

## **Securing Australia's Future project 11**

### **Australia's Diaspora Advantage: Realising the potential for building transnational business networks with Asia.**

Launch event address by Professor Fazal Rizvi

Thurs 26 May 2016, Canberra

Thank you very much, Professor Finkel for launching this important report, and, Professor Fitzgerald, for your kind remarks about our work. We – the members of ACOLA's Expert Working Group – remain very excited about our analysis and are hoping that the report will be read widely – and that government agencies, as well as business and other organisations, will consider our ideas seriously. We feel that the timing of our report could not be any more appropriate, especially as we try to understand the meaning and requirements of a diversified economy.

When we began the work on this report some 12-months ago, each of us was already convinced that Asian Australians were making a major contribution to the Australian economy. But as our research proceeded, we were led to new insights about how this was the case, and how our analyses might not only have far-reaching implications for conceptualising the role of Australia's Asian business communities in further enhancing Australia's economic integration into Asia, but also for helping to realise its potential.

From my perspective, perhaps one of the most significant aspects of our analysis, relates to the need to recognise the limitations of our traditional thinking of Asian Australians in terms of what we are calling the logic of migration. This logic involves a focus on issues of recruitment and settlement. But that is only but a small part of the Asian Australian story. While migrants clearly constitute a major part of Australia's Asian communities they do not exhaust them. These communities are much extensive than only the migrants.

Most academic and policy discussion of Asian Australians centres on people born in Asia – on issues of settlement and citizenship. It does not adequately consider the experiences of those Australians, who, while they were born in Australia continue to identify with an Asian cultural origin. They include people of mixed backgrounds, temporary residents in Australia for work or study, and those who remain connected to Australia even when residing elsewhere. I have always found the notion of second and third generation migrants somewhat odd and incoherent. A better term is needed.

Our deliberations led us to conclude that the term 'diaspora' better describes the target population of this report. It better captures all the people and communities living and working in Australia who identify as having an Asian origin. Diaspora, in our view, is a term that is more inclusive of the diversity of Asian Australians. The Diversity Council Australia estimates this to be approximately 17 per cent of Australia's population – much larger than the number captured by the Australian Bureau of Statistics' place of birth and migration data.

There is yet another – perhaps a more serious – limitation with the traditional migration logic. It does not sufficiently recognise the ways in which the migration experiences have changed over the years. Developments in communication and transport technologies have enabled diasporas to remain in touch with their home communities in a whole range of new ways – on an on-going basis, in real time – enabling them get the latest on cultural and economic trends there. It has also enabled them to become engaged in global diaspora networks. Not all members of the diaspora community take advantage of this, of course, but most do.

In our view, the possibilities of connectivity and global networks have created new opportunities for transnationally dispersed people everywhere in the fast globalising economic space. Our research shows that many of Australia's Asian business diasporas are taking advantage of these opportunities, and many others would like. If this is so then this should be regarded as a major competitive advantage that Australia has. We call this Australia's 'diaspora advantage'. This advantage lies in the linguistic skills and cultural knowledge that the diaspora often have, as well as their experiences of intercultural communication.

But beyond this, it is an advantage that lies in their diasporic networks. If Adam Smith once talked about the 'wealth of nations', perhaps we should now consider the 'wealth of diaspora networks', which can greatly benefit nations and their economic prosperity. Indeed, as most economists now tell us, national economic prosperity now depends largely on the ways in which nations are able to harness the global flows of ideas, capital and people.

We know that the global economy is resulting in new modes of investment, production, distribution and consumption. We realise also that these transformations are producing new trade opportunities for Australia, especially in Asia. As the Australian economy transitions from a reliance on resources towards a more diversified economy, knowledge-based products and services, often linked to particular cultural practices and markets, have never been more important.

Australia's Asian business diasporas are already playing – and have the potential to play an even greater – role in this transitional economy. They are a rich source of innovation, enterprise and entrepreneurialism. A great proportion of the Asian diasporas are well educated, highly skilled and already driving new developments in the knowledge-intense, technology-intense and culture-intense industries, such as education, retail and tourism.

Australia's Asian business diasporas are already stimulating and influencing trade, investment, technological innovation and knowledge flows between Australia and Asia. They are thus a potent economic force for Australia. Yet the diaspora advantage they represent is insufficiently recognised, understood and certainly under-utilised within the broader Australian community, including its business community.

The policy questions for Australia are: how might we map the contribution of Australia's growing Asian diasporas to the Australian economy, better understand how they participate and contribute to the culture of enterprise and innovation; identify the challenges they confront; and discuss the ways in which governments, industries and associations might address these challenges.

This is what our report has attempted to do. It uses case studies from two of the largest Asian-Australian communities – Chinese and Indian – to deepen our understanding of the role of Australia's Asian business diasporas in maximising commercial links with Asia. We selected the Chinese and Indian business diasporas as our case studies because they are two of the largest and fastest growing business communities in Australia.

China is Australia's largest trade partner and India is set to become highly significant. China and India, of course, represent two distinct and the contrasting cases with respect to both the nature of their economies and also their cultural and political traditions. But these case studies and the contrast between them suggest important insights and lessons.

So while this report centres on the Chinese and Indian business diasporas in Australia, its analysis points to broader inferences and possibilities. As a result, this work is highly applicable to Australia's other Asian diaspora communities. It is especially relevant as the next emerging Asian economic powers, which are expected to be Indonesia, Vietnam and the Philippines.

Our report notes that the opportunities that business diasporas have been able to exploit in Australia are built on such policies, multiculturalism, productive diversity, access and equity, and smart engagement with Asia. These policies have created a supportive economic, cultural and political climate for Asian business diasporas, leading them to become confident about investing in new business ventures and in pursuing innovation and transnational enterprise.

However, much more needs to be done to better understand and tap the economic potential of their knowledge and skills, and of course their transnational networks for trade, investment and innovation. Our interviews with over 100 Asian Australian business entrepreneurs reveal that they face major impediments in realising their desire to make a greater contribution to the Australian economy. They consider that governments, institutions, industries and the broader Australian community need to more adequately understand and recognise their contributions and potential.

And they have a point. Members of the Asian business diasporas continue to be under-represented in public life, industry councils, business associations, science and research collaborations, and trade delegations. Governments, business councils and industry associations can greatly benefit from their increased representation, because business diasporas are often closely linked to innovative transnational business practices and better understand the shifting nature of Asian markets and consumer preferences.

The question of how to realise Australia's diaspora advantage in the global circulation of ideas, knowledge, people and capital is of critical importance. Isolated, piecemeal and ad hoc efforts are no longer sufficient. Australia needs to develop a strategic national approach to recognise the resources of the Asia business diasporas and develop mechanisms that enable them to contribute simultaneously to the economic interests of Australia and their country of family origin.

This report informs such possibilities by outlining some of the ways in which the Chinese and Indian governments are seeking to take advantage of the skills and networks of their diasporas abroad. These governments have recognised the important role diasporas can play in the global economy. Australia needs to do the same, establishing diplomatic conversations about how diasporas can contribute to interests that are reciprocal and mutually beneficial.

The report considers how economies similar to Australia's – the United States, Canada, Germany and Singapore – work with their own business diasporas to forge transnational commercial links, using the knowledge, skills and networks their diasporas possess. It finds that these countries' efforts too are still located within a migration framework, designed to recruit skilled immigrants, rather than consider ways of working with their already existing diaspora networks.

Australia has an opportunity to take a leading international role in understanding how diasporic transnational experiences and networks can contribute to establish stronger economic relations and enhancing business and innovation productivity, and develop policies that utilise this comparative advantage to drive future engagement in the region.

We feel that we are at the beginning of this work of conceptual clarity and policy innovation, and hope that our report will contribute to wide-ranging discussions, helping us all to imagine a future in which the possibilities of global interconnectivity can benefit us all.

Thank you.