of 2011 2,244,100 of Chinese had studied abroad. See H. Wang, 2012, *China's Competition for Global Talents: Strategy, Policy and Recommendation*.

overseas Chinese as ‘class enemies’<sup>12</sup> during the Great Leap Forward (1958-61) and Cultural Revolution (1966-76), Beijing did not engage much with the Chinese diaspora from the mid 1950s until the 1980s (Lum 2015; Wang et al. 2006). During the Cold War, there was a very restricted notion of ‘Chinese’ that only included those living in China and with citizenship. Overseas Chinese affairs (*qiaowu*) was limited to Chinese abroad who retained Chinese citizenship (termed overseas Chinese – *huaqiao*), dependents left in China (*qiaojuan*) and overseas Chinese who returned to China (*guiqiao*). All other ethnic Chinese (*huaren*) considered foreign nationals beyond China’s control (Pieke & Speelman 2013).

Following the Cultural Revolution and during the early 1980s, the privileges and profiles of *huaqiao* and *guiqiao* were expanded in an effort to leverage their capital and know-how. The Government began to engage with the *huaren*, while staying conscious of political concerns and considerations in Southeast Asia countries with extensive Chinese Diasporas. Beijing lifted the notional ban on emigration, which led to a new flow of emigrants as mentioned earlier by Pieke and Speelman.

Beijing actively facilitated this new flow of emigrants through a ‘going out’ (*Zou chuqu*) migration policy in the 1990s to strengthen China’s economic presence abroad. This policy focused on supporting the migration of students, skilled professionals, businesspeople and organised contract workers (Pieke & Speelman 2013). Many local and provincial governments also took the lead in promoting *Zou chuqu*. In Central Fujian province, for example, the government established a migration guarantee fund which gave loans to potential migrants to help pay for their migration overseas – funded by the province’s International Economic and Trade Office, Agricultural Bank, and Department of Finance. (Pieke & Speelman 2013). Politico-economic development and these relaxed immigration policies resulted in a newer breed of more educated and wealthier expatriates (Barkan, 1999). *Zou chuqu* policy ignored unskilled emigration, which was often seen as a headache due to its links with illegality, asylum seeking and human trafficking.

*Zou chuqu* policy increased numbers of a new group, the *haigui*, which challenged Beijing’s existing *qiaowu* policy (measures and strategies to deal with the Chinese diaspora). The *haigui* were Chinese students or professionals who studied or worked abroad and came back immediately or gained resident overseas, and Chinese scholars returning to China after time abroad. This was a new group that Beijing saw as critical for enhancing knowledge and skills transfer from developed countries.

#### Box 1: Key Terms describing the Chinese Diaspora

- *Huaqiao* – referring to Chinese nationals residing outside mainland China (and Hong Kong, Macau and Taiwan)
- *Huaren* – foreign nationals of Chinese ethnicity
- *Guiqiao* – overseas Chinese who have returned to China for permanent settlement
- *Qiaojuan* – relatives of *huaqiao* and *guiqiao*
- *Haigui* – Chinese students or professionals who studied or worked abroad and came back immediately or who gained residence abroad, and Chinese scholars returning to China after time abroad.

Note that these terms are not necessarily exclusive. For example, *huaqiao* could become *haigui* on return to China.

Sources: (Wang et al. 2006; Pieke & Speelman 2013)

<sup>12</sup> The Chinese Government was eager to support the continuation of remittance flows into China from the Chinese diaspora. At the same time, the Government was keen to insulate China from what it saw as ‘bourgeois influence’. See F N Pieke, 1987, *Four Models of China’s Overseas Chinese Policies*; and G Wang, 1993, Greater China and the Chinese Overseas, *The China Quarterly*, 136, pp. 926–48.

While seeing the *huaren* as historic migrants which could be very beneficial for China's success, Beijing has nonetheless focused on the *huaqiao* given that the government sees them as being more capable of raising China's profile abroad and promoting foreign investment in China, and as more likely to return to China as *haigui* who can directly contribute to prosperity and success (Lum 2015).

Overall, Beijing has opted for a relatively decentralised approach toward managing, and engaging with, migration and the Chinese diaspora. It understood that Chinese migration was simply too diverse and too subject to individual, local or sectorial agencies to be subordinated to Beijing's agenda. At the same time, China's different policy priorities made it difficult to create a sustained and coordinated approach to migration. One could claim that "there does not seem to be a coherent and joined-up strategy on the part of the Chinese government to maximise the utility of Chinese emigration to China's long-term goals of continued modernization and a more prominent place in the world" (Pieke & Speelman 2013).

The decentralised approach has meant that various ministries and departments at the central level, as well as different layers of government, often pursue their own agenda (Pieke & Speelman 2013). It has facilitated the creation of one of the most expansive networks of local diaspora offices and organisations across local and provincial governments across China, as well as private sector actors and associations, for diaspora engagement, creative interstitial spaces for competition, collaboration, and other creative initiatives. (Meyer 2011; Agunias & Newland 2012). The Office of Overseas Chinese Affairs of the State Council (*Qiaoban*) is replicated in 30 provinces as well as in some cities (eg Shanghai) and townships. They function with relative independence in their activities, such as through sending diaspora-seeking delegations abroad, and therefore can arguably be flexible enough to adapt to local needs and undertake innovative methods of engagement (Agunias & Newland 2012). To coordinate (in as much as it can) implementation of national diaspora policies, Beijing annually convenes a symbolic meeting of local diaspora offices. Box 2 provides an overview of Chinese government institutions relevant to the Chinese diaspora.

## Box 2: China's 'governance' of the Chinese Diaspora

Diaspora strategy efforts are led by the Office of the Overseas Chinese Affairs of the State Council (*Qiaoban*), which is a relatively unique institution given that it falls under the State Council, one of China's highest executive bodies. The *Qiaoban* has a staff of 120 which assists in a wide range of activities such as establishing databases of information and operating two universities catering mainly to the Chinese diaspora. It is also an organ that is effectively replicated in every province and municipality. Other leading actors, which are also replicated in a similar fashion at all levels of government, include:

- All-China Federation of Returned Overseas Chinese (*Qiaolian*)
- People's Congress Overseas Chinese Commission (*HuaqiaoWeiyuanhui*)
- People's Political Consultative Conference's Taiwan, Hong Kong, Macao and Overseas Chinese Affairs Commission (*Zhengxie Tai-Ao-Gang Quaowei*)
- *Zhigongdang* 'political party' often represents returned overseas Chinese and relatives of overseas Chinese.
- CCP's United Front Department (*Tongzhanbu*), overall responsibility for guidance, supervision and coordination of overseas Chinese affairs work

Many of these institutions and actors have overlapping functions. For example, both the *Qiaolian* and the *Zhengxie Tai-Ao-Gang Quaowei* have mandates to conduct research and provide policy recommendations to the Government concerning the overseas Chinese population.

At the central level, particular Government Ministries have responsibilities that naturally touch on and affect diaspora matters. Of these, the Ministry of Commerce is the most critical as it deals with foreign economic cooperation and is at the centre of labour export policy. Since 2009, it has also become responsible for managing Chinese citizens working abroad. The Ministry of Education takes the lead regarding foreign study. On issue of return migration of the highly educated, various Ministries in addition to Commerce and Education are involved including: Ministry of Human Resources and Social Security; Ministry of Science and Technology; and Ministry of Public Security. This means that cross-ministry negotiations are required for new policies regarding organised labour export and immigration, which not surprisingly can lead to long delays in implementing new policies.

Sources: (Agunias & Newland 2012; Lum 2012; Pieke & Speelman 2013; Barabantseva 2005)

## Toward Yin Jinlai (inviting in)

The *Zou chuqu* policy created a new group of educated and highly skilled individuals. However, Beijing became increasingly concerned of the consequent 'brain drain' – many of those who went abroad to study did not return to China. From 1985 to 2004, over 815,000 Chinese had gone abroad to study, with around 198,000 (25%) returning to China (Wang et al. 2006). From the late 1990s to 2000s, Beijing began to stress an 'inviting in' (*Yin jinlai*) policy alongside that of *Zou chuqu*.

For outbound students, *Yin jinlai* policy stipulated 'support study overseas, promote return home, maintain freedom of movement' (*zhichiliuxue, gulihuiguo, laiquziyou*) (Barabantseva 2005). From 1987 onwards, publically funded students studying abroad were already legally required to return to China. In 1996, the government created the China Scholarship Council (CSC) to manage the flow of students going overseas (Pieke & Speelman 2013).

The *Yin jinlai* policy went above and beyond enticing the *haigui* to return – it saw the educated Chinese diaspora as a huge talent pool to draw from to avoid the 'middle-income trap' and to assist with transition to technology-intensive economic growth (Pieke & Speelman 2013). The policy aimed to attract and keep highly educated workers, entrepreneurs and 'talents' (*rencai*) (Simon & Cong 2009).

Our discussion now turns to the various programs and initiatives pushed by the Chinese government under and aligned with the *Yin jinlai* policy, which is very much aimed at the Chinese diaspora. While Beijing has not attempted to centralise *qiaowu* policy, it has provided significant funding toward key programs which has driven diaspora engagement:

1. **Economic incentives for the *haigui* to return**– In 1989, Beijing set up a service centre for returnees, which provided allocations for housing, duty-free purchases of computers and automobiles, and offers of return airfare for self-finance students. Since 1992, the Ministry of Human Resources has established job centres and preferential hiring and housing policies for returnees, even those who do not occupy senior level positions abroad (Lum 2015).
2. **Establishment of science parks, special development zones (SEZs) and high tech complexes** to attract *huaqiao*, *huaren* and *haigui* to invest and work in China - These include, for example, Beijing Zhongguancun Technology Park and Guangzhou Entrepreneurial Park for Overseas Chinese Scholars. By 2005, this included a total of 24 national-level entrepreneurial parks set up in major Chinese cities, as well as another 86 provincial-level entrepreneurial parks. These parks accommodated over 6,000 enterprises, many funded and operated by *haigui* (Wang et al. 2006).
3. **Direct recruitment of leading *huaren* and *huaqiao* scientists** and entrepreneurs based abroad through the high profile 1000 Talents Program as well as other programs such as the Ministry of Education supported Parental Love (*Chunhui*) Program and Cheung Kong Scholars Program.<sup>13</sup> See Box 3 for details and a discussion of the 1000 Talents Program.
4. **Recruitment quotas** established requiring institutions and local authorities to hire *huaqiao*, *huaren* and *haigui*.<sup>14</sup>
5. **Facilitating collaboration with the Chinese diaspora** – For example, the 111 Project allows for top *huaren* and *huaqiao* scholars to team up with domestic researchers working in one of the 126 innovation bases located throughout China. China allocated RMB1.8 million innovation base every year for 5 years, to help finance recruitment-related efforts (such as from the diaspora) (Agunias & Newland 2012)
6. **Promoting Chinese history, heritage and language** - Beijing promotes learning mandarin through subsidising lessons and providing teachers for the diaspora (Agunias & Newland 2012). Over 282 Confucius Institutes around the world focused on the study of Chinese cultural, history and language.
7. **Targeting the Diaspora youth** - Diaspora youth are also encouraged to visit China to learn about the Chinese language and culture and their heritage through ‘roots seeking’ visits (with all domestic expenses paid for by the Chinese Government (Lum 2012). During the 1990s alone, received almost 100,000 participants (Thunø 2001).
8. **Promoting ‘heritage tourism’ and ‘roots seeking’**, whereby diaspora members are invited to contribute to heritage projects back in China.<sup>15</sup>

<sup>13</sup> These programs targeted high-level *huaren* scholars and professionals in overseas Chinese communities and encouraged and supported them to work in mainland China on a short or long term basis. See C Wang, S Wong & W Sun, 2006, *Haigui: A New Area in China's Policy toward the Chinese Diaspora?* *Journal of Chinese Overseas*, 2(2), pp. 294–309.

<sup>14</sup> These quotas have created intense pressure to show results. See D Zweig & H Wang, 2013, Can China Bring Back the Best? The Communist Party Organizes China's Search for Talent, *The China Quarterly*, 215, pp. 590–615.

<sup>15</sup> Note that there has been substantial criticism of these efforts, as ‘heritage tourism’ was often seen purely as attempts to raise investment and support economic development rather than to support heritage conservation. See H L Chan & C Cheng, 2015, Building homeland heritage:

9. **Recruitment conventions aimed at *huaren*, *huaqiao* and *haigui***– Beijing, as well as local and provincial governments, have targeted overseas Chinese professionals as well as recent overseas graduates and scholars through these large conventions abroad, which often draw in a large range of industry partners and well as diaspora businesses.<sup>16</sup>
10. **Support for associations assisting returnees** - These include, for example, the Chamber of Commerce of the Western Returned Scholars Association (WRSA) established in 2002, the Chinese Merchants Association established under the China Association for the Returned Overseas Chinese (CAROC) in 2003, where CAROC was established by the central government in 1953, and the Association for Chinese Students Returning from Abroad in 2004 (by the Ministry of Education). Other associations are set up by the *haigui* themselves (Wang et al. 2006).

### Box 3: 1000 Talents Program

Launched in 2008 in collaboration with provincial governments who provide half of the salary, this program offered senior academic positions to Chinese scholars with PhD's earned abroad at salaries at up to 20 times what local scholars would earn, as well as a substantive relocation payment, generous research funding, a living allowance, social security benefits, and access to elite education for children. By 2012, 2,263 leading scientists and entrepreneurs had returned under this program. In 2011, it was estimated that around 70% of these individuals were ethnic Chinese foreign nationals (or *huaren*).

A second strand of the Thousand Talents Program aimed at innovators in specialist engineering and high technology sectors provided even higher remuneration (up to USD\$380,000 per year).

The non-tenured nature of the 1000 Talents appointments (initial 5 year appointments) also means that the returnees may go abroad again at some point, leading many to suggest that this program may be promoting 'brain circulation' rather than 'reverse brain drain'.

Sources: (Lum 2012; Litao & Jinjing 2009; Wang 2012)

Initially, the aggressive *Yin jinlai* strategy created a lot of bad blood between returnees and those who never left. However, distinction between both factions have blurred as travel and engagement opportunities have increased, and as the *haigui*, *huaren* and *huaqiao* are seen to bring financial resources and knowledge to the table (Agunias & Newland 2012). In 2009, Litao and Jinjing calculated that 77% of faculty at Chinese universities, 84% of the members of Chinese Academy of Sciences, and 75% of the members of the Chinese Academy of Engineering have overseas study and/or work experience (Litao & Jinjing 2009). It is clear that the *Yin jinlai* strategy has also worked to bring further numbers of *haigui* back to China – By the end of 2011, the Ministry of Education calculated that around 36% of students who had gone abroad had

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multiple homes among the Chinese diaspora and the politics on heritage management in China, *International Journal of Heritage Studies*, (October).

<sup>16</sup> The *Qiaoban* has been active in this space, such as in their support for the 'Convention of Overseas Chinese Entrepreneurs Returning or Coming to China to build Careers' and the 'Convention of Overseas Chinese Entrepreneurs for the Fostering of Cooperation and Exchange in High-tech industries. See C Wang, S Wong & W Sun, 2006, *Haigui: A New Area in China's Policy toward the Chinese Diaspora?* *Journal of Chinese Overseas*, 2(2), pp. 294–309. Some have begun to critique these conventions as part of a 'ritual economy'. See B Xiang, 2011, A Ritual Economy of "Talent": China and Overseas Chinese Professionals, *Journal of Ethnic and Migration Studies*, 37(5), pp. 821–838.

returned to China (Wang 2012). This is a marked increase compared to the 25% mentioned in Wang's 2006 study.<sup>17</sup>

While Beijing has focused substantially on its *Yin jinlai* strategy, it has remained relatively restrictive on nationality and citizenship issues and has not facilitated better administrative procedures to attract mobile members of the Chinese diaspora or to assist Chinese nationals deciding to apply for residence in a foreign country.

*Haigui* returnees have continuously complained of the lack of access to social welfare and medical insurance in China, difficulty in sending kids to school due to lack of household registration, and the extra time and money required to obtain entry permits to China. While Beijing created a 'Permanent Resident' (PR) status in August 2004, PR is difficult to obtain and Beijing does not seem to be interested in considering allowing dual citizenship in the near future (Wang et al. 2006).

Chinese citizens who exit for residence abroad lose household registration, and extensive range of rights such as settlement, housing, education and welfare. (Ho, Lynn-Ee 2011). In 2012, it seemed like Beijing was going to issue special identify documents to allow them to keep domestic rights and facilitate their return to China easily (Pieke & Speelman 2013), but as of 2015 this has not eventuated.

However, there has been some movement on visas. In its new immigration law and regulations, which became effective in July 2013, Beijing added new Q and R visas to improve exit and entry procedures for overseas Chinese (Ding 2015):

- Q-1 visa allows relatives of Chinese citizens and persons who have qualified for PR in China to enter and reside for 5 years
- Q-2 visa allows overseas Chinese to enter and stay for 180 days to visit relatives
- R visa to target foreign high level and much needed highly talented people who need to stay in China

Beijing has also formulated other preferential policies for overseas Chinese to work and live in China, such as through lowering the threshold for application for China's green card (Ding 2015)

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<sup>17</sup> See C Wang, S Wong & W Sun, 2006, *Haigui: A New Area in China's Policy toward the Chinese Diaspora?* *Journal of Chinese Overseas*, 2(2), pp. 294–309.



## India

### *The Indian Diaspora*

The Indian diaspora, while smaller than the Chinese Diaspora, is spread more widely across many regions across the world. Emigration of the Indian diaspora occurred in two distinct phases: First, overseas emigration in the 19<sup>th</sup> and early 20<sup>th</sup> century during the colonial period, which witnessed emigration of indentured and other labourers, trade and professionals and employees to the European colonies in Asia, Africa and Latin America; and second 20<sup>th</sup> century migration to the industrial development countries, mostly comprising professionals and highly skilled individuals (Gangopadhyay 2006).

In 2001, the High Level Committee on the Indian diaspora established that the Indian diaspora numbered at around 20 million people. The Ministry of Overseas Indian Affairs (MOIA) now estimates the diaspora to number over 25 million as of 2013 (Lum 2015). Specifically, estimates suggest concentrations of around 5.5 million Indians in the Gulf region, another 2.2 million in the US, 1.7 million in the UK and around 1 million in Canada (Chauhan & Mohan 2015). The Indian diaspora is spread more widely than the Chinese diaspora, with significant concentrations across the Gulf, UK, North America and other Western countries (Lum 2012).

Looking specifically at Indian citizens abroad (rather than the entire diaspora), the World Bank estimated in 2010 that India had around 11.3 million emigrants, which was around 0.9% of India's total population (World Bank 2011). Similar to China therefore, the relative numbers of the diaspora as compared to the COO's population is relatively small.

### *India's Diaspora Strategy - Centralised Governance*

Post 1947 independence, Delhi considered overseas Indians as an external entity outside the purview of Indian domestic and foreign policy formulations. India's foreign policy, focused on non-alignment and good relations with the rest of the world, foreclosed a specific policy toward the overseas Indian community (Gangopadhyay 2006). As Parekh argues, Jawaharlal Nehru and socialists saw overseas Indians as either poor and illiterate and a liability, or rich men who exploited the local population and thereby an embarrassment (Bhiku 1993). Until the 1970s, there was a department within MOEA responsible for overseas Indian affairs, but little is known about its activities – it has been suggested that the primary concern of this department was to convince highly skilled Indians to stay in India rather than migrate abroad.

This period of impassiveness continued until the late 1970s, after which there was slow but steady transformation. Delhi started to recognise the benefit of engaging with the second wave of emigrants, who were relatively successful and prosperous and who had moved to the West and the Gulf (Gangopadhyay 2006). Its engagement, however, tended to be limited to Non-Resident Indians (NRIs) – in other words Indian nationals who resided abroad. In 1977, Delhi declared that the Indian Council of Cultural Relations would become involved with the Indian diaspora. In 1987, an Indo-NRI Chamber of Commerce and Culture was established to promote overseas NRIs cases (Gangopadhyay 2006). Around this time, NRIs could purchase properties in specified areas within India, but lost many of other benefits of being an Indian national.

Following economic liberalisation in the early 1990s, Delhi took the novel step of conducting an overarching review of the Indian diaspora and government policies toward the diaspora. In early 2000s, Delhi tasked an independent High-Level Committee on the Indian Diaspora to analyse the situation and potential development role of the estimated 20 million NRIs and Persons of Indian Origin (PIOs). This resulted in a new direction in diaspora policy, including creation of a Ministry of Non-Resident Indians' Affairs in 2004, quickly renamed the Ministry of Overseas Indian Affairs (MOIA) later that year. It also produced the L M Singhvi Committee Report, a 600-page document including 22 country and regional profiles of the Indian diaspora (Agunias & Newland 2012; Lum 2012; Gangopadhyay 2006; Ministry of Overseas Indian Affairs 2015). One could argue that the change in MOIA's name reflected a genuine change in attitude at the top, and indicated Delhi's interest in engaging with the entire Indian diaspora, and not just NRIs.

The creation of MOIA signalled Delhi's attempt to centralise all diaspora affairs into one key agency. The Emigration Division of the Ministry of Labour and Employment was attached to MOIA, while the NRI Division of the Ministry of External Affairs became the Diaspora Division in MOIA. As MOIA itself claims,

India's engagement with its overseas community has been mainstreamed with the establishment of MOIA. Its mission is to establish a robust and vibrant institutional framework to facilitate and support mutually beneficial networks with and among Overseas Indians to maximise the development impact for India and enable overseas Indians to invest and benefit from the opportunities in India (Ministry of Overseas Indian Affairs 2015)

#### Box 4: Key Terms describing the Indian Diaspora

- *Non-Resident Indians (NRIs)* – Indian nationals who hold Indian passports but who reside abroad. These can include dual citizens
- *Persons of Indian Origin (PIOs)* – Referring to members of the wider Indian diaspora who are no longer Indian nationals

Compared to the terms used to discuss the Chinese diaspora, the terms describing members of the Indian diaspora are more simplistic and overarching. This is partially because Delhi has taken the lead in defining the Indian diaspora, and has created administrative and legal frameworks for NRIs and PIOs.

MOIA itself is a very small Ministry. A small team of 22 senior officers work as key policymakers (Ministry of Overseas Indian Affairs 2015). In 2009-2010, MOIA received around US\$17 million as its budget, calculated to be around 0.02 % of the whole Government budget. The Ministry of External Affairs, in contract, received around US\$125 million (Agunias & Newland 2012).<sup>18</sup> Therefore, while there has been a conscientious effort to centralise Diaspora governance, MOIA also has to work closely with State-level governments, academic institutions, and the private sector to anchor and drive diaspora initiatives. Similar to China therefore, certain local and state governments have taken concerted diaspora engagement – Gujarat and Kerala state are key examples (Agunias & Newland 2012).

### Policies and Programs

It is worth considering, in the first instance, certain programs and initiatives directly pushed by MOIA given its role as the nodal diaspora agency in Delhi.

1. **In 2007, creation of the Overseas Indian Facilitation Centre, a 'one-stop-shop' to facilitate diaspora investment into India** and to strengthen engagement with NRIs and PIOs. As a not-for-profit trust in partnership with the Confederation of Indian Industry, it has simplified bureaucratic and administrative requirements for diaspora investors. As of 2012, 12,541 individuals or businesses were registered on the site (Newland & Plaza 2013; Lum 2012; Ministry of Overseas Indian Affairs 2015).
2. **Creation of the India Development Foundation**, a not-for-profit trust aims at facilitating diaspora philanthropy and to facilitate diaspora philanthropic capital into India's development efforts.

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<sup>18</sup> Given the members of the Indian Diaspora are often considered to be 'better off' than the average Indian national, and that India is still a developing country facing many challenges, it is not altogether surprising that it's been difficult to secure more funding for the MOIA.

3. **Establishment of the India Centre for Migration (ICM), a research think-tank for the MOIA**, as well as promoting research on migration and diaspora issues through the signing of MOUs with other leading think-tanks and international organisations.
4. **Supporting Overseas Indian Centres** in Washington DC and Abu Dhabi.

Delhi has also taken significant efforts to leverage diaspora capital and know-how, with the support of MOIA but in coordination with other key Ministries. Some of these have proved to be very innovative programs:

1. **Issuing bonds targeted at the diaspora market** – Used as an emergency finance tool, India issued diaspora bonds in 1991, 1998 and 2000 to avoid balance-of-payment crises and to shore up international confidence in India's financial system. The first two bonds raised over US\$11 billion, which helped stave off an economic crises after India's first nuclear test and subsequent investor withdrawal from India (Agunias & Newland 2012; Newland & Plaza 2013).
2. **Facilitating and funding high profile diaspora events such as the annual *Pravasi Bharatiya Diwas* (PBD - NRI Day) on 9 January** – the first PBD brought together more than 2,000 high profile diaspora members for a conference attended by many senior politicians and Nobel prize winners of Indian nationality or descent (Agunias & Newland 2012). PBD has taken on an iconic status. The 13<sup>th</sup> PMD took place in Prime Minister Modi's home state, Gujarat, in January 2015, with the attendance of nine Chief Ministers alongside the central government (Chauhan & Mohan 2015).
3. **Supporting NRI Deposit Accounts** – These accounts allow NRIs the option of holding their savings in foreign currency<sup>19</sup> or in rupee-denominated accounts in India, and are available for fixed terms of not less than one year and not more than five years. These funds can be effectively leveraged to obtain loans for a wide variety of personal and business activities, including direct investment and acquisition of real estate in India (Agunias & Newland 2012). As of March 2010, NRIs held an estimated US\$14.3 million in foreign-currency denominated accounts and US\$33.6 million in rupee-denominated accounts.
4. **Securing increasing benefits for NRIs** – In the 1990s, NRIs secured new concessions such as being able to invest in real estate development, 34 high priority industries, and in India development bonds (Gangopadhyay 2006). In 2010, NRIs were granted the right to vote in Indian elections as long as they are physically present in their constituency during the election (Lum 2015).
5. **Approval of dual citizenship to NRIs residing in particular target-developed countries** – The L M Singhvi Committee Report had recommended that dual citizenship be permitted for PIOs living in the United States, the United Kingdom, Canada, Australia, New Zealand, Singapore and many other countries in Europe. However, NRIs residing in poorer or less developed countries were denied dual citizenship (Agunias & Newland 2012; Gangopadhyay 2006).<sup>20</sup> This incentivised many skilled professionals, who had migrated as part of the second wave of emigrants, to keep, rather than abandon, their Indian citizenship while pursuing foreign citizenship in preferred CORs.
6. **Launching of the Person of Indian Origin (POI) Card and Overseas Citizenship of India (OCI) Programs**– These are two very successful programs which provide incentives to POIs and the wider Indian diaspora to invest in, and reconnect with, India. As of March 2015, the two schemes were merged. See Box 5 for future details on these two programs.

<sup>19</sup> The foreign currency accounts can be denominated in British pounds, US dollars, Yen, Euros, Canadian dollars and Australia dollars.

<sup>20</sup> This indicated a clear focus toward the emigrants to the West with a view to attracting skills, capital and political influence, while ignoring other emigrants.

7. **Targeting of Diaspora youth** – The Know India Program, launched in 2004, and Study India Program, launched in 2012, are three-four week programs to promote social, economic, and cultural awareness of India among 2<sup>nd</sup> and subsequent generations of emigrants. These programs cover full hospitality in India as well as 90% of the cost of a return economy class airfare to the COR.<sup>21</sup> The Scholarship Programme for Diaspora Children, launched in 2006, offers scholarships up to US\$4,000 per annum to PIO and NRI students for particular undergraduate courses in Indian universities (Agunias & Newland 2012; Lum 2012; Ministry of Overseas Indian Affairs 2015).
8. **Direct recruitment of leading Diaspora scientists and experts** - India is starting to imitate some Chinese policies regarding talent recruitment, although at a much smaller scale and without the same spread of benefits. For example, Delhi has now established the Ramanujan Fellowship and the Nehru Science Postdoctoral Research Fellowship (Lum 2015).
9. **Supporting state-led efforts to engage with NRIs and PIOs** – Recognising that certain individual states have been relatively successful in engaging with their diasporas, MOIA is tasked with liaising and working with them. For example, in 1996 the Kerala State Government created the Department of Non-Resident Keralites' Affairs (NORKA), primarily aimed at protecting its migrant workers from abuse and exploitation. The Gujarat Government created a NRI Division within its administration department, which seeks to build and strengthen ties with Gujaratis abroad through schemes such as issuing a 'Gujarat card' to Gujaratis living abroad or elsewhere in India (Agunias & Newland 2012)

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<sup>21</sup> The Know India Program acts more like an engagement visit while the Study India Program focuses on academic orientation and research and requires participants to undertake a short-term course in an Indian University. For further details, see Ministry of Overseas Indian Affairs, 2015, *Annual Report 2014-15*, Delhi.

### **Box 5: Overseas Citizenship of India Program**

The Person of Indian Origin (PIO) Card was introduced in 2002, although consideration of the scheme had already started in 1999. Aimed at PIOs up to the fourth generation, these cardholders enjoyed parity with NRIs in a number of areas including: ability to purchase property (except for agricultural land); accessing central and state level housing; and accessing education schemes. The Card also granted visa free travel to India for a period of 15 years. Holders of the PIO Card, however, had no political rights and could not vote (Lum 2012)(Gangopadhyay 2006).

The Overseas Citizenship of India (OCI) program was introduced in 2005. It targeted PIOs up to the third generation and who have held or been eligible for Indian citizenship in the past, and their children and grandchildren. OCI holders enjoyed further additional benefits such as where they have multiple-entry, multipurpose and lifelong visas to visit India, never have to register with the police on arrival, and can access professional qualifying examinations (allowing them to enter previously protected industries for Indian nationals).

In early 2015, Delhi merged the PIO Card program with the OCI program, making all existing PIO cardholders OCI holders. Attaining OCI had been somewhat more difficult than securing the PIO Card, and there had been a certain generational divide between the two programs. PIO holders often were pre-independent migrants while many OCI holders emigrated during the second migration. Delhi had been criticised for focusing on OCI holders, as they seemed wealthier and more successful and seemingly had more to offer India (Lum 2015).

Overall, the PIO card and OCI programs have been an absolute success. In 2012, MOIA reported that over 1 million PIOs had successfully applied for OCI status. By January 2015, this number had risen to nearly 17 million PIOs.

Sources: (Lum 2012; Lum 2015; Gangopadhyay 2006; Ministry of Overseas Indian Affairs 2015)

## Appendix C: The profile of Chinese and Indian Diasporas in key countries

### The numbers and where they reside

#### Canada

In Canada, the 2006 Census suggested an estimated 1,356,515 members of the Chinese Diaspora, growing from an estimated 1 million in 2001 (Statistics Canada 2006; Lindsay 2001). A large majority of this Diaspora is clustered around two particular states, with a 2011 estimate suggesting 47% residing in Ontario and 31% in British Columbia (Canadian Magazine of Immigration 2015a). With a 2001 estimate suggesting that 72% of the Diaspora resided in Toronto and Vancouver (Lindsay 2001), it is safe to say that even within these two states the Chinese Diaspora is concentrated within urban centres. The 2006 Census also illustrated that there is a clear divide in the community amongst those who identified Cantonese as a mother tongue (434,715) and Mandarin as a mother tongue (281,840), with a large number (472,085) also just referring to Chinese (Statistics Canada 2006).<sup>22</sup>

2011 estimates suggested an estimated 1,165,145 members of the Indian Diaspora, growing from 967,670 in 2006 and 713,000 in 2001 (Chand & Tung 2014; Chand 2014).<sup>23</sup> Similar to the Chinese Diaspora, Toronto and Vancouver seem to have the highest concentrations of the Indian Diaspora (Chand & Tung 2014), with a 2011 estimate also suggesting 55% residing in Ontario and 26% in British Columbia (Canadian Magazine of Immigration 2015b). The 2006 Census indicated that the Indian Diaspora in Canada is home to a relatively large number of Punjabis – 367,505 identified Punjabi as a mother tongue, followed by 145,805 Urdu, 78,235 Hindi, 81,465 Gujarati and 45,680 Bengali (Statistics Canada 2006).<sup>24</sup>

#### United States

In the United States, estimates suggest that there are between 3.8 million and 4.4 million members of the Chinese Diaspora, depending on whether one includes those with affiliations to Hong Kong, Macau and Taiwan but not Mainland China (Zhou & Lee 2012; Hooper & Batalova 2015), making the Chinese Diaspora the largest Asian-origin group in the United States. Initially concentrated only in traditional immigrant gateway cities (such as San Francisco), Chinese migrants gradually spread out throughout the rest of the country (Zhou & Lee 2012). Some members of the Chinese Diaspora (and their descendants) have been in the United States for a lengthy period of time, as records show that nearly 300,000 Chinese immigrants entered the country from 1850 to 1889, primarily taking low-skilled jobs as manual labourers in California and other Western states (Hooper & Batalova 2015).<sup>25</sup>

<sup>22</sup> The Cantonese community, formed primarily by Chinese immigrants from Southern China and South-east Asia, has been established longer. Most new immigrants speak Mandarin, given that the majority of new migrants now migrate from Mainland China. Those identifying with 'Chinese' rather than Cantonese and Mandarin could speak either or both as a mother tongue.

<sup>23</sup> I suggest that the Indian Diaspora in 2006 could be closer to 1 million. On 'identification' in the 2006 Census, 962,665 identified as 'East Indian' while there were substantial numbers identifying with other 'backgrounds' that could be considered 'Indian' - 12,130 as Bengali, 53,520 as Punjabi, and small numbers as 'Kashmiri', 'Gujarati', 'Goan', and 60,895 as 'South Asian'.

<sup>24</sup> Note that a large part of the Indian Diaspora would consider English as a mother tongue. English is widely spoken in India, especially among the upper middle class and political and intellectual elite. This is in stark contrast to the Chinese Diaspora individuals, who would usually refer to Chinese or a particular Chinese dialect (eg Cantonese/Mandarin) as a mother tongue, even if fluent in English.

<sup>25</sup> With the passage of the 1882 Chinese Exclusion Act, which prohibited Chinese labour migration to the United States and barred Chinese residents from obtaining US citizenship, and then with the beginning of the Cold War, Chinese diaspora migration stopped until the 1960s. In the 1960s and 1970s, substantial Hong Kong nationals (and Chinese from other Southeast Asian countries) began migrating to the United States. In the 1980s, with the opening up of China, migration flows from Mainland China restarted.

Estimates suggest that there are between 2.8 million and 3.8 million members of the Indian Diaspora in the United States, growing from around 1,678,391 in 2000,<sup>26</sup> making the Indian Diaspora the second largest Asian-origin group behind the Chinese (Zong & Batalova 2015; Chand & Tung 2014; Chand 2014). Unlike the Chinese, however, Indian migration to the United States is a relatively recent phenomenon, with huge inflows beginning from the 1990s (Zong & Batalova 2015). In 2000, the US Census Bureau had only estimated that there were around 1,678,391 members of the Indian Diaspora (Chand & Tung 2014).

For new arrivals, a large number of Chinese and Indians still decide to settle in California and other typical immigrant gateway cities. Other key states for settlement include New York, New Jersey, Florida and Texas. The top four counties with Chinese immigrants in the United States in 2013 were Los Angeles County and San Francisco County in California, and Queens County and Kings County in New York. Combined, these four accounted for 29% of the total Chinese immigrant population in the United States (Hooper & Batalova 2015). The top four counties with Indian immigrants in 2013 were Santa Clara and Alameda County in California, Middlesex County in New Jersey and Cook County in Illinois. Combined, these four accounted for around 15% of the total Indian immigrant population in the United States (Zong & Batalova 2015).

### Germany and Singapore

We will not focus as much on the Chinese and Indian Diasporas in Germany and Singapore, given that in Germany they are relatively small and do not form a large part of the population, and in Singapore we see the opposite where they (combined) make up over 80% of the population. As such, neither provide very useful case studies on either Diaspora. Of Germany's 10.7 million immigrants, the top source countries are Turkey, Italy, Poland, Greece, Croatia, Russia, Australia, Bosnia and Herzegovina, the Netherlands, and Ukraine (World Bank 2011). In Singapore, the Chinese and Indian Diasporas are large and are both integral to Singapore's multicultural fabric and historical legacy. It is difficult to argue that the Chinese Diaspora is in effect a 'Diaspora' in Singapore, given that they are the dominant ethnic group in the country. See Box 1.

#### Box 1 - Singapore: Makeup of citizens and permanent residents by ethnic group 2014

Ethnic group	Number	% of total residents
Chinese	2,874,380	74.3%
Malays	516,657	13.3%
Indians	353,021	9.1%
Others	126,681	3.7%

Source: (Singapore Department of Statistics 2015)

### Socioeconomic profile

#### Highly-Educated

The Chinese and Indian Diasporas in both Canada and the United States today seem to be more highly educated than other immigrant groups, and the population as a whole.<sup>27</sup> In Canada, estimates suggested that in 2001 31% of Chinese Canadian men and 24% of Chinese Canadian women had a university degree (Lindsay 2001). In 2006, it was estimated that over 25% of Indian Canadians over the age of 16 had a college degree, compared to a national Canadian average of 12%. In 2014, it was estimated that over 65% of Indian Americans over 25 had a college degree, compared to a national US average of 28% (Chand & Tung 2014). See Box 2 for a comparison of the educational attainment of specific foreign-born groups in the United States, including those born in Eastern Asia (including China) and in South Central Asia (including India).<sup>28</sup>

<sup>26</sup> According to the US Census Bureau

<sup>27</sup> See, however, the caveat noted in Box 4 on California.

<sup>28</sup> Note this does not capture the entire Chinese and Indian Diaspora in the United States, as it does not consider Chinese and Indian Americans born in the United States.

**Box 2 – United States: Educational Attainment of specific foreign-born groups<sup>29</sup>**

	<b>Born in Eastern Asia</b>	<b>Born in South Central Asia</b>	<b>Born overseas (including in Asia)</b>
<b>Population</b>	3,950,698	3,531,127	42,391,794
<b>Less than High School</b>	15.2%	10.6%	29.9%
<b>High School Graduate</b>	17.7%	11.5%	22.7%
<b>Some college or associate's degree</b>	16.2%	12.1%	18.9%
<b>Bachelor's degree</b>	26.6%	30.4%	16.5%
<b>Graduate or Professional degree</b>	24.4%	35.5%	12%

Source: (United States Census Bureau 2014b)

**High Earnings**

It is commonly assumed that the Chinese and Indian Diasporas in Canada and the United States earn more than other immigrant groups or the population-at-large. Recent data seems to support this argument. According to J Naidoo and J Leslie, the 2006 average household income of Indian-Canadians was around 16% higher than the national median household income of CAN\$41,748 then. In 2014, it was estimated that Indian Americans had a median household income of US\$88,538 compared to US\$44,584 for non-Hispanic white households (Chand 2014). See Box 3 for a comparison of the earnings of specific-foreign born groups in the United States.

**Box 3 – United States: Earnings of specific foreign-born groups<sup>30</sup>**

	<b>Born in Eastern Asia</b>	<b>Born in South Central Asia</b>	<b>Born overseas (including in Asia)</b>
<b>Population</b>	3,950,698	3,531,127	42,391,794
<b>US\$75,000+</b>	34.9%	47.4%	19.7%
<b>US\$50,000-\$74,999</b>	19.3%	19.1%	15.7%
<b>US\$35,000-\$49,999</b>	15.3%	11%	17%
<b>US\$25,000-\$34,999</b>	11.6%	8.7%	17.8%
<b>US\$15,000-\$24,999</b>	12.3%	9.6%	21.4%
<b>Under US\$15,000</b>	6.5%	4.3%	8.5%

Source: (United States Census Bureau 2014b)

However, it seems that in the early 2000s the situation was markedly different for Canada. In 2001, the average income of Chinese Canadians and Indian Canadians were both lower than the national median, at around CAN\$25,000 and CAN\$27,000 respectively compared to the national average of CAN\$30,000. This effectively meant that around 25% of the Chinese Diaspora and 18% of the Indian Diaspora fell below Canada's stated low-income cut offs at the time (Lindsay 2001; Statistics Canada 2001). When compared with Naidoo's and Leslie's 2006 assessment, these findings suggest that the arrival of high-income Chinese and Indian migrants to Canada may have 'hidden' the lower socio-economic position of existing Chinese and Indian Diaspora members in the country. Box 4 on California suggests that something similar could possibly be occurring in the United States.

<sup>29</sup> The 2014 American Community Survey 1-Year Estimates, while not segmenting the population by ethnicity, does provide some useful comparison data, comparing those born in Eastern Asia with those born in South Central Asia and those not born overseas in general.

<sup>30</sup> The 2014 American Community Survey 1-Year Estimates, while not segmenting the population by ethnicity, does provide some useful comparison data, comparing those born in Eastern Asia with those born in South Central Asia and those not born overseas in general.



#### **Box 4 – Socioeconomic profile of Chinese and Indian Californians**

Out of a total 2014 population of 38,066,920 in California, estimates suggest that there are around 1,353,021 Chinese Americans and 595,717 Indian Americans.

In 2011, it was estimated that non-Hispanic Asian (including both Chinese and Indian) Californian households had a much higher median family income (US\$81,429) than the median Californian household (US\$65,676), although they still lagged behind non-Hispanic White households (US\$84,921).

While there are many highly educated non-Hispanic Asian individuals, there seemed to be a marked segmentation in the community. In 2011, more non-Hispanic Asians proportionally had a Bachelor's degree (31.8%) or Master's degree (16.9%) than Whites or Hispanics, but more non-Hispanic Asians proportionally also had not completed High School (14.2% as compared to 6.1% for Whites and 11.4% for Hispanics). It's unclear whether this segmentation is reflective of differences between the various Asian Diasporas (as non-Hispanic Asian captures all of East and South Asia), or reflective, similar to the Canadian case, of socio-economic conditions between earlier and later migrants.

Sources: (United States Census Bureau 2014a; Department of Finance 2013)

### **Where they work**

Members of both the Chinese and Indian Diasporas, proportionally speaking, seem to work in more high value-adding and high-skilled industries and occupations. That said, large segments of the Diasporas continue to work in a range of industries ranging from trade to manufacturing, some of which stems from historical migrant movements and occupations. Box 5 illustrates the wide-ranging professions and industries that members of the Chinese Diaspora have undertaken and focused on in Europe.

#### **Box 5 – Europe: Historical Chinese workplaces**

In Western Europe, Chinese migrants focused on the catering trade (restaurants) and ethnic (eg leather goods and garment sweatshops) sectors. In Eastern Europe, there was a different focus on wholesale and retail of cheap Chinese manufactured goods.

More recently, as the Chinese have begun to invest in enterprises and small businesses in Europe, there again seems to be a marked difference between the Chinese in Western and Eastern Europe:

- In Western Europe, mostly larger Chinese corporate subsidiaries investing in and focused on knowledge-intensive sectors and aimed at accessing European technology, brands, markets and skills. Business partners tend to be mostly non-Chinese.
- In Eastern Europe, mostly smaller individual entrepreneurial firms concentrated in wholesale or retail trade and often set up with local members of the Chinese Diaspora.

Source: (Pieke & Speelman 2013)

In Canada, relatively dated data suggests that both Chinese and Indian Canadians were more likely to work in scientific and technical fields than other ethnic groups.<sup>31</sup> In 2001, Chinese Canadians, while making up only 3% of the workforce, made up 7% of those working in the natural and applied sciences. Chinese Canadians also were represented as a higher proportion of those employed in business, financial, administrative, and manufacturing sectors, although there were less proportionally in the health and education sectors (Lindsay 2001). In 2001, Indian Canadians<sup>32</sup> made up 2% of all Canadians with some post-secondary educational experience, but 6% of those with degrees in mathematics, physics or computer science and 5% of those with engineering or applied science diplomas (Statistics Canada 2001). 13% of Indian Canadians had manufacturing jobs, compared to 6% of the labour force, and 8% of Indian Canadians employed in the natural and applied sciences as compared with 6% of the overall workforce (Statistics Canada 2001).

We have more detailed and up-to-date statistics for East Asians and South Central Asians in the United States, which does shine some significant light on the likely occupations and industries of more recent Chinese and Indian migrants to the United States. See Box 6 and Box 7.

**Box 6 – United States: Occupation of specific foreign-born groups<sup>33</sup>**

	<b>Born in Eastern Asia</b>	<b>Born in South Central Asia</b>	<b>Born overseas (including in Asia)</b>
<b>Population</b>	3,950,698	3,531,127	42,391,794
<b>Management, business, science and arts occupations</b>	52.1%	62.6%	30.3%
<b>Service occupations</b>	18.4%	8.9%	24.6%
<b>Sales and office occupations</b>	19.7%	18.3%	17%
<b>Natural resources, construction and maintenance occupations</b>	2.7%	1.9%	12.9%
<b>Production, transportation, and material moving occupations</b>	7.1%	8.2%	15.2%

Source: (United States Census Bureau 2014b)

<sup>31</sup> The Ethnic Diversity Survey, which provided substantial data on migrants and minorities in Canada, was only held once in 2001/2002.

<sup>32</sup> Note that 'Indian Canadian' in this paragraph refers to those individuals that identified themselves as 'East Indian' in the 2001/2002 Ethnic Diversity Survey.

<sup>33</sup> The 2014 *American Community Survey 1-Year Estimates*, while not segmenting the population by ethnicity, does provide some useful comparison data, comparing those born in Eastern Asia with those born in South Central Asia and those not born overseas in general.

**Box 7 – United States: Industries of specific foreign-born groups<sup>34</sup>**

	<b>Born in Eastern Asia</b>	<b>Born in South Central Asia</b>	<b>Born overseas (including in Asia)</b>
<b>Population</b>	3,950,698	3,531,127	42,391,794
<b>Agriculture, forestry, fishing and hunting, and mining</b>	0.5%	0.5%	2.7%
<b>Construction</b>	2.1%	1.6%	9.1%
<b>Manufacturing</b>	11.1%	10.6%	11.5%
<b>Wholesale trade</b>	4.4%	2.3%	2.9%
<b>Retail trade</b>	8.8%	12.7%	9.5%
<b>Transportation and warehousing, and utilities</b>	3.8%	5.2%	4.9%
<b>Information</b>	2.7%	3.5%	1.7%
<b>Finance and insurance, and real estate and rental and leasing</b>	7.5%	8.1%	5.2%
<b>Professional, scientific, and management, and administrative and waste management services</b>	13.2%	22.5%	12.8%
<b>Educational services, and health care and social assistance</b>	21.7%	20.9%	18.7%
<b>Arts, entertainment, and recreation, and accommodation and food services</b>	15.3%	7.1%	12.3%
<b>Other services (except public administration)</b>	6.2%	2.8%	6.5%
<b>Public administration</b>	2.7%	2.2%	2.2%

Source: (United States Census Bureau 2014b)

The 2012 *Statistical Abstract of the United States* breaks down (at least for 2010) the occupation of successful China- and India-born immigrants who secured Permanent Residency (known as a 'Green Card' in the United States), and compares them to other new Permanent Residents from other countries.

**Box 8 – United States: Occupation of Chinese and Indian-born individuals gaining a Green Card in 2010**

	<b>Chinese-born</b>	<b>Indian-born</b>	<b>Born overseas (including China and India)</b>
<b>Management, business, science and arts occupations</b>	45.9%	75.2%	40.6%
<b>Service occupations</b>	21.8%	5.1%	20.8%
<b>Sales and office occupations</b>	13.3%	8.4%	14.2%
<b>Natural resources, construction and maintenance occupations</b>	7.4%	9.4%	8%
<b>Production, transportation, and material moving occupations</b>	11.6%	1.9%	16.3%

Source: (United States Census Bureau 2012)<sup>35</sup>

<sup>34</sup> The 2014 *American Community Survey 1-Year Estimates*, while not segmenting the population by ethnicity, does provide some useful comparison data, comparing those born in Eastern Asia with those born in South Central Asia and those not born overseas in general.

<sup>35</sup> Data has been adjusted and reorganised for easy comparison with the other tables sourced from other sources.

These various Boxes (Box 6, 7 and 8) indicate that while, on the whole, both Chinese and Indian Americans are more likely to work in highly-skilled industries and professions than other immigrants or members of other Diasporas, it seems that Indian Americans, as a whole, work in more highly skilled, managerial and leadership positions than their Chinese American counterparts. This is reflected in California's Silicon Valley, where Saxenian noted that 53% of the science and engineering workforce is foreign born and Indian Americans own 15% of all start-ups (See US India Political Action Committee, 2009). Overall, Chand estimates that 25% of immigrant founded engineering and scientific companies in the United States between 2005 and 2015 were founded by Indian Americans(Chand 2015).

In Singapore, while traditionally most of the skilled professionals had come from the West and Japan and Korea, the Government in the 1990s began targeting professionals from non-traditional source countries. Today, the majority of skilled workers (aside from Malaysia) now come from China and India (Yeoh & Lin 2012). Singapore seems to be dependent on Indian workers for a number of critical sectors, including manufacturing and services, IT, banking and finance, healthcare and education (Chandra 2010)

## How they organise

The Chinese and Indian Diaspora organise themselves through various mechanisms and bodies, depending on the needs of individual members or local communities. In the United States, many Chinese and Indian professional associations, such as the Silicon Valley Chinese Engineers Association and the Indus Entrepreneur (TIE), have proved useful as cross-generational forums.<sup>36</sup> These groups have facilitated older professionals helping finance and mentor younger co-ethnic entrepreneurs. Chambers of Commerce, through engaging bilateral relationships between the COO and COR, have also proved useful for Diasporas keen on engaging with their Countries of Origin. Box 9 provides a useful discussion of the state of Chinese Immigrant Organisations in the United States. Other migrant communities, such as those of the Indian Diaspora, organise themselves in a similar fashion.

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<sup>36</sup> TIE is also active in Australia

### Box 9 - United States: Chinese Immigrant Organisations

Zhou & Lee identify four main types of 'modern' Chinese immigrant organizations, beyond the traditional family/hometown associations and older merchant guilds and brotherhoods clustered in the major Chinatowns around the United States:

- **Extended hometown associations** – Not as 'closed' as the traditional hometown associations, but instead include many newly urbanized areas and members not necessarily born in the 'hometown' but with affiliations to the area or region
- **Economic/business organisations** – Focused on fostering connections among immigrant entrepreneurs and representing their interests in the United States, and helping these entrepreneurs build connections with China and the Chinese diaspora as well as capture new opportunities from China's emerging market economy
- **Alumni associations** – Connecting alumni of key colleges and universities in China who are now based in the United States
- **Professional organisations** – Focused on network building among professionals for social support and information exchange, as well as fostering greater Chinese diaspora economic exchange and bridging US-China economic relations

One key example of a professional organisation would be the Chinese Scholars Association, Southern California (CSA), which was founded in 1998 by Chinese American university professors in California. With a membership in the hundreds, it engages regularly in sending delegations to China to attend seminars, conferences and job fairs and is focused on "promoting intellectual exchange, collaboration, and amity among Chinese scholars in the United States, China, and the rest of the world".

Zhou & Lee note that the organisational structure of these 'modern' Chinese immigrant organisations are relatively horizontal, and seem to be rather oriented toward incorporation in the host society rather than toward homeland development. At the same time, however, many seem to be China-oriented or 'transnationally oriented'. Where they have engaged with China, they seem to have done this through four main types of transnational activities (often working in tandem or driven by China's own diaspora engagement strategies as discussed in Appendix B):

- Supporting and financing hometown or national projects (eg Beijing National Aquatics Center built for the 2008 Olympic Games was primarily funded by the Chinese diaspora – 350,000 overseas Chinese from 103 countries contributed 900 million yuan)
- Philanthropy and disaster relief
- Attending association conventions and professional conferences
- Supporting and hosting cultural events, such as Chinese New Year and the Lantern Festival, in the United States

Sources: (Zhou & Lee 2012)

## Appendix D: Key countries' inbound Diaspora engagement policies

### Canada

Canada has espoused an official policy of multiculturalism, which celebrates inter-group differences as a valuable resource and as a foundation for cultural strength (Chand 2014).

The country's engagement with 'resident' Diasporas are primarily limited to Diasporas from developing countries, and tied into the development agenda. Nearly all of the Diaspora-relevant work of the Canadian International Development Agency (CIDA), prior to its 2013 merger with the Department of Foreign Affairs and International Trade (DFAIT), focused on working with Diasporas from developing countries. There was not much of a focus on China and India. Programs included (Chanoine et al. 2013):

- Partners for Development Program, which engaged with foreign 'knowledge partners' in developing countries;
- Global Citizens Program, which encouraged Canadians to partake in international development projects; and
- Global Initiatives Program, which focused on funding international initiatives focussed on maternal and child mortality, diseases and malnutrition, and education.

CIDA utilised a number of techniques to mobilise diaspora groups for development in their COOs, including directly funding development projects executed by diaspora groups, or where diaspora groups did not have relevant experience, creating tripartite partnerships among diaspora organisations, Canadian NGOs, and NGOs in the country of origin. The latter allowed diaspora organisations to skill up (Agunias & Newland 2012). Some techniques also involved creating or supporting platforms to facilitate Diaspora involvement in development such as the *Regroupement des Organismes Canado-Haitiens pour le Developpement*, or starting volunteer Diaspora programs. For example, in 2007 the Canadian University Service Overseas and Voluntary Service Overseas Canada (CUSO-VSO) started a volunteer program to engage teachers of Guyanese origin residing in Canada to volunteer in rural areas of Guyana and help train teachers and expand educational activities.

### Germany

Similar to Canada, Germany's engagement with 'resident' Diasporas has been primarily limited to Diasporas from developing countries. The *Deutsche Gesellschaft für Internationale Zusammenarbeit* (GIZ – The Germany Agency for Development) takes the lead on development issues, and has therefore been the lead actor in managing relationships with 'resident' Diasporas. While the GIZ does not have a specific budget for MAD projects, it does engage 'resident' Diasporas through linking diaspora-related projects to other key pressing issues like climate change and international security. Agunias & Newland highlighted a number of interesting GIZ-led Diaspora-focused projects including (Agunias & Newland 2012):

- Facilitating migrant access to the banking and financial system, through for example a conference in 2009 to help Serbian migrants understand how to use formal rather than informal remittance channels;
- Supporting the creation of Diaspora networks, such as its EU and German Government-funded 2008-11 program focused on creating a network among Moroccan Diaspora and former Diaspora entrepreneurs, which also involved Chambers of Commerce, regional investments centres and private service providers among key partners; and
- Creating a 3-year pilot program to engage Diaspora organisations in Germany in implementing social infrastructure programs that contribute to develop in COOs through co-financing.

Some of the GIZ-led projects are accessible to members of the Chinese and Indian 'Resident' Diaspora. This includes for example the Centre for International Migration and Development (CIM)'s Integrated Experts Programme, which supports individuals from developing, emergent and transition countries who live and work, or who had studied, in Germany to return to a COO to utilise their skills and knowledge. In essence, the program facilitates the return of experts as

bridge-builders for international economic and development cooperation. Since 2004, the program has assisted more than 10,000 persons with career planning, return to home countries and search for appropriate persons there.

One of the most forward-thinking programs that GIZ has conducted, however, is a simple yet thorough mapping of different 'resident' Diaspora populations within Germany including specific studies of the largest Diasporas. While this did not include 'resident' Chinese or Indian Diasporas, this mapping theoretically laid the groundwork for more effective engagement with the country's Diasporas.

## United States

The United States has historically favoured a 'melting pot' approach that has pushed assimilation of minorities to conform to the cultural mainstream within the country (Chand 2014). While a more culturally pluralistic model is gradually replacing this, the former approach still frames the United States' policies toward its own minorities and 'resident' Diasporas.

Unlike its counterparts in Germany and Canada, the USAID, the US Development Agency, does not seem to engage as actively with resident US Diasporas in its development activities. However, the United States has been active in encouraging the formation of several diaspora foundations to encourage unified action on the part of diverse immigrant communities, such as the American India Foundation (Agunias & Newland 2012), to help articulate goals of various Diaspora communities to the Government as well as to COOs. It has also utilised some innovative and targeted programs, such as matching funds, to support Diasporas. For example, it recently awarded 14 Diaspora-driven businesses in seven African countries matching grants ranging from US\$50,000 to US\$100,000 (see [www.diasporamarketplace.org](http://www.diasporamarketplace.org)). The US Government has also made it easy for non-profit groups to raise tax-deductible funds to channel to Diaspora's COOs – the American Indian Foundation (AIF) is one of the most active organisations in this space.

## Lessons from the Netherlands

While not a focus of this Report, the Dutch experience with Diaspora engagement provides some useful ideas as well as lessons.

IntEnt as a good example of an organisation created to stimulate entrepreneurship among 'resident' Diaspora members with the aim of achieving sustainable impact in COOs. Between 1996 and 2009, the program helped launch 350 businesses in various COOs. It offered services such as training courses, advisory services, market information and funding to migrants hoping to set up such businesses (Agunias & Newland 2012).

A number of Dutch local governments have established twinning relationships with municipalities in COOs that are large sources of migrants to their communities. Through these twinning arrangements, these local governments have also supported partnership projects in COOs aimed at strengthening local governance (Agunias & Newland 2012).

Even with various innovative approaches, however, the Dutch experience shows that it might be hard to engage 'resident' Diasporas where there are various Diaspora groups fighting for a share of limited resources or from recognition from government. With a fear of creating tension between groups, some Dutch municipalities have disengaged altogether from Diaspora engagement. To mitigate such issues, the Dutch Government has held training courses to strengthen the capacities of various Diaspora organisations, with the aim of building a platform or umbrella organisation which could better represent all Diasporas and therefore mitigate conflict between various groups (Agunias & Newland 2012). This said, one must recognise that there will always be 'winners' and 'losers' when a government decides to support or engage with certain Diaspora groups instead of others.

## Appendix E: Key countries' strategy for attracting skilled migrants and targeting talent

### Canada

Canada is often considered the role model country for immigration and skilled migration reform. It has, and continues to, take the lead in developing and implementing innovative and novel approaches for the purpose of attracting skilled migrants and targeting talent. In 1967, Canada introduced the 'points system' for the selection of skilled workers and business immigrants (Citizenship and Immigration Canada 2015). This was adapted by Australia in the 1980s and the UK in 2002 (Ferrer et al. 2014).

In the 1990s, the points system was adjusted to increase the importance of general human capital characteristics, such as education, in the selection process. There was also a move away from occupation specific selection, given the difficulty of adjusting to short term labour needs. This was also driven partially by the deteriorating labour market outcomes of immigrants in Canada, as compared to Canadian-born counterparts. For example, newly arrived immigrants (<5 years) in the 1970s had annual earnings roughly 85% of Canadian born counterparts; in the 1990s this had worsened to 60%.<sup>37</sup>

Canada's immigration system is currently undergoing significant change with the aim of 1) improving the economic outcomes of entering immigrants; 2) attempting to better respond to short-term regional labour market shortages; and 3) aiming to shift immigration from the three largest hubs to other regions of the country (Ferrer et al. 2014). Therefore, the selection of economic immigrants has become very complex during this transition.

Since 2002, the *Canadian Immigration and Refugee Protection Act* (IRPA) has defined three basic categories of permanent residents (PRs): reuniting families, contributing to economic development (economic migrants); and protecting refugees. The number of successful PRs (including dependents) per year has remained relatively steady, with between 250,000 and 300,000 each year from 2005 to 2014. (Citizenship and Immigration Canada 2015) Of the three categories, economic immigrants are those selected for their skills and ability to contribute to the economy, including: skilled workers; business immigrants; provincial and territorial nominees; and live-in caregivers (Citizenship and Immigration Canada 2015):

1. **Federal skilled workers (FSWs)** are assessed by their ability to enter the labour market and by meeting selection criteria<sup>38</sup> such as English or French language abilities and work experience.
2. **Business immigrants** include those who invest money in an approved venture, those who intend to run their own business or those who intend to self-employ.
3. **Provincial and territorial nominees** are PRs designed by a province or territory to select immigrants who meet local economic needs – not subject to skilled worker selection grid.
4. Live-in caregivers are those qualified to provide care for children, sick or elderly people.

The Government put a particular emphasis on programs developed with provinces, such as the Provincial Nominee (PN) System (Ferrer et al. 2014). The PN System helped address regional and occupational labour shortages, and allowed migrants who would otherwise not meet the stringent selection FSW criteria to migrate to Canada. See Box 1.

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<sup>37</sup> Drawn from F Hou and G Picot, *Immigration, Poverty and Inequality: What is New in the 2000s?* (Montreal: Institute for Research in Public Policy, 2014) in Ferrer et al. 2014.

<sup>38</sup> The Government can set restrictions on applications based on occupation sector under 'Ministerial Instructions', which was legislated into law in 2008.



### **Box 1 – Canada: Provincial Nominee (PN) System**

- For many years Quebec was unique in that it had its own skilled worker program and was large responsible for selecting its own immigrants. This has changed with the Federal Provincial Nominee (PN) Program, which aimed to locate more immigrants in the regions and provinces outside of the three major cities as well as meet primarily short-term labour market needs in these other regions and provinces.
- Less educated migrants. In 2010, only 47% of PNs had a university degree compared to 80% of FSWs
- But short-term evaluations suggest that PNs achieve higher earnings than their FSW counterparts. In British Columbia, for example, PNs earned around 50% more than FSWs, even after 5 years after arrival
- However, unclear long-term outcomes. FSW focuses on longer run outcomes.

Sources: (Ferrer et al. 2014; Zhang 2012)

It seems that the PN System has arguable managed to facilitate a wider dispersion of migrants. The vast majority of PRs historically migrated to three states, with Ontario being the lead destination. In 2005, Ontario captured 53.6% of PR migrants, while Quebec captured 16.5% and British Columbia 17.1%. In 2014, there was a wider dispersion – 36.8% went to Ontario, 19.3% to Quebec, 16.3% to Alberta, and 13.5% to British Columbia. Numbers for other smaller states and territories have slowly risen over time. Saskatchewan went from 0.8% in 2005 to 4.5% in 2014, while Manitoba went from 3.1% in 2005 to 6.2% in 2014. (Citizenship and Immigration Canada 2015).

In 2008, the Canadian Government introduced the Canadian Experience Class (CEC) to facilitate access to PR for those who had recent Canadian work experience or who had graduated and recently worked in Canada (Citizenship and Immigration Canada 2015). This may have been spurred by the large increase in international students in Canada and the Government's interest in attracting them to stay in Canada – International student numbers rose from 122,231 in 1994 to 229,274 in 2004 and 396,202 in 2013. In particular, there are large cohorts of students from China and India (Citizenship and Immigration Canada 2014).

In a later study, Hou and Bonikowska showed that Canadian immigrants with prior Canadian study experience or temporary work experience had a significant earnings advantage over economic immigrants who were directly selected as PRs from abroad (at least in the short term) (Hou & Bonikowska 2015; Bonikowska et al. 2015) – this suggests that the CEC initiative was a worthwhile initiative.

In January 2015, the Canadian Government launched the Express Entry Program, aimed at simplifying the immigration process and speeding up processing times for applications related to the Federal Skilled Trades Program, Canadian Experience Class and parts of the Provincial Nominee Programs. The Program asked for applicants to submit their profile to the Express Entry 'Pool'. Skilled workers across 347 eligible occupations who meet minimum entry criteria can submit a profile, under which they are ranked under a Comprehensive Ranking System. Employers would then theoretically draw from this pool (Liwanag 2015; Canadian Citizenship & Immigration Research Center 2015). However, there seems to be substantial growing pains for the program due to confusion over processes. By mid-2015, only around 41,000 foreign nationals had registered for the program (Liwanag 2015).

Reviewing the numbers of successful primary PR applicants since the early 2000s, it becomes quite clear that Canada has invested heavily in the success of, and is prioritising, the CEC and PN programs. Some general trends (Citizenship and Immigration Canada 2015):

- Number of 'entrepreneurs' have had a relatively steady decline from a high of 820 in 2006 to a 131 in 2014
- Number of 'investors' have remained relatively steady at around 2,000-3,000 per year, with 2,082 in 2014
- Number of 'skilled workers' has dropped relatively consistently from a high of 52,269 in 2005 to 28,773 in 2014
- Since introduction of CEC, dramatic rise in numbers. 1,775 in 2009, 4,362 in 2013 and 14,200 in 2014.
- Growing and steady rise in provincial/territorial nominees, from 2,643 in 2005 to 11,800 in 2009 to 21,003 in 2014.

In addition to PRs, Canada also allows for the temporary entry of foreign nationals, as covered by the Temporary Foreign Worker Program (TFWP) and the International Mobility program (IMP). Prior to 2014, both of these programs fell under TFWP. Both of these programs are driven by employers, who can best access the transferability of workers' skills to the Canadian labour market (Citizenship and Immigration Canada 2014; Ferrer et al. 2014):

1. **Temporary Foreign Worker Program (TFWP)** covers work permit holders who require a Labour Market Impact Assessment (LMIA) to help fill genuine labour needs as a last resort when Canadians and PRs are not available. Around 50% of TFWP permit holders are considered higher-skilled workers (49,688 out of 104,160 in 2013), while the other 50% comprise of live-in caregivers, agricultural workers, and other needed lower-skilled occupations.
2. **International Mobility Program (IMP)** covers those who do not require an LMIA, and therefore exempts some foreign nationals for having to go through the LMIA process. (Citizenship and Immigration Canada 2014). Many IMP permit holders come through international agreements between Canada and other countries (NAFTA in particular) and a large number under a 'International Experience Canada (IEC) class.

Looking at the number of successful TFWP and IMP applicants, it's become clear that employers are becoming increasingly reliant on temporary workers (Citizenship and Immigration Canada 2014). The number of TFWP permit holders has risen dramatically from 2004 to 2013, with 37,222 in 2004 to a high of 112,585 in 2009 to 104,160 in 2013. The number of IMP permit holders has also risen dramatically and consistently from 2004 to 2013, with 61,052 in 2004 to 175,779 in 2013.

Of the various states and territories, Alberta has been particularly proactive in attracting and supporting TFWP and IMP work permit holders. The percentage of TFWP permit holders heading to Alberta rose from 12.9% in 2004 to 38.9% in 2013. The percentage of IMP work permit holders to Alberta rose from 11.8% in 2004 to 17.4% in 2013 (Citizenship and Immigration Canada 2014).

## Box 2 – Canada: Trends and numbers, specifically on the Chinese and Indian Diasporas

### Permanent Residents

- Along with the Philippines, China and India form the top three source countries for PRs. In 2005, there were 36,210 PRs from India and 42,584 PRs from China. In 2014, there were 38,341 from India and 24,640 from China (in a down year for China).
- PR migrants from Asia and the Pacific have historically avoided Quebec (probably due to a lack of French language abilities). In 2014, PR migrants from Asia and the Pacific formed only 15.2% of the PR population in Quebec but 54.7% in Ontario, 62.5% in Alberta and 64.7% in British Columbia.
- Over the years, PR migrants from Asia and the Pacific have formed around, on average, 50% of successful PR applicants. The make up of these PR migrants are heavily skewed toward the 'Economic Immigrants' class.
- Punjabis are prominently represented among successful PRs (17,401 in 2014), especially compared to those identifying with Hindi (6,388 in 2014), Bengali (2,712 in 2014) and Gujarati (4,865 in 2014). This is a consistent trend from 2005, and also reflects the general makeup of the Indian Diaspora in Canada where Punjabis form the largest sub-group.
- There are falling numbers of successful PRs identifying with Mandarin (from 37,321 in 2005 to 8,266 in 2014) and Cantonese (from 5,452 in 2005 to 2,313 in 2014), but a rising number identifying with 'Chinese' (from 5,742 in 2005 to 15,586 in 2014). It is difficult to draw conclusions from this finding except to suggest that as the Mandarin-speaking mainland Chinese community continues to grow in Canada (especially compared to the more entrenched Cantonese-speaking community originating from Hong Kong and Southeast Asia), Mandarin speaking PRs are more likely to indicate they speak 'Chinese' than 'Mandarin'. Either way, the make up of the Chinese Diaspora in Canada is certainly changing.

India forms the second largest contingent of TFWP work permit holders (7,930 in 2013) behind the Philippines (40,655 in 2013). China is far behind with 1,664 in 2013. For IMP work permit holders, India was fourth in 2013 with 15,081, behind the US (34,398), Australia (17,311) and France (16,761). China was far behind with 5,669 in 2013.

In 2013 there were 110,965 Chinese nationals and 46,489 Indian nationals studying in Canada. Most international students in 2013 studied in Ontario (171,294), British Columbia (116,924) and Quebec (57,159).

Sources: (Citizenship and Immigration Canada 2014; Citizenship and Immigration Canada 2015)

## Germany

Germany has lagged between other countries in forming an Immigration Policy. In fact, it did not have one until the 2002, when the Schroder Government passed a new Citizenship Bill which included a 'green card' regulation to attract highly-skilled professional migrants aimed at IT specialists. However, this initiative was largely considered a failure as it did not reach its ceiling of attracting 20,000 foreign IT-specialists per annum, but instead only managed to recruit 17,111 by 2005 (Constant & Tien 2011).

In 2005, Germany passed a far-reaching Immigration Act, which has laid the framework for contemporary immigration policies. Non-EU Citizens can enter Germany through four different 'residence titles' listed in the order of ease of attainment (Federal Office for Migration and Refugees 2013; Constant & Tien 2011):

- **Residence permit** (temporary residence title) for various purposes and various lengths, including work (requires an offer of employment and proof that an individual has a means of subsistence, as well as employer showcasing that the job is filling a need in the labour market), research (requires an effective hosting agreement with a recognised institute), self-employment (required to show economic interest and that the business is likely to generate a positive effect on the economy, and requires an investment of at least €250,000 including creating a minimum of five jobs).<sup>39</sup> Non-EU citizens with a university degree but no job offer can attain a residence permit for six months to find a job.
- **EU Blue Card** (temporary residence title) – requires an offer of employment, university degree, and a minimum gross annual income of between €37,000 to €50,000 depending on the profession. Initially issued for a maximum of four years. Can be issued to natural scientists, mathematicians, engineers, doctors and IT specialists with degrees without consent of the German Government. Allows an individual to stay in any EU member state (except UK, Ireland and Denmark) for up to 90 days without a visa.
- **Settlement permit** (permanent residence title) – automatically entitled if individual has had a temporary residence title for the previous five years and can meet some general basic requirements (eg ability to understand basic German and have knowledge of German society).
- **EU permit for permanent residence** (permanent residence title) – automatically entitled with same conditions as settlement permit except for the need to have fixed or regular income.

There are also mechanisms for non-EU citizens to attain a permanent residence title before five years, such as if they study and graduate from a German University, attain employment as a highly qualified person, or have successfully started a business (Federal Office for Migration and Refugees 2013).

From 2005 until 2008, certain labour migration policies were put in place to attract particular talent. This included targeting highly skilled foreign nationals with information and communication technology (ICT) expertise. Germany is considered to have the great shortage of IT staff, with the German Information Technology Association estimating that some 25% of IT vacancies are currently unfilled (Workpermit.com 2015a).

## Singapore

Singapore has historically had an open door immigration policy, although the political climate since around 2009 has begun to turn against open immigration for foreign nationals. Until the late 2000s, Singapore had relied on foreign manpower at both the high and low ends of the labour spectrum to overcome the limitations of local human capital (Yeoh & Lin 2012).

In 2014, Singapore had a population of 5,469,724, comprised of 3,343,030 citizens and 527,709 Permanent Residents (PRs), as well as 1,598,985 non-residents (Singapore Department of Statistics 2015). It also has around 207,000 Singaporeans living overseas. (See National Population and Talent Division, 2013) (Ho & Boyle 2015) Immigrants, estimated at around 2 million, make up a significant percentage of the population. Both China and India are two of the top source countries for immigrants for Singapore (World Bank 2011), although specific numbers are unknown.

There are two main mechanisms for foreign nationals to attain PR in Singapore (Hawksford Singapore 2015a):

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<sup>39</sup>Berlin lowered the threshold for this self-employment or entrepreneur class, which initially in 2002 required an investment of €1,000,000 and the creation of ten jobs.

- **Professionals/Technical Personnel & Skilled Worker (PTS) scheme** – for foreign nationals already working in Singapore for a minimum of 6 months
- **Global Investor Programme (GIP) scheme** – allowing successful entrepreneurs and businessmen to attain PR immediately through investing at least S\$2.5 million in a new business or expansion of existing business operation, or in a GIP approved fund.

For the majority of migrants therefore (except for the ultra-rich), PR is only attainable through securing a temporary work visa (known in Singapore as an employment pass) in the first instance. Singapore separates the term immigrant workers into foreign workers and foreign talents among non-residents intending to work in the country; with foreign talents referring to the highly skilled workers the country has continuously sought. Singapore uses a system that issues foreign talents different visas through an Employment Pass (EP) scheme depending on qualifications as well as level of income. Applicants must have a tertiary degree from a reputable university and relevant professional experience, as well as a job offer from a specific employer (Hawksford Singapore 2015b; Hawksford Singapore 2015d). This P-Q-R EP system was launched in September 1998; with an additional S pass added in 2004 (Hawksford Singapore 2015d; Yeoh & Lin 2012):

- P1 Employment class for individuals earning S\$8,000+ per month
- P2 Employment class for individuals earning between S\$4,500-7,999 per month
- Q1 Employment class for individuals earning at least S\$3,300 per month
- S Employment class for mid-level technical staff that earn a fixed monthly salary of at least S\$2,200. Eligible to apply for PR but only after 4-5 years
- R Work permit for skills qualified or unqualified foreign nationals, who earn a monthly basic salary of not more than S\$2,200 per month<sup>40</sup>

In 2004, Singapore launched the Entrepreneur Pass (EntrePass) Scheme, aimed at attracting entrepreneurs with solid and innovative business proposals but without the capital available to those applying for PR directly through the GIP but still able to attain a minimum paid-up capital of S\$50,000 for the business. From 2014 however, Singapore has required those holding an EntrePass to meet very strict progressive renewal criteria. In Year 1, businesses must create 2 local jobs and spend at least S\$100,000. By Year 5, businesses must create 10 local jobs and spend a minimum of S\$400,000. Those holding an EntrePass are elevated from Q1 to P1 over the course of four to five years (Hawksford Singapore 2015c).

In 2007, Singapore launched a Personalised Employment Pass (PEP) Scheme, which is not tied to any specific employer, and which is much more flexible. Eligibility requirements are much stricter than for the usual EP, as it required employment pass holders to have at least worked in Singapore for two to five years or overseas professionals to earn at least S\$8,000 per month (Hawksford Singapore 2015d; Yeoh & Lin 2012).

Singapore has pushed forward with numerous programs to attract foreign talents, such as through developing a Scheme for Housing of Foreign Talents which subsidised living costs, providing company grants to ease costs of employing foreign talents, and sending numerous recruiting missions abroad (Yeoh & Lin 2012). There is also a Miscellaneous Work Pass Scheme for those visiting on short-term assignments.

Since the late 2000s, there has been a growing foreign-local divide in Singaporean society where immigrants are regarded sceptically. As Jones argues, immigration could assist with Singapore's low fertility and ageing population, but negatively impacted the challenge of maintaining ethnic, cultural and linguistic balance and a cohesive national population (Jones 2012). Many Singaporeans believe that foreigners who apply for PM or citizenship (especially those from Asia) are using Singapore as a stepping-stone for migration to other developed countries (Ho & Boyle

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<sup>40</sup>Lower-skilled workers who enter Singapore with an R Work permit have much less benefits than those coming in under the P/Q/S Employment classes. For example, R Work permit holders cannot bring in dependents, cannot marry Singaporeans or PRs without approval, are subject to regular medical examinations, cannot become pregnant, and have to leave Singapore within 7 days of their employment becoming terminated. They also have no eligible pathway for becoming a PR.

2015). There is frequent discussion on the deterioration of public transport and other public services, as well as the lack of job for locals, due to the large influx of foreign workers (Hong 2014; Watts 2015). Singapore is now focused on pioneering new technologies where locals, rather than foreign nationals, are a driving force (Watts 2015). See Box 3 on new Singaporean policies for curtailing immigration, both skilled and unskilled.

### **Box 3 – Singapore: Curtailing Immigration**

Singapore has begun to curtail immigration substantially through the introduction of quotas for particular sectors, restricting the entry of dependents, and making it harder for some foreigners to attain PR.

- In 2009 and 2010, drastically cutting the number of applicants granted permanent residency.
- In June 2011, Singapore suspended the Landed Permanent Residence (LPR) visa scheme, which had allowed highly skilled professionals the opportunity to attain PR immediately should they find a job within a one year period of moving to Singapore.
- In July 2011 and January 2012, Singapore decided that foreign nationals must command 11-20% higher salaries before being granted the right to work in Singapore.
- In December 2011, scrapped the provision that allowed recently graduated students and other foreign talents to stay/come to Singapore for one year to look for employment, meaning recently graduates now only have 3 months to secure employment before having to return to their COOs.
- In 2012 that only foreign talents which earned a minimum of S\$4,000 per month could sponsor their spouses and children to stay in Singapore, which was raised again in 2015 to S\$5,000 per month.

Sources: (Jones 2012; Workpermit.com 2015b; Yeoh & Lin 2012; Watts 2015)

## **United States**

The United States liberalised immigration policy from the 1960s, whereby in 1965 the Hard-Celler Act was passed which allowed for family reunification and immigration of the highly skilled (Zhou & Lee 2012). The 1965 Immigration and National Act also removed origin-country quotas, counteracting the earlier restrictive Immigration Acts of 1917 and 1924 which had effectively banned immigration from Asia (Zong & Batalova 2015).

There are multiple pathways to achieving PR or 'Green Card' status in the United States, the key five being (Department of Homeland Security 2014):

- Family-sponsored preferences
- Immediate relatives of US citizens
- Employment-based preferences
- Diversity
- Refugees

Of these multiple pathways for achieving PR status, 'Immediate relatives of US citizens' and 'Family-sponsored preferences' have consistently formed the two biggest cohorts. In 2013, there were 210,303 persons that obtained PR through 'Family-sponsored preferences', and 439,460 as 'Immediately relatives of US citizens'. 'Employment-based preferences' came in third with 161,110 in 2013 (Department of Homeland Security 2014). However, successful Indian applicants (and Chinese applicants to a lesser extent) for PR are proportionally more likely to come through the 'Employment-based preferences' scheme than those from other source countries. See Box 4.

**Box 4 – United States: 2013 Key classes of admission by country of last residence for China and India**

Country/R egion of Birth	Family- sponsored preferences	Employment- based preferences	Immediate relatives of US citizens	Diversity	Refugees and asylees
<b>China</b>	12,688	18,507	23,623	33	13,421 <sup>41</sup>
<b>India</b>	11,446	33,687	19,101	70	961
<b>All</b>	210,303	161,110	439,460	45,618	119,630

Source: (Department of Homeland Security 2014)

Immigration through 'Employment-based preferences' is set at a rate of 140,000 per year, and is divided into 5 categories each with their own limit per year (Department of Homeland Security 2014; American Immigration Council 2014):

1. Persons of extraordinary ability across many fields, outstanding professors and researchers, and some multinational executives (40,000 per annum) (Priority workers)
2. Professionals with advanced degrees or aliens of exceptional ability in the arts, science or business (40,000 per annum) (Advanced degree professionals)
3. Skilled workers with at least two years of training or experience, college educated professionals, and unskilled workers (40,000 per annum, with a max of 5,000 for unskilled workers) (Skilled or unskilled workers)
4. Certain special immigrants, such as religious workers or employees of the US abroad (10,000 per annum) (Special immigrants)
5. Investors who will invest US\$500,000 to US\$1 million for an enterprise that will at least employ 10 full-time US workers (10,000 per annum) (Employment creation)

Over the years, there has been an increasing focus on and prioritisation of the second and fifth streams (to the point where advanced degree professionals have actually surpassed the maximum quota), and a significant cut back of the third stream. See Box 5. This suggests that the United States has been targeting highly skilled workers as well as investors with significant funds.

**Box 5 – United States: Type and class of admission under Employment-based preferences<sup>42</sup>**

Sub-class of admission	2005	2007	2009	2011	2013
<b>Priority workers</b>	64,731	26,697	40,924	25,251	38,978
<b>Advanced degree professionals</b>	42,597	44,162	45,552	66,831	63,026
<b>Skilled or unskilled workers</b>	129,070	85,030	40,398	37,216	43,632
<b>Special immigrants</b>	10,121	5,038	10,341	6,701	6,931
<b>Employment creation</b>	346	806	3,688	3,340	8,543

Source: (Department of Homeland Security 2014)

Overall, around 1 million persons attained lawful PR status over each year from 2004 until 2013, with 990,553 in 2013 (Department of Homeland Security 2014). The largest number of those attaining lawful PR status comes from Mexico (134,198 in 2013). Coming second and third are China and India – However, they still form a relatively small percentage of the total due to the United States' preference to ensure a mix of source countries in the immigration mix

<sup>41</sup> Note that the United States often grants asylum to Chinese dissidents. China is consistently the biggest source country of successful asylum applicants in the United States. In 2013, there were 4,532 individuals from China granted asylum in the United States, out of a total of 9,933 granted asylum.

<sup>42</sup> Note selected years shown only.

('diversity').<sup>43</sup> From Asia, there are also a substantial number of immigrants from the Philippines, Korea and Vietnam. See Box 6. New immigrants still tend to settle down in a few particular states that are considered traditional gateway regions, including California, New York, Florida and Texas – Around 50% settle in these four states. See Box 7.

**Box 6 – United States: Region and country of last residence**

Region and country of last residence	2000-2009	2010	2011	2012	2013
<b>China</b>	591,771	67,634	83,603	78,184	68,410
<b>India</b>	590,464	66,185	66,331	63,320	65,506
<b>Philippines</b>	545,463	56,399	55,251	55,441	52,955
<b>Vietnam</b>	289,616	30,065	33,486	27,578	26,578
<b>All Asia, including above</b>	3,470,835	410,209	438,580	416,488	389,301
<b>All obtaining PR, including above</b>	10,299,430	1,042,625	1,062,040	1,031,631	990,553

Source: (Department of Homeland Security 2014)

**Box 7 – United States: New landed immigrants and state of residence**

State of Territory of Residence	2009	2010	2011	2012	2013
<b>California</b>	227,876	208,446	210,591	196,622	191,806
<b>New York</b>	150,722	147,999	148,426	149,505	133,601
<b>Florida</b>	127,006	107,276	109,229	103,047	102,989
<b>Texas</b>	95,284	87,750	94,481	95,557	92,674
<b>All States, including above</b>	1,130,818	1,042,625	1,062,040	1,031,631	990,553

Source: (Department of Homeland Security 2014)

In addition to PR, there are also the non-immigrant admissions, which would include temporary workers and students. The United States operates a very complex visa system involving a substantial number of different visas depending on the needs of employees or applicants, with a focus on targeting highly skilled non-immigrants to work in the United States (American Immigration Council 2014). It is worth stating that under the category 'Temporary workers and families' there are around 29 different visa categories, the most critical (for our discussion) and utilised ones being:

- H1B – Workers in speciality occupations
- O1 – Workers with extraordinary ability or achievement
- L1 – Intracompany transferees
- E1/E2/E3 – Treaty traders and investors
- H2A – Agricultural workers
- H2B/H2R – Non-agricultural workers

The H1B visa is the most commonly used employer-sponsored visa, as employers can apply for a H1B visa for a potential employee assuming that there is a specialty occupation requiring 'theoretical and practical application of a body of highly specialized knowledge in a field of human endeavour'. Other 'Temporary workers and trainees' visas cover a wide range of classes including spouses and families of visa holders; nurses; international exchange programs; religious occupations; as well as those coming under the Australian Free Trade Agreement.

China and India are both source countries for large non-immigrant admissions into the United States, although there are many other key source countries. China sends the most international students to the United States each year, followed by India (103,000 in 2013-14) (Zong & Batalova 2015). See Box 8.

<sup>43</sup> Under the Immigration and Naturalization Act (INA), no group of permanent immigrants from a single country of origin (COR) can exceed 7% of the total number immigration to the US in a given year.



**Box 8 – United States: Non-immigrant (I-94) admissions in 2013 – top countries<sup>44</sup>**

Country of Citizenship	Tourists and business travellers	Students and exchange visitors	Temporary workers and families	Other
<b>Mexico</b>	16,925,645	250,450	633,610	170,989
<b>United Kingdom</b>	4,333,518	47,481	145,066	40,604
<b>Canada</b>	3,003,317	257,285	863,826	321,453
<b>Japan</b>	4,051,814	62,162	163,922	20,183
<b>Germany</b>	2,212,435	50,957	74,328	21,961
<b>Brazil</b>	2,035,737	48,803	33,059	25,555
<b>China</b>	1,623,290	391,068	53,736	30,707
<b>South Korea</b>	1,454,738	135,839	56,120	10,098
<b>India</b>	970,416	106,476	369,377	45,443

Source: (Department of Homeland Security 2014)

If we dive down into the Temporary workers and families subclass, we will note that Indian temporary workers (and to a lesser extent China temporary workers) are considered more skilled, and employed in more 'speciality occupations' proportionally, than those from many other countries. There were a total of 2,997,713 non-immigrant temporary worker admissions in 2013, including 369,377 Indian non-immigrant temporary worker admissions and 53,736 Chinese non-immigrant temporary worker admissions. While H1B visas make up around half of the Indian (51%) and Chinese (46%) admissions, H1B visas only make up around 16% of the total of all temporary worker admissions. See Box 9.

**Box 9 – United States: Temporary worker admissions in 2013 – India and China**

Country of Citizenship	H1B	O1/O2	L1	E1/E2/E3	H2A/H2B/H2R	Other
<b>All</b>	474,355	87,366	503,206	373,360	309,510	1,248,886
<b>India</b>	188,776	740	50,120	363	132	129,246
<b>China</b>	24,957	728	11,810	510	Unknown	Unknown <sup>45</sup>

Source: (Department of Homeland Security 2014)

India has been extremely proficient in the use of the H1B Visa, According to Chaudhuri, the key beneficiary of the H1B Visa when it comes to recruiting Indians has been the IT sector, and to a lesser extent, the Health sector. It seems that key IT multinationals including Dell, Microsoft, Google and Nokia were the largest sponsors of H1B visa holders from India (Chaudhuri 2011).

<sup>44</sup> While not on the list, Australia would be next with a total of 1,453,814 non-immigrant admissions in 2013.

<sup>45</sup> Undisclosed but numbers of H2A/H2B/H2R and 'Other' visas combined would be under 14,000.

## Appendix F: Australia's strategy for attracting skilled migrants

The Fraser government introduced a Business Migration Program in 1976 – the first of its kind in Australia. The goal of the program was to attract wealth business migrants to the country (Borowski & Nash 1994).

While cutting down on humanitarian and family intakes, the Howard government altered arrangements so that the immigration program became increasingly dominated by labour visa categories. The Government's policy reforms led to a large increase in the number of foreign workers entering through various permanent and temporary visa categories. Immigration was used increasingly to meet demands following a steady fall in unemployment and a corresponding rise in job vacancies during the sustained economic growth of the mid-1990s to the late 2000s (Wright 2012). From 1998-2007, skilled migrants per year increased from around 27,000 to 61,000, while family and humanitarian migrants increased from 21,000 to 37,000 and 9,000 to 12,000 respectively (Collins 2008). This was a reversal of the trend since the mid-1970s, which had seen family visa categories dominating the permanent immigration program (and work visas being only a comparatively small share of yearly intakes) (Jupp 2007).

Some early Howard immigration initiatives included increasing the non-sponsored visa intake, with a particular focus on strengthening pathways between student visas and work visas – It became much easier for international students to apply for non-sponsored work visas 'on-shore' after completing their studies (Wright 2012). Almost half of the recipients of permanent non-sponsored visas in 2007-08 originally went to Australia on student visas (Birrell & Perry 2009). The Howard government correctly believed this incentive of a work visa gave Australia a competitive advantage in the international student industry. The export value of Australia's international student sector grew from A\$1.2 B in 1991-92 to A\$10.1 B in 2005-06. By 2008, Australia was the fourth largest recipient country in the world for foreign students. Increasing overseas student interest was matched by the increasing willingness of Australian universities, strapped for cash, to host full-fee paying foreign students (Collins 2008). The vast majority of Australia's international students come from Asian countries (China, India, Korea, Malaysia, Japan, Hong Kong, Thailand, Indonesia and Singapore), in addition to a substantial number of US students.

After 2002, the Howard government focused on employer-sponsored visas. Escalating labour shortages in 2005 led to substantial immigration reform in April 2005. Howard justified relaxing immigration controls by arguing it would reduce unmet demand in the labour market and diminish the risk of wage inflation (Anon 2006). He also argued that 'it takes a while to re-train people'. These reforms included:

- expansion of work visas
- relaxation of rules making it easier for employers to sponsor applicants on permanent and temporary work visas
- various skills initiatives

Critics of these changes argued that employers may have become more reliant on immigration (Wright 2012). It was pointed out that employers had 'less incentive to train Australian apprentices' (Toner & Wooley 2008).<sup>46</sup> One study showed that 89% of employers cited an absence of suitable labour within Australia as an important reason for using temporary work visas (Khoo et al. n.d.). Employers would use the Subclass 457 visa, a visa introduced in 1996 for

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<sup>46</sup> However, it should also be noted that many factors undermined employer training. The Howard government also extended workplace bargaining and market-based training, and there was arguably a steady erosion of transferable skills, decline in enrolments in trade-based apprenticeships, and a dwindling of public and private skills investment. There was increased poaching, and the prospect of trained workers leaving for other firms lowered the incentive for employers to invest in skills development. Labour market deregulation also led to a rise in casual (rather than permanent or part-time) employment, from 16% of the total workforce in 1985 to 27% in 2002. See C.F. Wright, 2012, Immigration Policy and Market Institutions in Liberal Market Economies, *International Relations Journal*, 43(2), pp.110-136.

employers who would like to employ overseas workers to fill nominated skilled positions in Australia (Oke 2010).

In addition to the push for increased skilled migration, the Howard government also made some changes to business migration. In March 2003, it introduced three Business Skills Processing Centres and a two-stage process for new business migrants. In 2006-07, 4,800 Business Skills visas were granted, a drop from the 5,670 in 2003-04 (Collins 2008). For high-calibre business migrants (those sponsored by States and Territories), a direct permanent residence category is still available called the Business Talent visa.

Another major change during the Howard era was Australia's shift from a 'settler immigration society' to something else ('guest worker' country?). 2001 marked the first time that the number of people granted long-term visas to work in Australia – temporary immigrations – exceeded the number granted permanent immigration entry (Graeme Hugo 2003). Between 1982 and 2000, while the growth in settler immigration to Australia was 11%, long-term residents grew by 65% and long-term visitors grew from 30,000 to 133,000 (Macken 2003). A range of visa categories was introduced during this explosion of temporary migration to Australia, which fell into three classes: economic, social and cultural, and international relations. It is argued that skilled migration until the Subclass 457 visa had driven this increase, given that it contributed to over half of all migration to Australia, a significant number (Phillips & Spinks 2011). Once Subclass 457 was introduced, it became the most common scheme used for employers to sponsor foreign nationals to work in Australia on a temporary basis, subject to certain sponsorship and eligibility requirements (Australian Law Reform Commission 2012). During labour shortages, some multinationals had taken an interesting approach to the high cost issue in Australia. Leighton Group, for example, established training institutions in overseas countries to train large numbers of workers with the view to encourage them to apply for a temporary 457 visa to work on Australian mining sites (Bahn et al. 2012).

The Howard Government also initiated a number of policy initiatives to try and drive migration away from the cities and toward rural areas. This stemmed from a May 1996 annual meeting of the Commonwealth, State and Territory Ministers for Immigration and Multicultural Affairs which established a working party to examine ways in which to push migrants toward regional Australia and toward areas which were lagging economically (Hugo 2011). See Box 1.

#### **Box 1 – Australia's version of the PN Scheme**

- In 1997, the State/Territory Nominated Independents (STNI) visa scheme was established
- Regional 457 Visas were introduced to allow rural and regional businesses to bring skilled workers into Australia, with lower requirements than normal 457 visas
- Bonus points for general skilled migration applications obtaining qualifications from regional Australian university campuses
- Introduction of the State Specific and Regional Migration Scheme (SSRM) and the Regional Sponsorship Migration Scheme (RSMS) in 1995-96.
- Regional Established Businesses in Australia Programme, and the Skills Designated Areas Sponsored Visa (SDAS)

The SSRM allowed state and territory governments to address skill shortages and attract overseas business people, and encourage a more balanced settlement of Australia's skilled migrant intake. By 2011-12, there were around 48,000 in the SSRM intake. From 1997-98 to 2008-09, it increased its share of the total non-humanitarian intake from 2.3% to over 20%. Some states have been heavier users of SSRM than others. South Australia, for one, is a heavy use of the scheme.

The RSMS is an employee-sponsored category only pertinent to employers in designated areas, where temporary residents in Australia or others abroad can be sponsored to fill a skilled position for a minimum of two years, after which migrants could convert to permanent residency. By 2011-12, there were around 16,500 in the RSMS intake.

Source(s): (Taylor et al. 2014)

However, the concentration of immigrants in urban centres remains an issue. As of 2001, 83% of overseas-born persons in Australia resided in major cities, compared with around 61% of the Australian-born population (Productivity Commission 2006).

In 2010, the Gillard Government initiated an ongoing reform process for the skilled migration process. It had been argued that many workers on temporary 457 visas were at risk of exploitation – reduced wages, conditions and political and social rights (Oke 2010). For example, the requirement that a worker under the 457 visa work in employment reflective of their skills they were brought into Australia for means that in essence workers are often tied to specific employers. The Labor Government worked to fix some issues through requiring parity of working hours and remuneration between international and Australian workers (Bahn et al. 2012).

In November 2010, the Gillard Government introduced a new Skills Migration Point Test to assess independent skilled migrants, which emphasised the importance of English language proficiency, work experience, high level qualifications, and which gave preference to those aged between 25 and 35. This process was implemented in a 2012 skilled worker program called the Skilled Migrant Selection Register/General Skilled Migration (GSM) Program (or SkillSelect). This meant that in practice there are two key pathways today by which a skilled person can gain entry into Australia (Australian Law Reform Commission 2012):

- **General Skilled Migration (GSM) Program (SkillSelect)**, for those not sponsored by a company. Applicants are assessed on a 'points' test, which looks at a number of factors including age, professional and academic experience, and whether applicants fall within one of the designated skilled migration occupations.
- **Employer-Nominated visas**

There are also a number of unique Business Entry visas that successful businesspersons can utilise to migrate to Australia, with new SIV and PIV frameworks announced in late 2014. These visas include:

- **Business Owner Visa**, where an annual turnover of at least AU\$500,000 is expected in the business
- **Senior Executive Visa**, for senior managers who can illustrate significant business management experience
- **Business talent Visa**, another territory/state sponsored visa for successful businesspersons with significant assets.
- **Significant Investor Visa (SIV)**, where SIV applicants will need to invest a least AU\$5 million over four years in complying investments including at least AU\$500,000 in venture capital or growth private equity funds investing in SMEs, at least AU\$1.5 million in eligible managed funds or listed investment companies, and a 'balancing investment' of up to AU\$3 million that can also include Australian listed securities and bonds as well as real estate (subject to 10% limit on residential real estate)
- **Premium Investor Visa (PIV)**, which aims to attract a small number of highly talented and entrepreneurial individuals. The Government has to nominate an individual for this visa.

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